

To: Mayor and Council
From: Paul Gipps, CAO

Meeting Date: July 15, 2025
Meeting Type: Regular Council Meeting

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

Title: Kelowna Regional Fare Review Update

Description: To provide an update on the Transit Fare Review outcomes and seek direction on implementing the recommended fare strategy.

RECOMMENDATION

THAT the Fare Increase outlined as Option 1, Recommended Increase, in Table 1: Current Fare Rates and Fare Options, in the Report to Council dated July 15, 2025, be approved and implemented effective October 1, 2025; AND THAT staff be directed to increase the UPASS rate to align with the 30-day Adult Pass rate (less approved administrative costs); AND THAT implementation of automatic DayPASS and DayPASS on board in place of the current transfer policy be approved; AND FURTHER THAT implementation of the EcoPASS program allowing for bulk transit purchases by developers on behalf of future residential tenants be approved.

EXECUTIVE SUMMARY

As requested by local government and First Nation partners in 2024, BC Transit has conducted a comprehensive fare review for the Kelowna Regional Transit System. This fare review was conducted in partnership with the following regional partners:

- District of Lake Country
- City of Kelowna
- City of West Kelowna
- Westbank First Nation
- District of Peachland
- Regional District of Central Okanagan

The fare review aims to modernize fare options, improve cost recovery, and enhance the rider experience. The proposed changes focus on long-term sustainability, equity, and affordability, in alignment with BC Transit Fare Guidelines.

The Kelowna Regional Transit System's fare structure hasn't changed since 2015, despite rising operating costs. **Fare revenue is shared among local government and First Nation partners, who must unanimously approve any changes.** The 2024 launch of BC Transit's Umo electronic fare system has modernized fare collection and enabled new fare options. Public input was gathered through an online survey as part of the review process.

BC Transit has the following recommendations as an outcome of this fare review for the Kelowna Regional Transit System:

- Endorse Option 1 fare change, effective as of October 1, 2025
- Increase the U-PASS fee at UBCO to \$80 less approved administration costs
- Replace the existing transfer policy with the DayPASS system
- Introduce the EcoPASS pre-paid fare program

Table 1: Current Fare Rates and Fare Options

| Fare Product | | Existing Fares | Option 1 Recommended Increase | Option 2 Fare Guideline Alignment | Option 3 Cost Recovery Goal |
|------------------------------|----------------------|----------------|-------------------------------|-----------------------------------|-----------------------------|
| Single Ride | | \$2.50 | \$3.00 (+20%) | \$3.00 (+20%) | \$4.00 (+60%) |
| DayPASS* | | \$5.00 | \$6.00 (+20%) | \$6.00 (+20%) | \$8.00 (+60%) |
| 10 Rides | Adult | \$22.50 | Discontinued | | |
| | Concession | \$20.25 | | | |
| 30 Day / Monthly Pass | Adult | \$70 | \$80 (+14%) | \$80 (+14%) | \$112 (+60%) |
| | Concession**(Senior) | \$45 | \$55 (+22%) | \$68 (+51%) | \$95.20 (+111%) |
| Post-Secondary 30-Day Pass | | \$55 | \$65 (+18%) | \$68 (+23%) | \$95.20 (+73%) |
| Post-Secondary Semester Pass | | \$176 | \$208 (+18%) | \$217 (+23%) | \$304.64 (+73%) |
| 5-Tickets (handyDART) | Adult | \$11.25 | \$15 (+33%) | \$15 (+33%) | \$20 (+77%) |
| | Senior | \$10 | \$15 (+50%) | \$15 (+50%) | \$20 (+100%) |

Table 2: Comparison of Transit System Fares

| Transit System | Population Served | Ridership | Adult Fare | Adult Pass | Senior Pass | Student Pass |
|-------------------------------|-------------------|------------|---------------|----------------|----------------|----------------|
| Kelowna, BC (existing) | 164,014 | 6,253,275 | \$2.50 | \$70 | \$45 | \$55 |
| Kelowna, BC (Option 1) | | | \$3.00 | \$80 | \$55 | \$65 |
| Nanaimo, BC | 129,023 | 3,581,974 | \$2.75 | \$65 | \$45 | \$55 |
| Central Fraser Valley, BC* | 163,581 | 1,826,023 | \$2.25 | \$52 | \$38 | \$35 |
| Victoria, BC | 409,189 | 24,754,924 | \$3.00 | \$85 | \$45 | \$45 |
| Regina, SK | 239,236 | 10,285,051 | \$3.25 | \$88 | \$30 | \$60 |
| Windsor, ON | 229,660 | 9,487,527 | \$3.75 | \$118 | \$60 | \$81 |
| Canadian Average | | | \$3.50 | \$90.20 | \$52.24 | \$67.07 |

FINANCIAL IMPLICATIONS

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

The recommended fare option 1 is projected to increase Lake Country's annual share of fare revenues by \$38,598 and serve to stabilize cost recovery to maintain the balance of user pay and public subsidy. Cost recovery has been declining since 2019 and are below the system target of 35%.

If option 1 is implemented October 1, 2025, the District would realize approximately one quarter (3 months) of increased revenue or approximately \$9,650. Revenues in the subsequent full fiscal year would rise by the forecasted annual increase and could grow further should the impacts to ridership growth be less than forecasted.

COMMUNICATION

A transit fare increase will be communicated via multiple channels including media release, the BC Transit website, postings within buses, and in transit print materials such as Riders Guide schedule booklets.

Respectfully Submitted.

Matthew Salmon, Infrastructure & Development Engineering Director

Report Approval Details

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|----------------------|---------------------------------------------------------------------------------------------------------------------|
| Document Title: | Kelowna Regional Fare Review Update.docx |
| Attachments: | - Attachment 1 - Kelowna Fare Review 06122025.pdf - Attachment 2 - Kelowna Fare Review Presentation 06122025.pdf |
| Final Approval Date: | Jul 9, 2025 |

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

Trevor James, CFO, Director of Finance & Administration - Jul 9, 2025 - 9:42 AM

Reyna Seabrook, Director of Corporate Services - Jul 9, 2025 - 12:33 PM

Paul Gipps, Chief Administrative Officer - Jul 9, 2025 - 3:05 PM

Makayla Ablitt, Legislative & FOI Coordinator - Jul 9, 2025 - 4:05 PM