



Kelowna Regional Transit System Fare Review Report

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

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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. The objective is to update the fare structure to improve cost recovery, modernize fare options, and enhance rider experience, while maintaining affordability and alignment with BC Transit Fare Guidelines. The proposed changes are intended to support long-term system sustainability, enhance equity and convenience for riders, and improve financial performance in a balanced and reasonable manner.

This fare review was conducted in partnership with the following regional partners:

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

Fare Review Context

- The current fare structure has remained unchanged since 2015, despite significant increases in operating costs due to inflation and post-pandemic impacts.
- Fare revenue is shared between all local government and First Nation partners, based on ridership and service hours.
- All decisions regarding fares must be unanimously approved by all local government and First Nation partners to allow for implementation.
- The introduction of BC Transit's electronic fare system, Umo, in 2024, has modernized fare collection and enables enhanced fare products and data collection.
- As a part of the fare review, BC Transit undertook public consultation to gain insights from residents within the Kelowna Regional Transit System in the form of an online survey.

Fare Review Outcomes

DayPASS System Implementation

- Replace the 90-minute transfer policy with an automatic DayPASS system which simplifies fare policies and improves fairness, particularly for customers taking multiple buses. Riders paying with Umo would automatically receive a DayPASS after purchasing two fares in a day, with the option to purchase a paper DayPASS onboard by paying twice the base fare. Moving to the DayPASS system requires discontinuing the 10-Rides product available to riders within Umo.

EcoPASS Bulk Purchase Fare Program

- Introduce the EcoPASS bulk purchase program, allowing BC Transit to facilitate bulk purchase transit access, establishing transit funds that eligible riders can draw down from in real-time.

Fare Changes

This report presents three fare change options for consideration, with analysis provided on revenue and ridership impacts outlined below in Table 2.

- Option 1: Recommended Fare Increase**
 Increasing the base Single Ride fare to \$3.00 and increase 30-Day and Monthly pass rates modestly by \$10. The Semester pass would follow BC Transit's guidelines with a 20% discount provided. This option would increase revenue by \$1.15M (+16.4%) factoring in a small decrease in transit ridership growth.
- Option 2: Full alignment with BC Transit Fare Guidelines.**
 Increasing the base Single Ride fare to \$3.00 and adjusting all pass products to align with BC Transit's recommended Fare Guidelines. This option would increase revenue by \$1.58M (+22.5%) factoring in a decrease in transit ridership growth. This option would necessitate a large increase to Concession Pass pricing.
- Option 3: Cost Recovery Goal**
 To meet the Kelowna Regional Transit System's cost recovery goal of 35%, Option 3 increases the Single Ride fare to \$3.50 and adjusts all pass products to align with BC Transit's recommended Fare Guidelines. This option would increase revenue by \$2.18M (+31%) factoring in a larger decline to anticipated ridership growth due to the large fare increases.

Table 1: Proposed 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%)	\$3.50 (+40%)
DayPASS*		\$5.00	\$6.00 (+20%)	\$6.00 (+20%)	\$7.00 (+40%)
10 Rides	Adult	\$22.50	Discontinued		
	Concession	\$20.25			
30 Day / Monthly Pass	Adult	\$70	\$80 (+14%)	\$80 (+14%)	\$87.50 (+25%)
	Concession**	\$45	\$55 (+22%)	\$68 (+51%)	\$74.38 (+65%)
Post-Secondary 30-Day Pass		\$55	\$65 (+18%)	\$68 (+23%)	\$74.38 (+35%)
Post-Secondary Semester Pass		\$176	\$208 (+18%)	\$217 (+23%)	\$238 (+35%)
5-Tickets (handyDART)	Adult	\$11.25	\$15 (+33%)	\$15 (+33%)	\$17.50 (+55%)
	Senior	\$10	\$15 (+50%)	\$15 (+50%)	\$17.50 (+75%)

*DayPASS-on-Board and Fare Capping to generate automatic DayPASS.

** Concession fare valid for youth aged 13-18 and persons 65 and over.

Table 2: Conventional Transit Fare Options Quantitative Analysis

Quantitative Analysis	2024/2025 Actuals	Option 1 Recommended Change	Option 2 Fare Guideline Alignment	Option 3 Cost Recovery Goal
Passenger Fare Revenue	\$5,369,062	\$6,275,953	\$6,707,534	\$7,275,971
U-PASS Revenue	\$1,556,879	\$1,784,601	\$1,784,601	\$1,818,295
ProPASS Revenue	\$100,083	\$114,240	\$114,240	\$116,025
Total Fare Revenue*	\$7,026,024	\$8,174,795	\$8,606,376	\$9,210,291
Revenue Increase	-	\$1,148,771 (+16.4%)	\$1,580,352 (+22.5%)	\$2,184,267 (+31%)
Total Ridership**	6,540,465	6,585,233	6,450,535	6,331,984
Ridership Variance	-	-164,712 (+0.68%)	-299,410 (-1.4%)	-417,961 (-3.19%)
Cost Recovery	31%	31%	33%	35%

*Total Fare Revenue excludes revenue from BC Bus Pass and the Children 12 & Under program

**Total Ridership projections includes budgeted ridership increases from the 2025/2026 budget

Recommendations

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

Current Fare Structure

The current fare structure has remained largely unchanged since 2015, despite increases in operating costs due to inflation and service expansion. Fare pricing is aligned across conventional (fixed route) transit and custom (handyDART) transit, and any changes to fares that are approved will be applied to both forms of transit service.

With the introduction of BC Transit's electronic fare technology, Umo, in 2024 minor changes to fare products to improve customer ease of use were introduced, including:

- Replacing the Monthly Pass with a 30-Day Pass;
- Adjusting the transfer window to provide a consistent policy across all Umo systems, offering customers a 90-minute transfer window for their next bus; and
- Decreasing the DayPASS rate from \$6.50 to \$5.00 (two times the Single Ride fare).
- Renaming the Student/Senior Pass product to Concession Pass

Umo also introduced the ability for customers to load a Cash Balance to their Umo account to pay for Single Ride fares as an alternative to Cash. To finalize the transition to Umo, as of October 2024, physical fare products were discontinued on Conventional transit service.

At this time, Umo is only available on conventional transit, and as such some fare products are only available for use on custom transit, such as the 5-ticket product and physical Adult and Senior Monthly passes. Fare pricing between the 30-Day and Monthly passes are consistent across conventional and custom transit.

Riders can expect Credit and Debit tap payments to be available in the near future as another improvement that Umo validators allow for.

Table 3: Existing Fare Structure

Fare Product		Fare Price
Single Ride		\$2.50
DayPASS*		\$5.00
10-Rides	Adult	\$22.50
	Concession**	\$20.25
30 Day / Monthly Pass	Adult	\$70
	Concession**	\$45
Post-Secondary 30-Day Pass		\$55
Post-Secondary Semester Pass		\$176
5-Tickets (handyDART)	Adult	\$11.25
	Senior	\$10

*DayPASS-on-Board and Fare Capping to generate automatic DayPASS.

** Concession fare valid for youth aged 13-18 and persons 65 and over.

BC Transit Fare Guidelines

BC Transit's Fare Guidelines are based on industry best practice and have been developed to provide guidance to local governments in setting fares. The Fare Guidelines promote a balance between maximizing fare revenues while maintaining affordability and growing ridership. BC Transit's fare strategy focuses on fare products that are attractive to customers, encourage ridership, and are easy to sell.

Table 4: BC Transit Fare Guidelines

Product	Audience	Price Guideline
Single Ride	All	Base
DayPASS Onboard	All	2 times Base Fare
Adult Pass	All	20 to 30 times Base Fare
Concession Pass	Senior/Youth/Student	Adult Pass less 15%
University Semester Pass	Post-Secondary Student	4 times Student Pass less 20%
No Fare Transfers		

BC Transit's fare guidelines promote a simplified fare structure wherever possible to reduce confusion from riders when choosing to ride and purchase fare products.

The Kelowna Regional Transit System operates with a 90-minute transfer window for passengers paying with a single ride fare or 10-rides product, and a pre-purchased DayPASS product for unlimited travel in a single day.

BC Transit recommends a DayPASS system which replaces the transfer policy by offering all day transit for riders at the rate of two times a Single Ride fare, offering unlimited rides that day after the payment of the second fare.

Outside of fare product alignment, the fare guidelines also include pricing recommendations as outlined in Table 4. Note that the current Concession and Post-Secondary 30-Day Passes in the Kelowna Regional Transit System, as well as the Semester Pass, currently fall below the Fare Guidelines. Any recommended fare changes included in this Fare Review will aim to align with the Fare Guidelines outlined below as much as possible, with the goal of full alignment remaining for future fare reviews.

Sources of Fare Revenue

The Kelowna Regional Transit System has several sources of fare revenue from existing fare products. The largest revenue source from fare products is the 30-Day Concession Pass, followed by Single Ride fares in the form of Cash and Umo Cash Balance purchases. U-PASS revenue makes up 19 per cent of the revenue from fares and is received from students paying U-PASS fees through their tuition payments at the University of British Columbia Okanagan Campus (UBCO). Currently, the U-PASS pricing aligns with the Adult Pass rate at \$70, with the transit system retaining \$67 after the removal of administration fees. The Kelowna Regional Transit System also has an employer pass program, ProPASS, that provides discounted travel to participating organization's employees facilitated through payroll deductions.

The Kelowna Regional Transit System's local government partners can approve changes to all sources of fare revenue outside of the BC Bus Pass and Free Transit for Children 12 and Under program, which are provincially funded initiatives and applied to the local government's budget according to provincial allocation models. BC Transit has agreements with the province to deliver these programs across all of BC Transit, and as such they fall beyond the scope of this fare review.

Figure 1: Kelowna Regional Transit System Conventional Fare Product Revenue for 2024/25

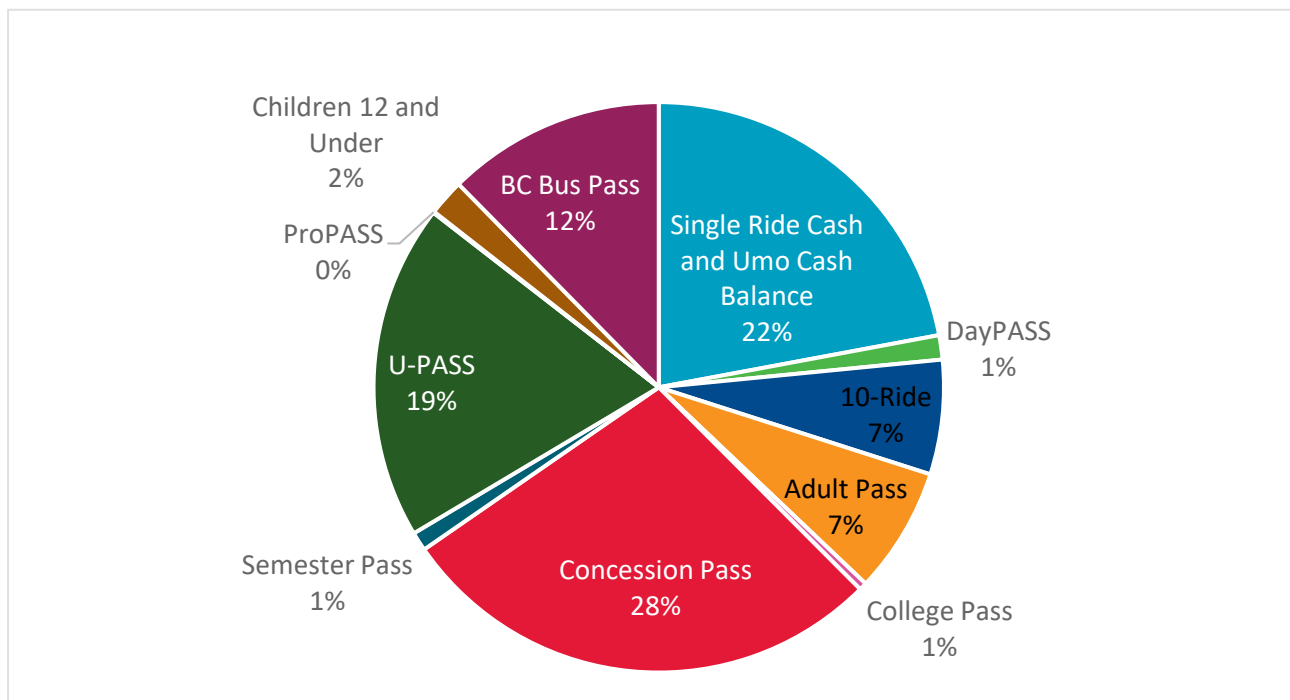
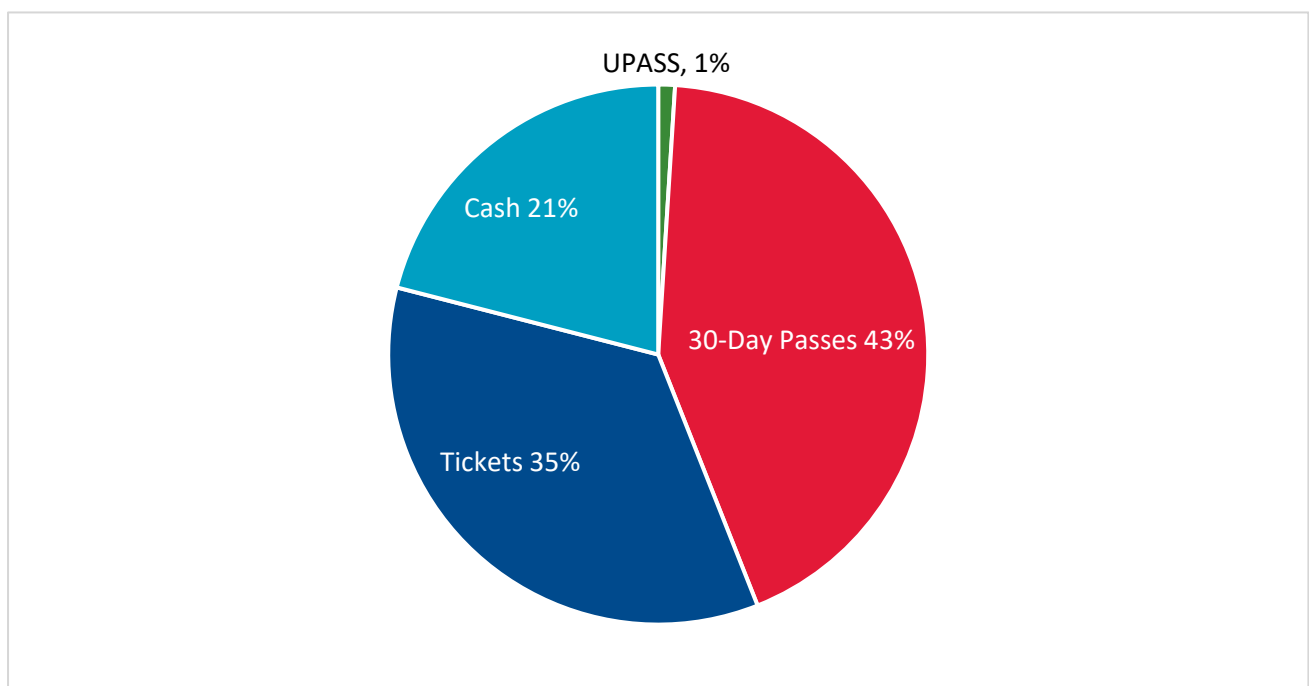


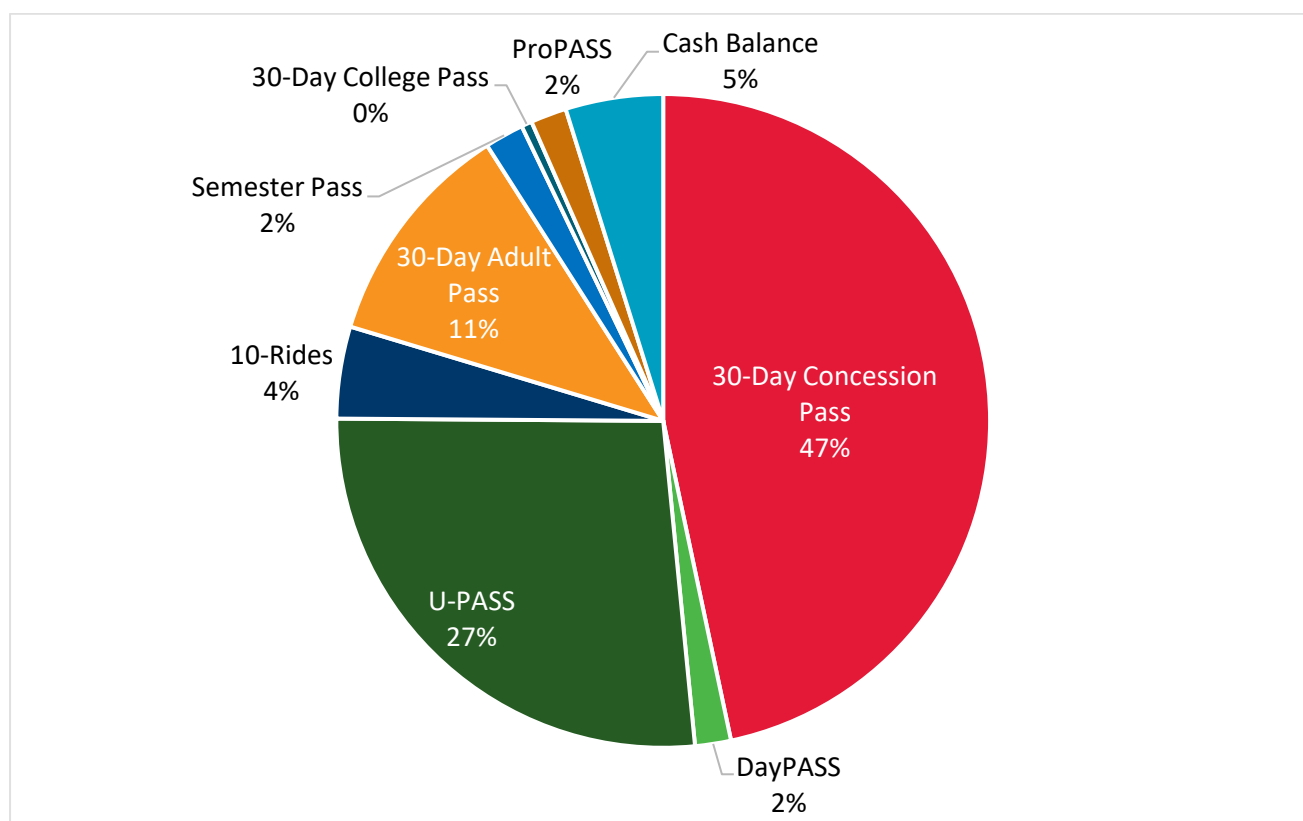
Figure 2: Kelowna Regional Transit System Custom Fare Product Revenue for 2024/25



Umo Usage

As of October 2024, the Kelowna Regional Transit System has fully transitioned its conventional system to Umo and phased out physical pass and ticket sales. As customers have transitioned to Umo, BC Transit is now able to gather insights that were previously unavailable, such as ridership based on fare product. Figure 3 shows ridership by fare product from January – April 2025 which provides insights on customer usage in the system. BC Transit will continue to explore how Umo usage and data can be further leveraged to inform future fare reviews.

Figure 3: Kelowna Regional Transit System Umo Ridership by Product January – April 2025



Key Metrics

Table 5 highlights key system metrics for the Kelowna Regional Transit System as a baseline for this fare review. Operating Cost Recovery was calculated based on total revenue (farebox, tickets & passes, Youth 12 & Under, BC Bus Pass, and advertising where applicable) divided by the total operating cost, but excluding lease fees (costs charged for capital amortization and debt servicing) and infrastructure project development. For comparison, the tier average provided is based on similarly sized BC Transit systems.

Table 5: Key Performance Measures 2024/2025

Measure		2023/2024 Tier Average
Passenger Trips	6,540,465	
Year over Year Passenger Trip Increase	4.6%	
Total Revenue	\$8,642,496	
Year over Year Revenue Increase	4.36%	
Revenue From Passenger Fare Sources	\$7,026,024	
Revenue / Trip	\$1.32	
Operating Cost / Passenger Trip	\$4.23	
Operating Cost Recovery	31.2%	
		\$1.23
		\$4.70
		26.36%

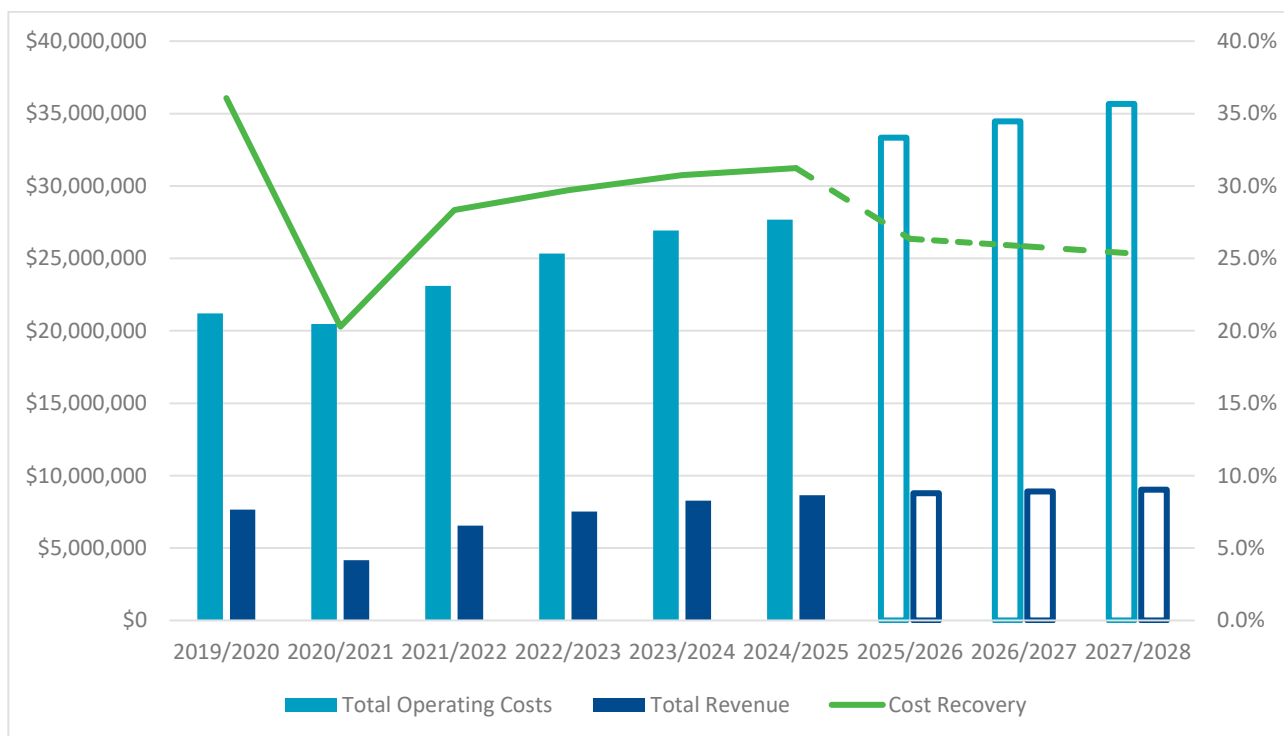
Cost Recovery

The following figure shows total fare revenues, total transit system operating costs, and the corresponding cost recovery over the past five years. Operational costs are also included as a forecast over the next three years. The budgeted increases do not include any increases from expansion or infrastructure investments.

The Kelowna Regional Transit System has an approved cost recovery target of 35 per cent set as per the Central Okanagan Transit Service Guidelines. Prior to the COVID-19 pandemic, fare revenue was able to recover costs at this level, but cost recovery has not reached these levels since 2019. With operational costs expected to continue to increase over the next three years, it is expected that cost recovery will continue to decline with the current fare structure. For the purposes of this report, cost recovery outlined is calculated using fare revenue only, and varies slightly from the Operating Cost Recovery utilized by BC Transit

Local government and First Nation partners will need to allocate additional funding to transit in order to meet these increased costs, which can be done through a mix of increasing passenger fares and property taxes, at local government's discretion. Similar to conventional transit costs, custom transit (handyDART) has seen decreased cost recovery, with pre-pandemic cost recovery at 6 percent and 2024/2025 cost recovery for custom transit at 3 percent, which is slightly less than average.

Figure 4: Kelowna Regional Transit System Conventional Cost Recovery 2019 - 2028



Local Revenue Sharing

The Kelowna Regional Transit system is comprised of six local government and First Nation partners. Fare revenue is collected by the City of Kelowna prior to being shared between partners based on agreed upon percentages determined through local ridership and service hours and a pre-determined cost-sharing agreement.

To understand how the fare review considerations may impact local partners, a breakdown of the revenue and ridership for each regional partner is included below.

Table 6: Regional Partner Ridership and Revenue Allocation 2024/2025

Regional Partner	Ridership	Ridership %	Revenue
City of Kelowna	5,622,838	85.97%	\$6,373,902.40
City of West Kelowna	533,702	8.16%	\$772,719.06
Westbank First Nation	155,663	2.38%	\$230,548.10
District of Lake Country	180,517	2.76%	\$272,185.93
District of Peachland	37,281	0.57%	\$61,752.77
Regional District of Central Okanagan	11,119	0.17%	\$12,357.08

Transit System Comparison

To determine reasonable fare levels for the Kelowna Regional Transit System, the following table provides a comparison of Canadian transit systems that serve similar population sizes and have similar total annual ridership or are in close proximity to Kelowna Regional Transit System. The data provided is based on the Canadian Urban Transit Association (CUTA) 2023 Operating Data report.

Table 7: Comparison of Transit System Fares

Transit System	Population Served	Ridership	Adult Fare	Adult Pass	Senior Pass	Student Pass
Kelowna, BC	164,014	6,253,275	\$2.50	\$70	\$45	\$55
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

*Central Fraser Valley is currently undergoing a fare review

Pre-Paid Fare Programs

BC Transit is continuously looking to support transit systems with new fare program opportunities that increase transit ridership, while also bringing in new revenue opportunities. With the rollout of Umo, BC Transit is now able to facilitate and administer pre-paid fare programs. Pre-paid fare

programs provide guaranteed sources of fare revenue and enhance cost recovery. BC Transit is currently looking to introduce the following pre-paid fare programs to all suitable transit systems.

EcoPASS Program

EcoPASS is a pre-paid fare program that allows BC Transit to facilitate the bulk purchase of transit access through an established transit fund. Currently, this program is most frequently used by property developers as a Transportation Demand Management (TDM) initiative that allows developers to invest in transit access for occupants in residential buildings in exchange for parking variances. The program could also be utilized by events, conferences, or employers that wish to establish a transit fund that can be drawn down from over time. BC Transit is encouraging the expansion of the EcoPASS program to additional transit systems to allow for additional avenues for fare revenue to be secured.

To administer the program, BC Transit provides enrolled participants transit access on demand through Umo, which allows participants to draw a Single Ride fare from the transit fund each time they ride the bus. The EcoPASS transit fund would remain in place until the fund is exhausted and revenue would be realized as fare revenue once redeemed, or at the time of fund expiration.

To incentivize larger investments in a transit fund, a proposed discount structure is included below for the program. This discount would apply to the total transit fund investment.

Table 8: EcoPASS Bulk Purchase Discount Structure

Discount Tier	Amount Spent	% Discount
Tier 1	\$5,000	5.00%
Tier 2	\$10,000	5.50%
Tier 3	\$20,000	6.00%
Tier 4	\$30,000	6.50%
Tier 5	\$40,000	7.00%
Tier 6	\$50,000	7.50%
Tier 7	\$100,000	10.00%
Tier 8	\$150,000	12.50%
Tier 9	\$200,000+	15.00%

The EcoPASS option would be a tool available for all local government and First Nation partners in the region.

U-PASS

The U-PASS program provides students at partnering educational institutions with unlimited access to Kelowna Regional Transit services throughout their enrolled term. This initiative improves affordability for students, increases ridership, and ensures a stable revenue stream for the transit system. The cost of U-PASS is included in tuition fees, making transit more accessible while providing guaranteed fare revenue, as all students are automatically enrolled.

The Kelowna Regional Transit System currently has a U-PASS partnership agreement with the University of British Columbia Okanagan Campus (UBCO) which was initiated in 2007. During this time, U-PASS has played a key role in supporting local transit. In 2024, it accounted for 19% of total fare revenue for Kelowna Regional Transit, demonstrating its ongoing impact on transit funding.

The existing agreement with UBCO allows for increases to U-PASS pricing to occur when public fare product pricing is increased. As this is the case, U-PASS fees have not increased since 2015 when, via referendum approval, the U-PASS fee was increased to align with the increased Adult pass rate of \$70. The Kelowna Regional Transit System provides a \$3 administration fee per U-PASS to the UBCO student union to administer this program, which is deducted from the revenue the Kelowna Regional Transit System receives. If the Adult pass fare is increased as a result of this fare review, notice of the intent to increase the U-PASS fee may be presented to UBCO by August 15, 2025 to allow for the pricing to go into effect as of September 1, 2026. Once the intent to increase the U-PASS fee is issued, a referendum vote will be required to approve the new fee with a “yes” majority. If the referendum resulted in a “no” majority, the U-PASS agreement could be exited at that time.

Supportive Transit Programs

To ensure that transit is accessible to all, a range of supportive programs have been implemented to assist individuals facing financial or mobility challenges. The following initiatives available in the Kelowna Regional Transit System are designed to help those in need to access essential services and stay connected to their communities. These programs aim to make public transit more inclusive and equitable. The City of Kelowna is currently undertaking a study to determine if a new supportive program should be introduced to further support residents with subsidized transit access. Please note, these programs are shared for your awareness, and no changes will be made as part of this fare review.

Get on Board Program - Free Transit for Children 12 and Under

The Get on Board program allows children aged 12 and under to ride conventional and handyDART buses for free. The program is designed to make public transit more accessible to young people, encouraging them to use the system independently and confidently. Eligibility includes:

- Children aged 6 to 12: Can ride unaccompanied without requiring a fare product or ID.
- Children aged 5 and under: Must be accompanied by someone 12 years or older and must board and depart at the same stop as their guardian.

This initiative is funded by the BC Ministry of Transportation and Transit with the goal of not only increasing ridership but also fostering a sense of independence and familiarity with public transit among youth. By making transit free for children, the program aims to instill lifelong habits of sustainable transportation use.

BC Bus Pass

The BC Bus Pass Program provides unlimited transit access to low-income seniors (\$45/year) and individuals on disability assistance (free). Designed to ensure affordable and accessible transportation, it helps participants stay connected to their communities. Registration is available online, by phone, email, mail, or fax. The program is funded by the BC Ministry of Social Development and Poverty Reduction and is available across all BC transit systems.

Emergency Transit Assistance Program

The Emergency Transit Assistance Program (ETAP) is a partnership between United Way BC and the City of Kelowna, providing single-use bus tickets and passes to non-profit agencies that support low-income residents facing transportation barriers. United Way distributes the Umo fare products on a regular basis to non-profit agencies who regularly support those with medical and/or emergency transportation and has done so since 2012.

As of September 2024, the program is providing 5550 Single Ride fares distributed quarterly and 100 monthly passes distributed each month. ETAP provides transit vouchers to agencies accepted to the program and allows people in need to use public transportation for emergency needs, employment, education, medical, dental, social recreation, food, and shelter.

DayPASS System

To allow for the best use of Umo, BC Transit is recommending adopting a DayPASS policy in the Kelowna Regional Transit System as a replacement for the existing transfer policy. Currently, riders can transfer to a connecting bus within 90 minutes without paying an additional fare. Riders who have a trip of more than 90 minutes or who take more than two buses will be required to pay an additional fare.

BC Transit is recommending the introduction of the DayPASS OnBoard for cash paying users and fare capping for Umo Cash Balance users to generate an automatic DayPASS. This change will simplify the fare structure, improve customer experience, and align with best practices outlined in the Fare Guidelines. As an important note, the 10-Rides product in Umo will be discontinued with this transition as it is not compatible with Umo fare capping.

The DayPASS System has been successfully introduced into many BC Transit Systems, increasing ridership and ease of use for customers in the following communities: Victoria, Nanaimo, Kamloops, Prince George, Cowichan Valley, Dawson Creek, Sunshine Coast, Squamish, Port Alberni, and Campbell River.

BC Transit has analyzed Umo usage and found that the majority of users in the Kelowna Regional Transit System are already paying for two or more fares daily and therefore would benefit from this transition. The pre-purchased DayPASS has also increased in usage, and further points to a large customer base who would benefit from the transition to the DayPASS system. As well, as provided in the Fare Review Survey results in the following section, the majority of respondents supported the transition to the DayPASS System. Customers utilizing a pre-purchased fare product, such as a 30-Day pass, Semester pass, or U-PASS would not be impacted by this change.

The DayPASS OnBoard and Fare Capping models have already been successfully implemented in over 11 major BC Transit systems, demonstrating increased ridership, reduced operational friction, and improved customer satisfaction. Together, these changes modernize the fare experience, improve equity and access, and support the long-term sustainability of the transit system. The changes for cash and Umo users are outlined in more detail below.

DayPASS OnBoard

With the DayPASS OnBoard, passengers paying cash can purchase a DayPASS directly from the operator by paying twice the base fare in the farebox at the time of boarding their first bus of the day. The paper DayPASS grants unlimited travel for the remainder of the day, streamlining fare collection and eliminating ambiguity around transfer validity. Operators currently must visually

validate transfer validity when customers board, and the paper DayPASS product removes this ambiguity therefore improving load times and reducing potential conflict with customers.

Umo Fare Capping

For customers utilizing Umo Cash Balance or soon to be introduced Credit or Debit tap payments to pay their fares, Umo will automatically apply a DayPASS utilizing fare capping technology. Once a rider pays the equivalent of two single fares in one day, the system automatically provides unlimited travel for the rest of the day—effectively issuing a DayPASS without requiring pre-purchase.

Fare Review Engagement

Public consultation for the Fare Review was undertaken from February 10th – March 10th, 2025. The consultation included an online survey that was promoted on the BC Transit website, internal bus cards, digital programmatic advertisements, newspaper advertisements, and social media campaigns. As well, media releases further promoted the survey and ongoing fare review and garnered numerous media articles.

The online survey was generated to gather public feedback on whether potential fare change options would impact ridership positively or negatively and whether the transition to the DayPASS system would be supported by customers. Full survey results are included in Appendix A for review.

Online Survey Summary

The online survey page, hosted on BC Transit's engagebctransit.com platform, was answered in part or in full by 628 individuals. Almost all respondents (91%) were regular fixed-route bus customers, with 80% of respondents residing within the City of Kelowna. The survey results indicated that most customers utilized Single Ride fare products, being either Cash or Umo Cash Balance, at 61%.

As a part of the survey, respondents were asked if they believe passenger fares should contribute more to funding transit operations to reduce the need for increases in property taxes. The responses were mixed, with 49% of respondents disagreeing and 29.7% agreeing, with the remainder (21.2%) remaining neutral.

Respondents were also polled whether a small increase in fares would impact their transit ridership. The largest response at 41% indicated that there would be no change in their transit usage, and 20.3% indicated it would depend on the amount of the increase. Only 9.2% of respondents indicated that they would stop using transit as their primary mode of transportation. Overall, the results indicated that increases to fares would have a minimal impact on ridership.

Lastly, the survey looked to ascertain if customers would support a transition to the DayPASS system. When asked if riders can complete their trip within one transfer window, an almost equal number of respondents indicated that yes, they can complete their trip within the transfer window, at 35.7%, while 32.6% indicated they need to pay an additional fare. The remainder indicated use of pre-purchased products and that they will not be impacted by the change.

As a summarizing question, the survey asked respondents if they would support moving to the DayPASS system, with the largest response group indicating they would support this transition at 46.5%. A smaller percentage of respondents indicated a desire to maintain the transfer policy, at 31.9%, while the remainder had no opinion.

Fare Change Options

Along with the introduction of the DayPASS policy, BC Transit has included fare change options for consideration as outlined in Table 9 below. The last fare increase in the Kelowna Regional Transit System occurred in 2015, and the system has seen increased expenses due to high inflation and industry changes following the COVID-19 pandemic. While expenses have increased annually over the past 10 years, fare prices have not kept parity with inflation. If the Single Ride fare of \$2.50 was to have maintained value with inflation, the Bank of Canada's Inflation Calculator estimates the equivalent would be \$3.24 in 2025, further highlighting the desire to assess existing fare prices in the system.

BC Transit is recommending that the Kelowna Regional Transit System endorse Option 1 to allow for a fare increase to take place to support the desire for additional revenue and improved cost recovery and realign fares that have lagged behind over the last ten years. The fare change options presented below were developed using BC Transit's Fare Guidelines, which are detailed in Table 4 of this report. Fare changes were developed with consideration to support maximum cost recovery to enable ongoing service levels while maintaining affordability. These fare change options apply to both conventional and custom transit, as the fare structures for both transit types are aligned.

Outside of existing fare products listed below, the Kelowna Regional Transit System has two pre-paid fare programs indexed to the Adult pass rate. As previously outlined, the U-PASS agreement with UBCO states that an increase to the U-PASS fee can be proposed with an accompanied increase to the general Adult pass rate, with the increase pending student body referendum approval. ProPASS is an existing pre-paid fare program that is also indexed to the Adult pass rate. Currently, ProPASS offers discounts from 10 – 15 percent dependent on the number of employees enrolled. With any approved increase to the Adult pass rate, ProPASS pricing would also be increased accordingly.

Table 9: Proposed 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%)	\$3.50 (+40%)
DayPASS*		\$5.00	\$6.00 (+20%)	\$6.00 (+20%)	\$7.00 (+40%)
10 Rides	Adult	\$22.50	Discontinued		
	Concession	\$20.25			
30 Day / Monthly Pass	Adult	\$70	\$80 (+14%)	\$80 (+14%)	\$87.50 (+25%)
	Concession**	\$45	\$55 (+22%)	\$68 (+51%)	\$74.38 (+65%)
Post-Secondary 30-Day Pass		\$55	\$65 (+18%)	\$68 (+23%)	\$74.38 (+35%)
Post-Secondary Semester Pass		\$176	\$208 (+18%)	\$217 (+23%)	\$238 (+35%)
5-Tickets (handyDART)	Adult	\$11.25	\$15 (+33%)	\$15 (+33%)	\$17.50 (+55%)
	Senior	\$10	\$15 (+50%)	\$15 (+50%)	\$17.50 (+75%)

*DayPASS-on-Board and Fare Capping to generate automatic DayPASS.

**Concession fare valid for youth aged 13-18 and persons 65 and over.

With the removal of the 10-rides product and subsequent discount, BC Transit recommends removing the discount provided for the 5-Tickets handyDART fare product as well to ensure parity between conventional and custom transit. As a more cost effective option, Monthly Passes are available on handyDART custom transit.

Option 1: Recommended Option

BC Transit has included Option 1 as the recommended fare change for the Kelowna Regional Transit System. This option better aligns with BC Transit's recommended fare guidelines, with only the Concession Pass rate residing outside of our guidelines with a discount of 27 per cent less the Adult pass fare. Although the BC Transit guidelines currently call for a 15 per cent discount on this product, a gradual increase is recommended to reach this target with the goal of the next fare review to be a closer alignment with the fare guidelines. As well, this option includes a \$10 increase for each 30-Day/Monthly pass product for simplicity in communication and equity amongst customers.

Option 2: Fare Guideline Alignment

BC Transit has included Option 2 as the option which aligns with the existing fare guidelines BC Transit currently adheres to. The pricing of pass products meet the guidelines previously outlined and can be viewed as a target option for future fare reviews. At this time, BC Transit is not recommending Option 2 as meeting the fare guidelines would necessitate large increases to pass products that could create affordability concerns for some passengers.

Option 3: Cost Recovery Goal

As an outcome of staff consultation during the fare review process, BC Transit has included Option 3 to reflect the fares that would be required if the Kelowna Regional Transit System was to meet their goal of a 35 per cent cost recovery rate. The fare pricing on all pass products adheres with BC Transit's recommended fare guidelines, and with this option, a 35 per cent cost recovery goal can be achieved. As the fares required to meet this goal are higher than the Canadian averages and would cause affordability concerns for many riders, BC Transit does not recommend this option.

Options Analysis

The below analysis provides a quantitative assessment of the estimated impacts of the provided fare change options on revenue and ridership for conventional transit in the Kelowna Regional Transit System. The ridership and revenue impacts of the fare options were calculated using established industry-standard fare product elasticity models commonly applied in transit fare analyses. Transit is generally considered an inelastic product, meaning that fare increases are expected to have a minimal impact on overall ridership. The impacted change on ridership is outlined as the total number of rides, and not riders, that may decrease with the increased fares.

The revenue impacts include projected revenue increases from fare product purchases and increased revenue from U-PASS and ProPASS fees. As previously outlined, U-PASS fees must be approved by the participating post-secondary institutions before being adopted. For the purposes of this assessment, existing enrollment figures for U-PASS and ProPASS were used to provide the estimated revenue increases.

As increasing cost recovery is also a goal of the Kelowna Regional Transit System, the projected cost recovery is also included which is calculated with budgeted annual costs. All assessments below reference Conventional transit and exclude Custom transit revenue and ridership impacts.

Table 10: Conventional Transit Fare Option Analysis

Quantitative Analysis	2024/2025 Actuals	Option 1 Recommended Change	Option 2 Fare Guideline Alignment	Option 3 Cost Recovery Goal
Passenger Fare Revenue	\$5,369,062	\$6,275,953	\$6,707,534	\$7,275,971
U-PASS Revenue	\$1,556,879	\$1,784,601	\$1,784,601	\$1,818,295
ProPASS Revenue	\$100,083	\$114,240	\$114,240	\$116,025
Total Fare Revenue*	\$7,026,024	\$8,174,795	\$8,606,376	\$9,210,291
Revenue Increase	-	\$1,148,771 (+16.4%)	\$1,580,352 (+22.5%)	\$2,184,267 (+31%)
Total Ridership**	6,540,465	6,585,233	6,450,535	6,331,984
Ridership Variance	-	-164,712 (+0.68%)	-299,410 (-1.4%)	-417,961 (-3.19%)
Cost Recovery	31%	31%	33%	35%

*Total Fare Revenue excludes revenue from BC Bus Pass and the Children 12 & Under program

**Total Ridership projections includes budgeted ridership increases from the 2025/2026 budget

Regional Partner Considerations

As the Kelowna Regional Transit System is comprised of multiple regional partners, a breakdown of the potential revenue impacts for each partner is included in Table 11 below. The estimates are based on existing approved revenue and cost sharing agreements that consider ridership and service hours for regional partners.

Table 11: Fare Option Revenue Impacts for Regional Partners

Quantitative Analysis	Regional Partner	Option 1 Recommended Change	Option 2 Fare Guideline Alignment	Option 3 Cost Recovery Goal
Total Fare Revenue Impact	City of Kelowna	+\$957,845	+\$1,317,697	+\$1,821,244
	City of West Kelowna	+\$109,363	+\$150,449	+\$207,941
	Westbank First Nation	+\$32,969	+\$45,356	+\$62,688
	District of Lake Country	+\$38,598	+\$53,099	+\$73,390
	District of Peachland	+\$8,156	+\$11,220	+\$15,507
	Regional District of Central Okanagan	+\$1,838	+\$2,528	+\$3,494

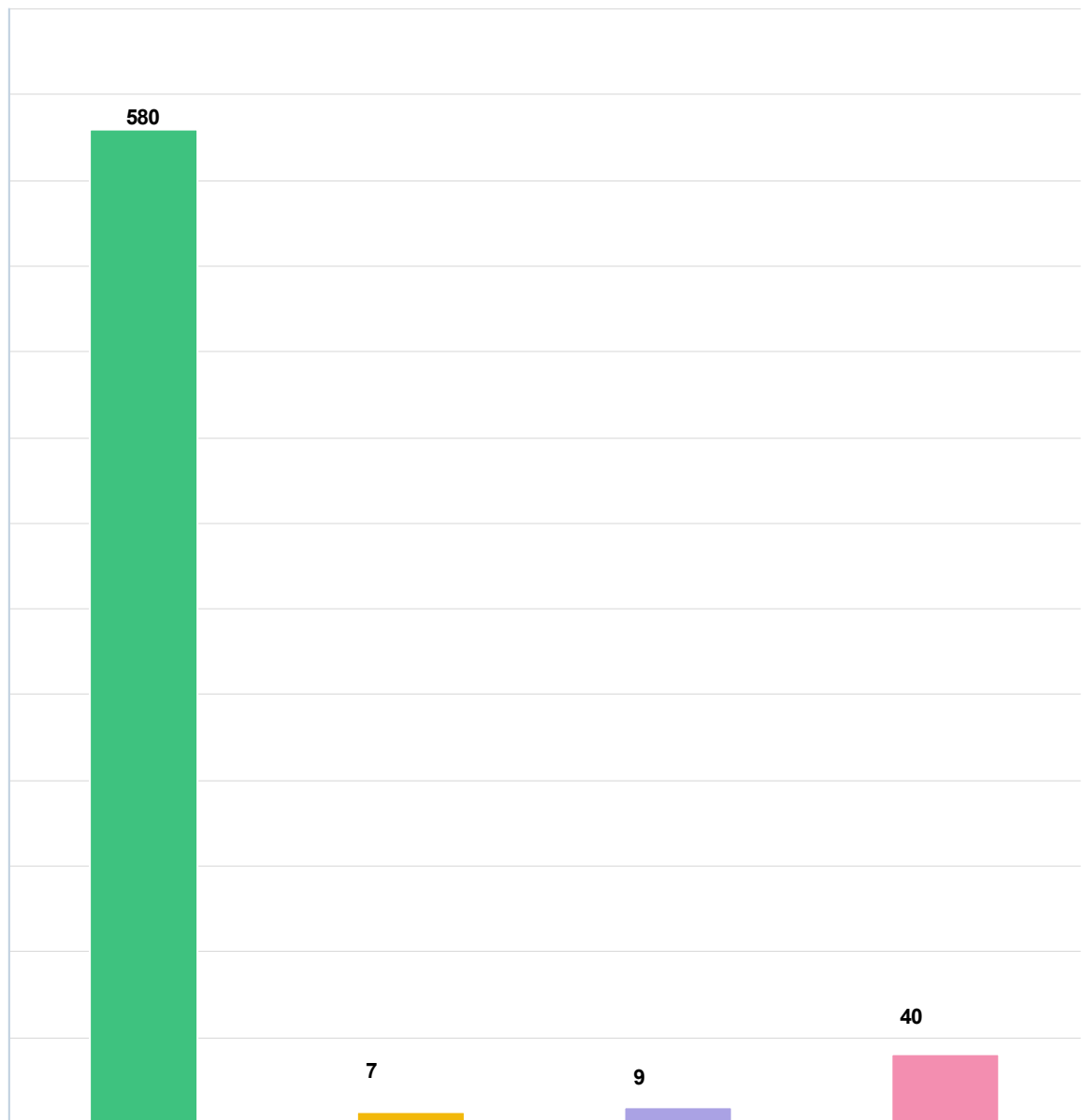
Recommendations

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, which includes the following fare increases and the discontinuation of the Umo 10-Rides product:
 - Single Ride: \$3.00
 - DayPASS: \$6.00
 - 10 Rides: Discontinued
 - 30 Day/Monthly Pass Adult: \$80
 - 30 Day Pass College: \$65
 - 30 Day/Monthly Pass Concession: \$55
 - 120 Day Semester Pass College: \$208
 - 5-Tickets Adult (handyDART): \$15
 - 5-Tickets Concession (handyDART): \$15
- With the approval of Option 1 fare change, increase the U-PASS fee at UBCO to align with the 30-Day Adult Pass fare (\$80) less approved administration costs
- Replace the existing transfer policy with the DayPASS system, allowing cash users to purchase a paper DayPASS at the time of boarding and Umo users to automatically receive a DayPASS via Umo fare capping technology.
- Introduce the EcoPASS pre-paid fare program allowing for bulk transit purchases to be made with the previously outlined discount structure.

Appendix A: Kelowna Regional Transit Fare Review Survey Results

Q2 Which transit service do you currently use?



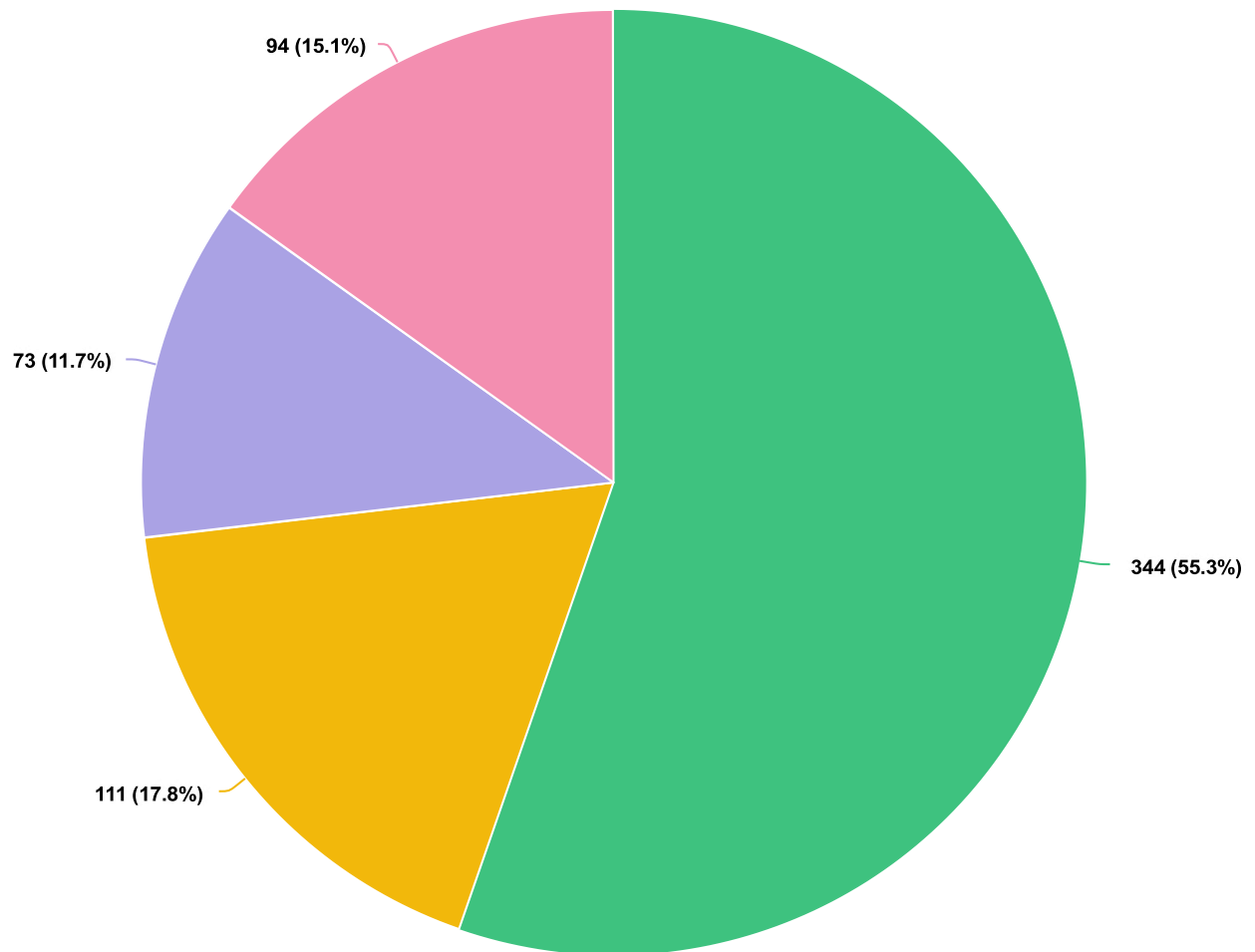
Question options

- ☒ Regular fixed route bus service (conventional transit) ☐ handyDART service (custom transit) ☐ OnDemand Transit ☐ None

Optional question (628 response(s), 0 skipped)

Question type: Checkbox Question

Q3 | How frequently do you use transit in the Kelowna Regional Transit System?

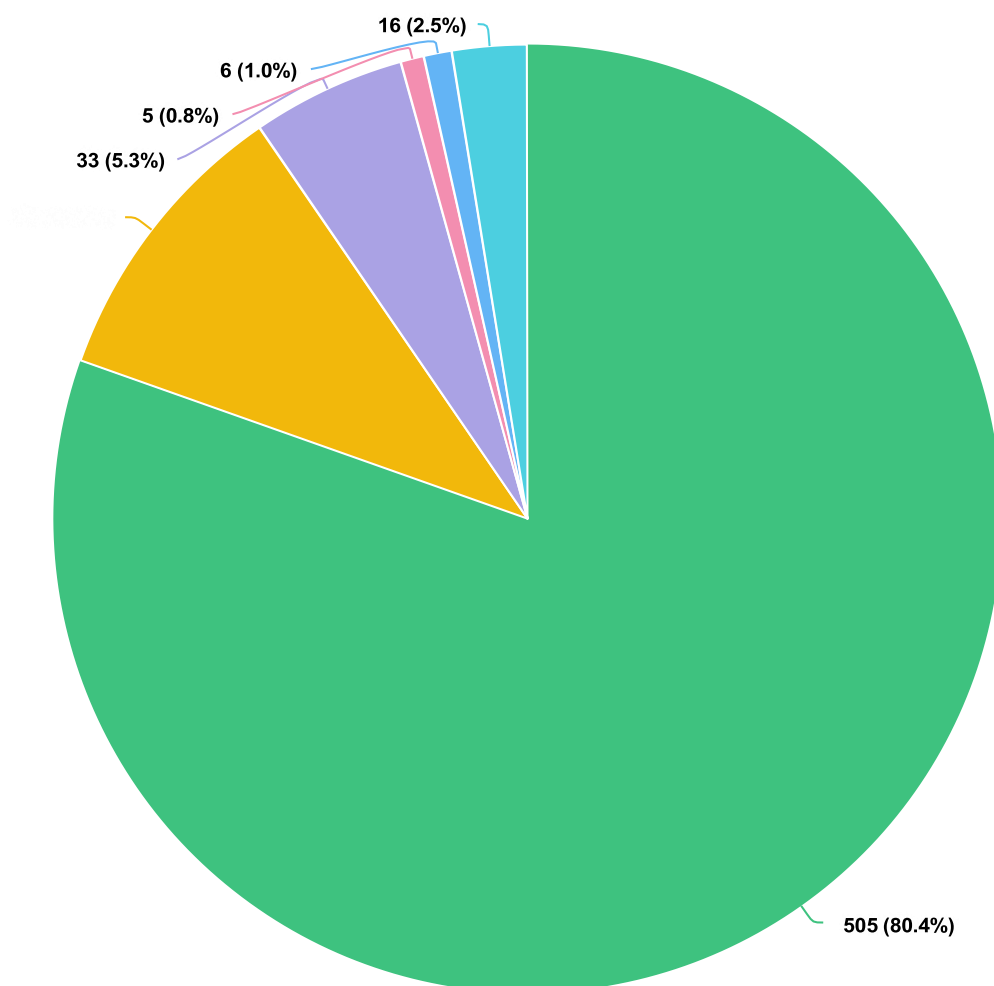


Question options

- ☒ Frequent rider (ride 15+ days a month)
- ☐ Light rider (ride 8 to 14 days a month)
- ☐ Occasional rider (ride 2 to 7 days a month)
- ☐ Infrequent rider (ride once a month or less)

Optional question (622 response(s), 6 skipped)
Question type: Radio Button Question

Q4 Which municipality do you currently reside in?



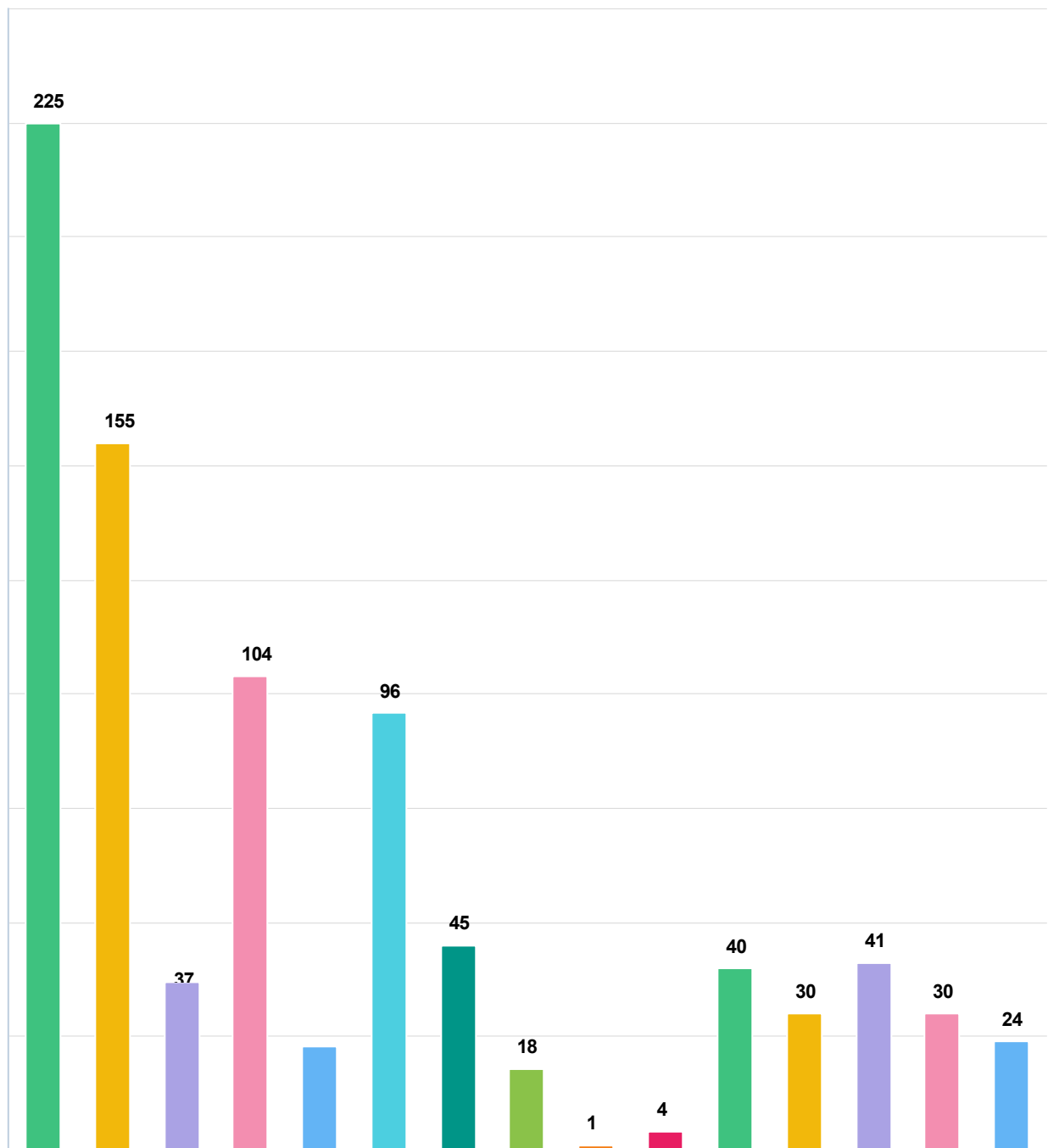
Question options

- City of Kelowna
- City of West Kelowna
- District of Lake Country
- Westbank First Nation
- District of Peachland
- Other (please specify)

Optional question (628 response(s), 0 skipped)

Question type: Radio Button Question

Q5 Which fare product do you currently use when riding transit? Select all that apply:

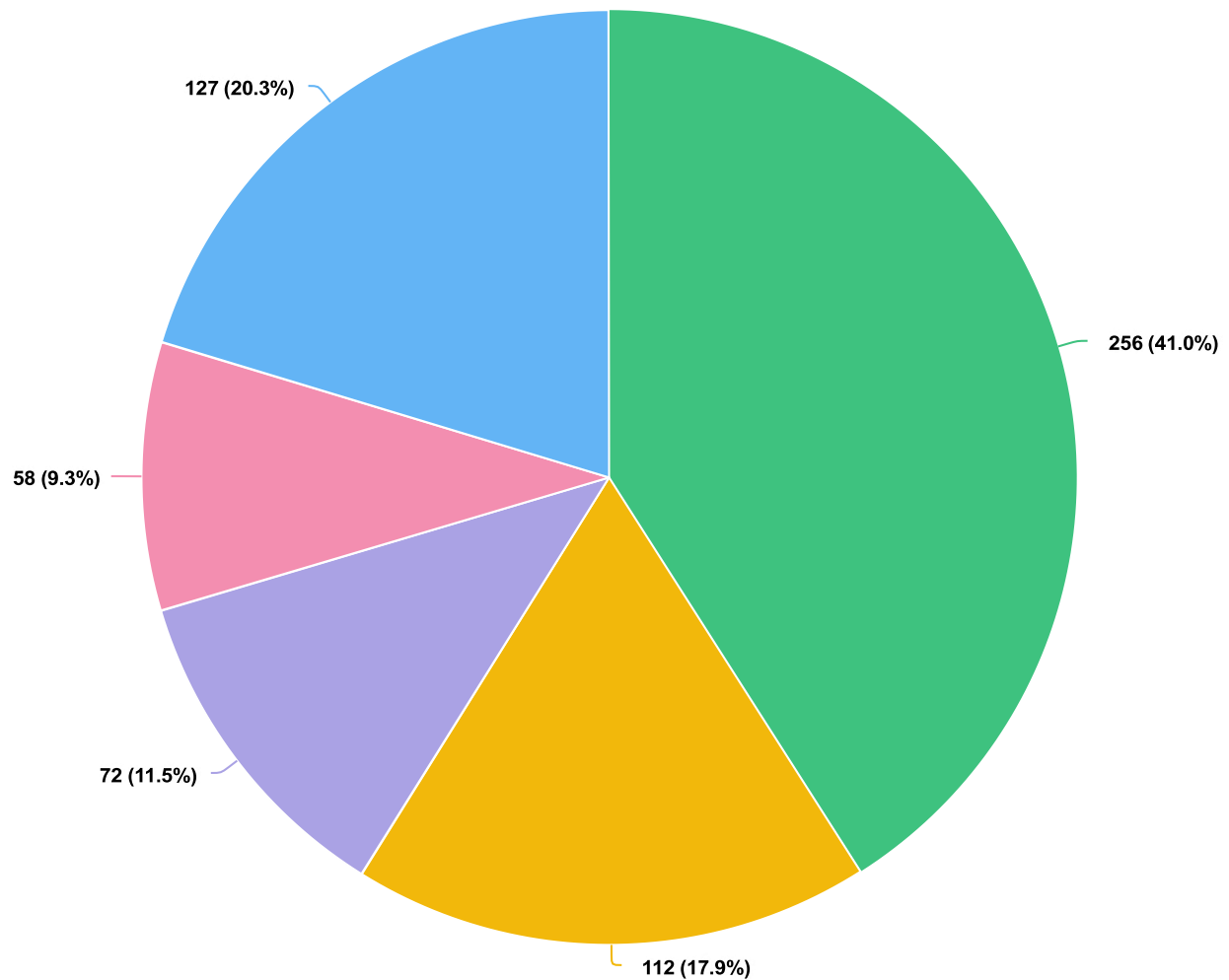


Question options

- Single Ride Cash Fare
 ● Umo Cash Balance
 ● DayPASS
 ● Adult 10-Rides
 ● Concession 10-Rides
- Adult 30-Day Pass
 ● Concession 30-Day Pass
 ● Post-Secondary 30-Day Pass
 ● 5-Ticket Adult (handyDART only)
- 5-Ticket Senior (handyDART only)
 ● University Semester Pass
 ● U-PASS
 ● ProPASS
 ● BC Bus Pass
- Other (please specify)

Optional question (624 response(s), 4 skipped)
Question type: Checkbox Question

Q6 As a part of the fare review process, fares are being assessed and may be increased to help improve cost recovery in the Kelowna Regional Transit System. If a small fare increase were necessary to maintain or improve service levels, how would it im...

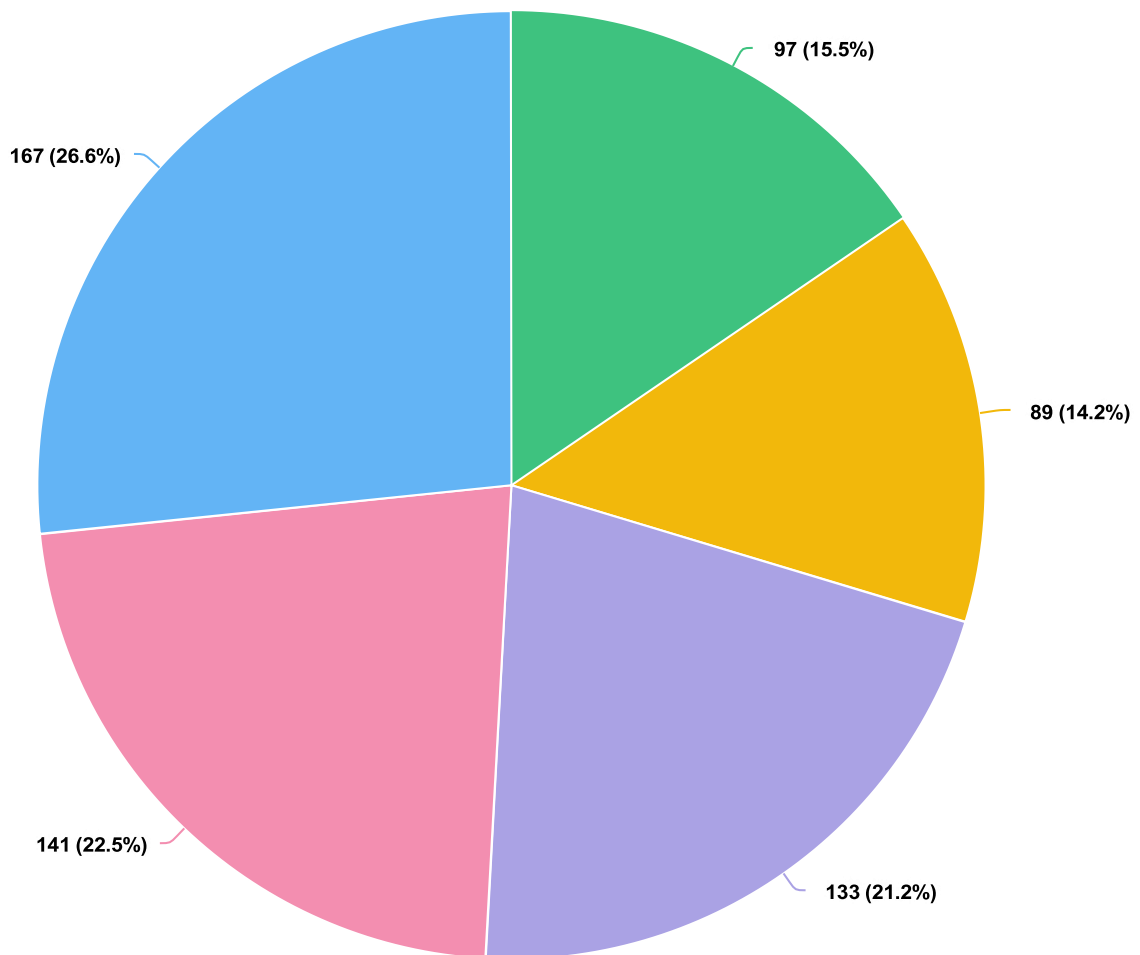


Question options

- I would continue to use transit as frequently as I do now.
- I might adjust my usage slightly but would still rely on transit
- I would need to reduce my transit usage significantly
- I would likely stop using transit as my primary mode of transportation
- It depends on the amount of the fare increase

Optional question (625 response(s), 3 skipped)
Question type: Radio Button Question

Q7 | Conventional transit operations in the Kelowna Regional Transit System are funded through a combination of passenger fares, local government funding (property taxes), advertising revenue, and provincial funding. As operational costs rise, the Kelown...



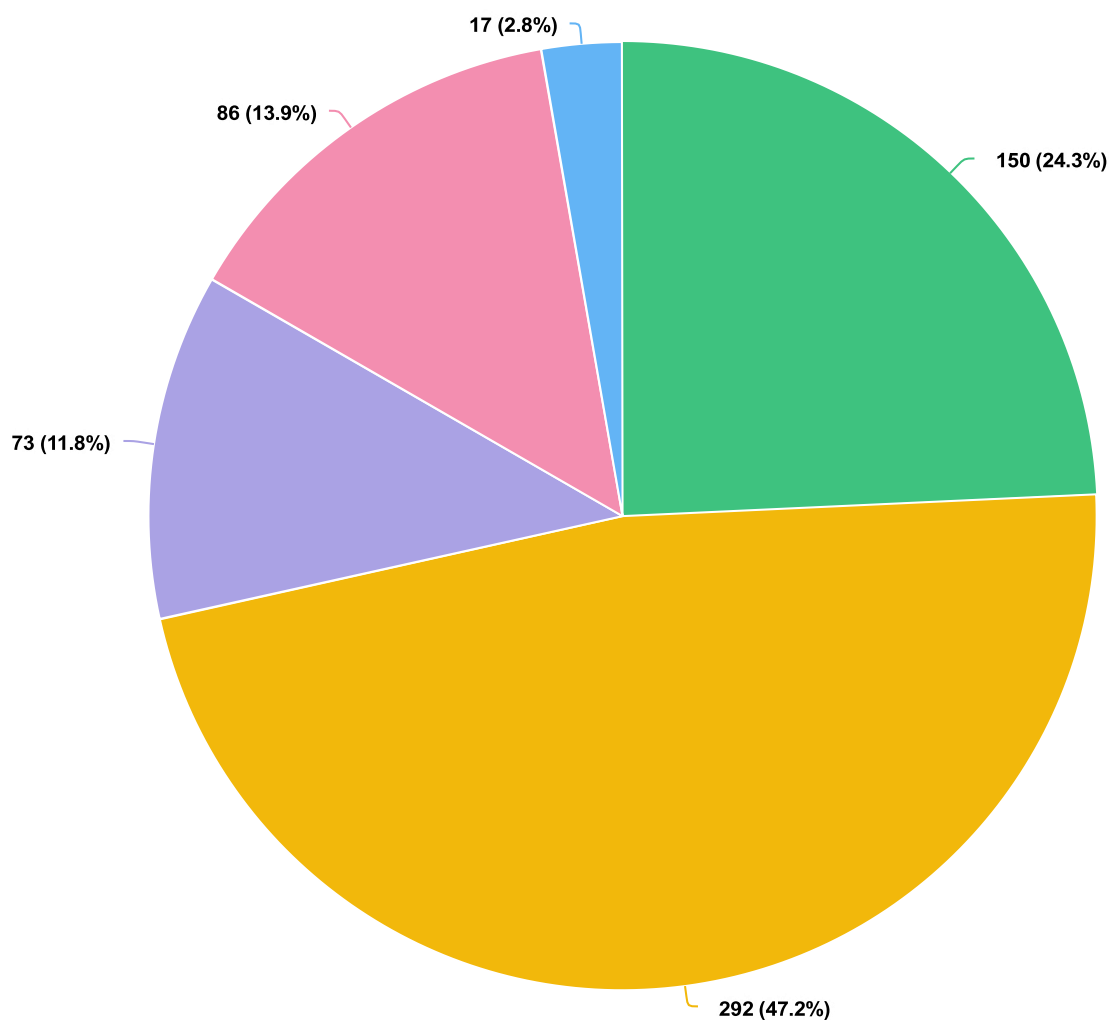
Question options

☒ Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree

Optional question (627 response(s), 1 skipped)

Question type: Radio Button Question

Q8 | On an average day, how many buses do you board when using the Kelowna Regional Transit System:



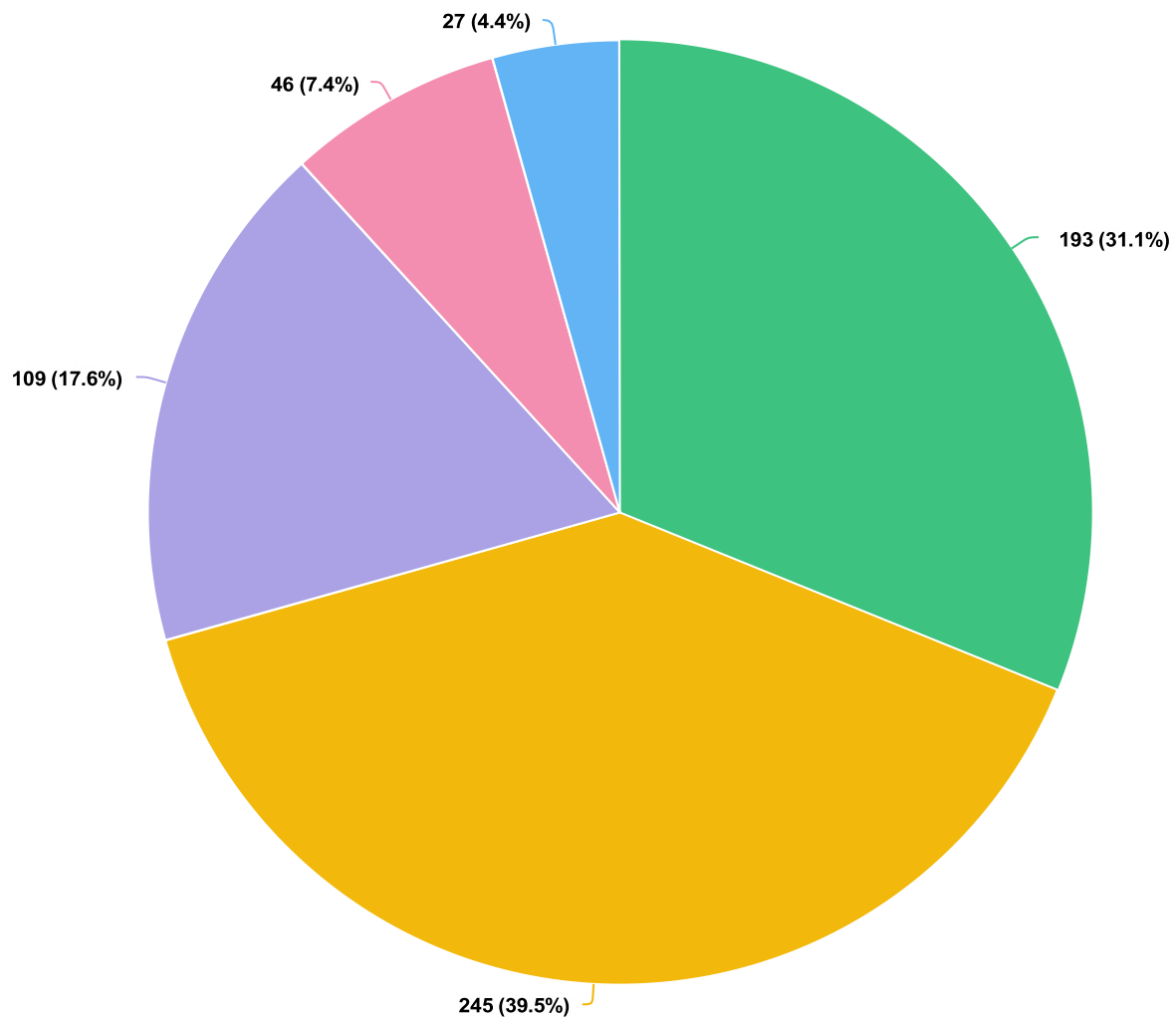
Question options

1 2 3 4 5+

Optional question (618 response(s), 10 skipped)

Question type: Radio Button Question

Q9 | On an average day, how long do you spend riding transit in the Kelowna Regional Transit System?

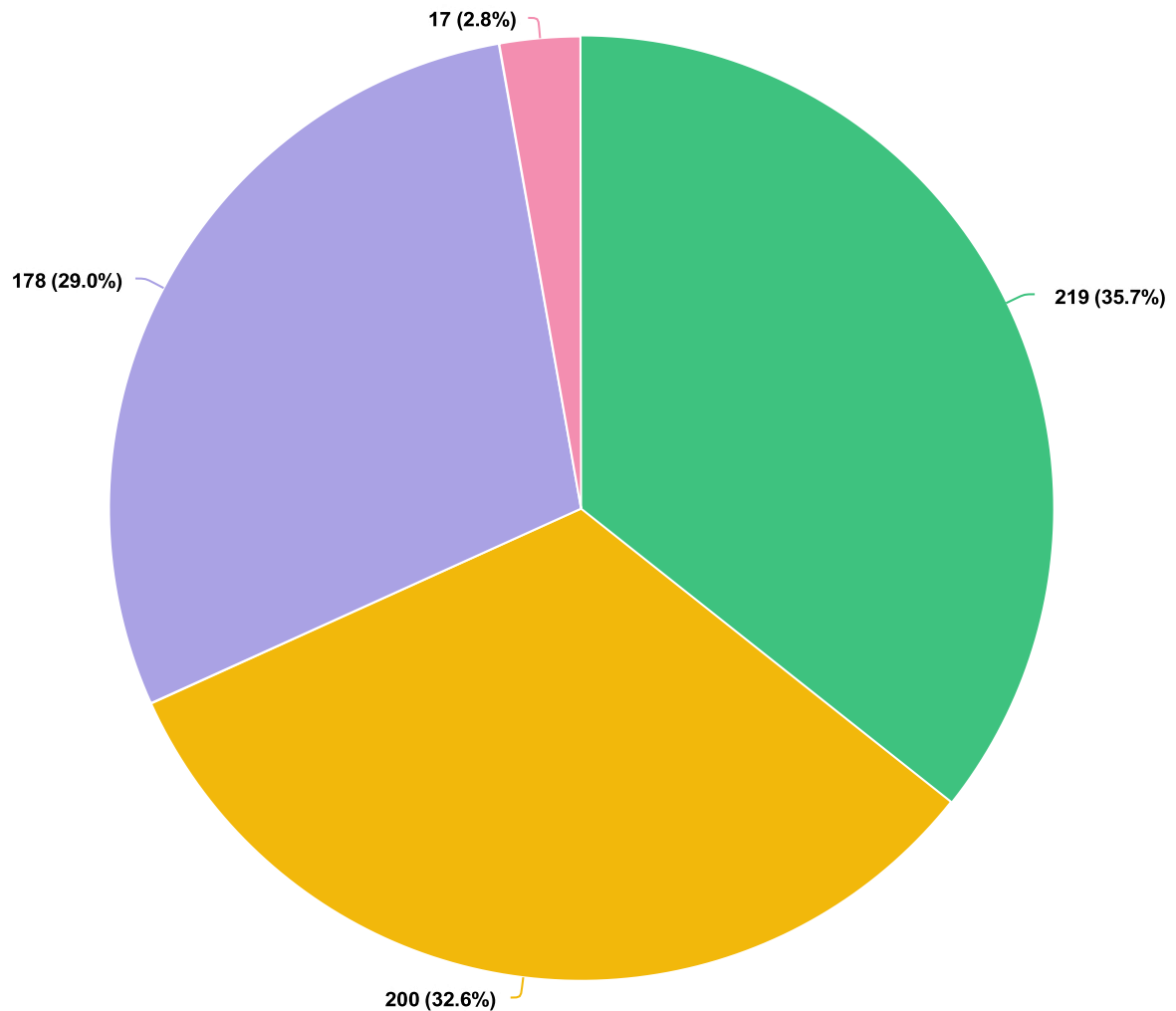


Question options

0-30 minutes 30-60 minutes 60-90 minutes 90-120 minutes 120+ minutes

Optional question (620 response(s), 8 skipped)
Question type: Radio Button Question

Q10 | If you currently use a Single Ride Fare (Cash, Umo Cash Balance, 10-Rides Product), are you able to complete your daily trip within one transfer window?

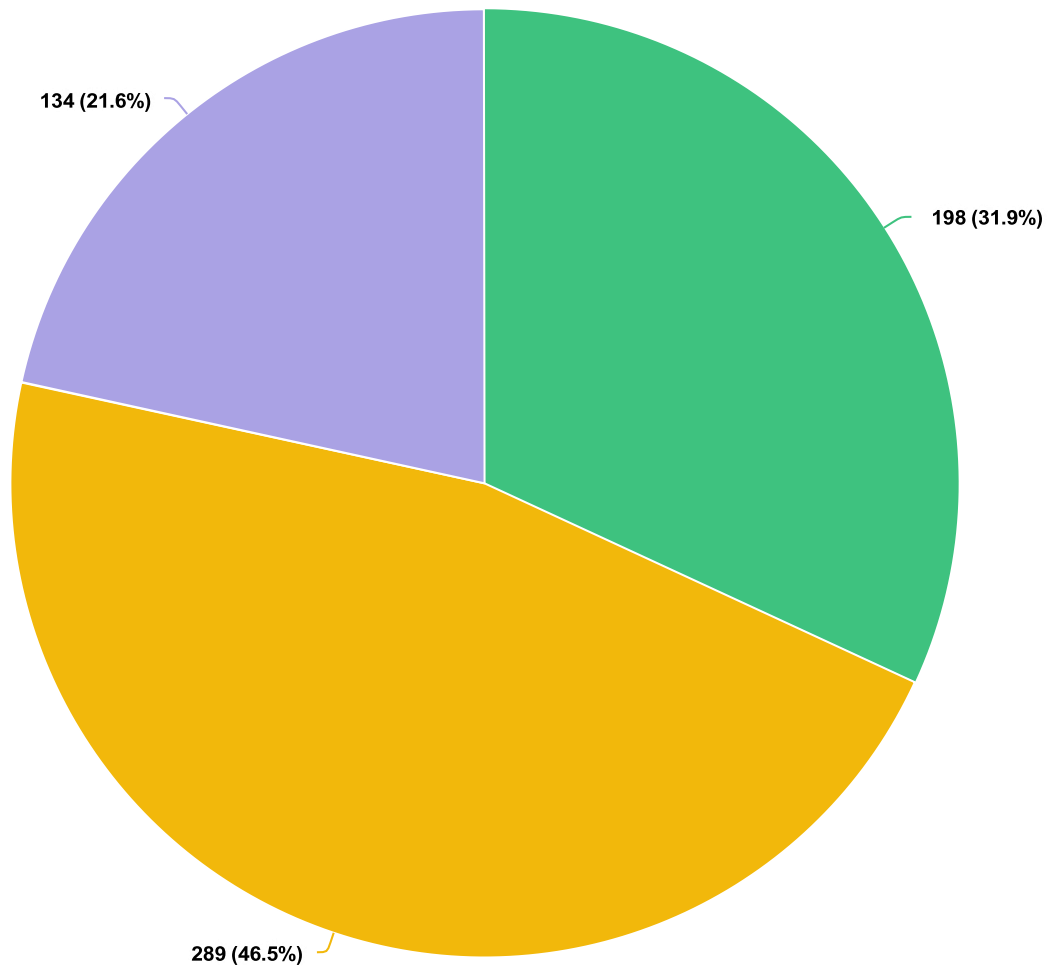


Question options

- ☒ Yes, I complete my daily trip within one transfer window (pay one Single Ride fare total)
- ☐ No, I exceed the transfer window or take a return trip (pay two Single Ride fares or more in total)
- ☐ Not Applicable, I use a pre-purchased pass product
- ☐ Other (please specify)

Optional question (614 response(s), 14 skipped)
Question type: Radio Button Question

Q11 | Would you prefer to keep the existing 90-minute transfer policy, or move to the automatic DayPASS system?

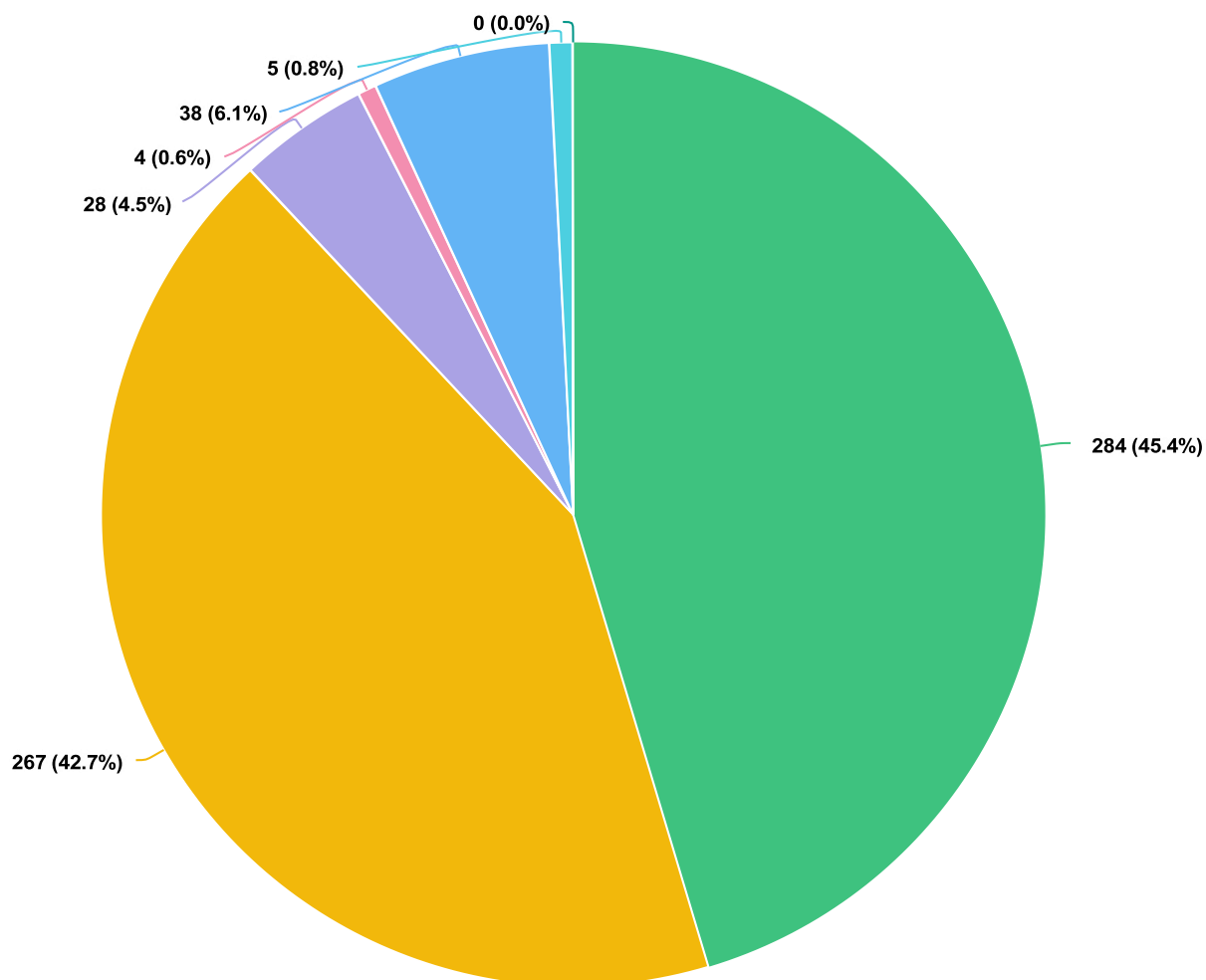


Question options

- ☒ Keep transfer policy of one free transfer for next connecting bus within 90-minutes
- ☒ Remove transfers and allow unlimited travel all day with the DayPASS system
- ☐ No opinion

Optional question (621 response(s), 7 skipped)
Question type: Radio Button Question

Q12 | How do you identify?



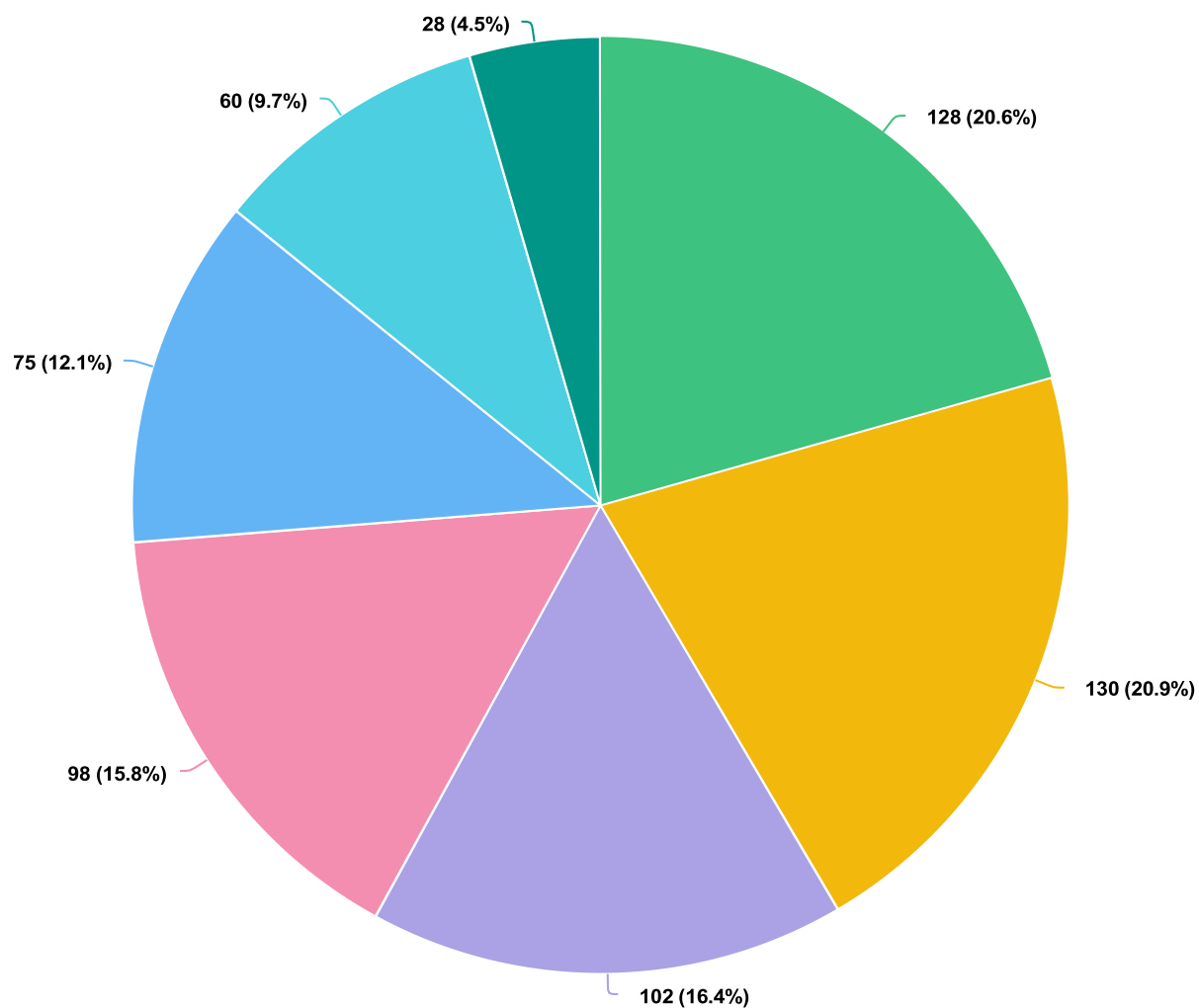
Question options

- Woman
- Man
- Non-binary (including polygender, genderqueer, agender, bigender and others)
- Two-spirited
- Prefer not to say
- Not listed here
- Other cultural genders

Optional question (626 response(s), 2 skipped)

Question type: Radio Button Question

Q13 Please specify your age group.



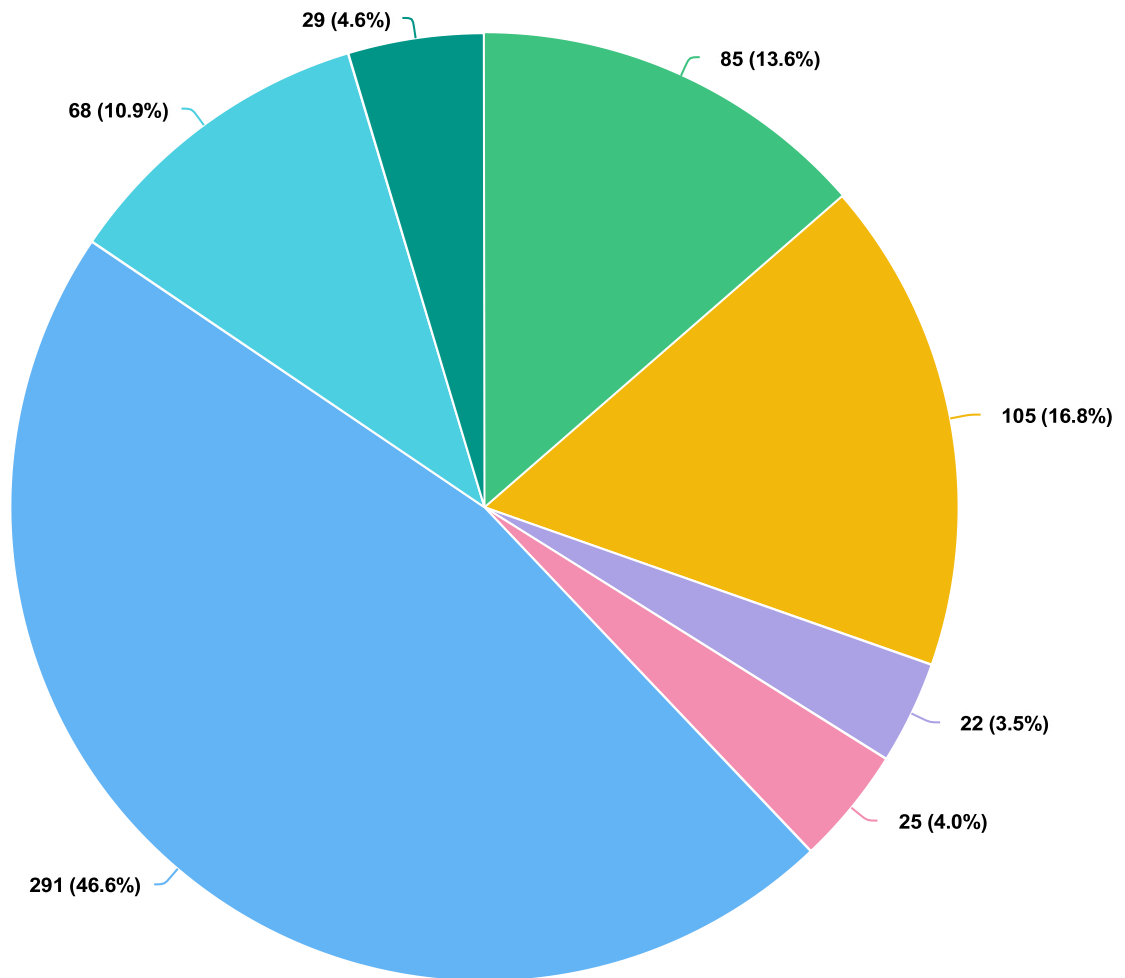
Question options

19-24 25-34 35-44 45-54 55-64 65-74 Above 75

Optional question (621 response(s), 7 skipped)

Question type: Radio Button Question

Q14 | What is your current employment status?

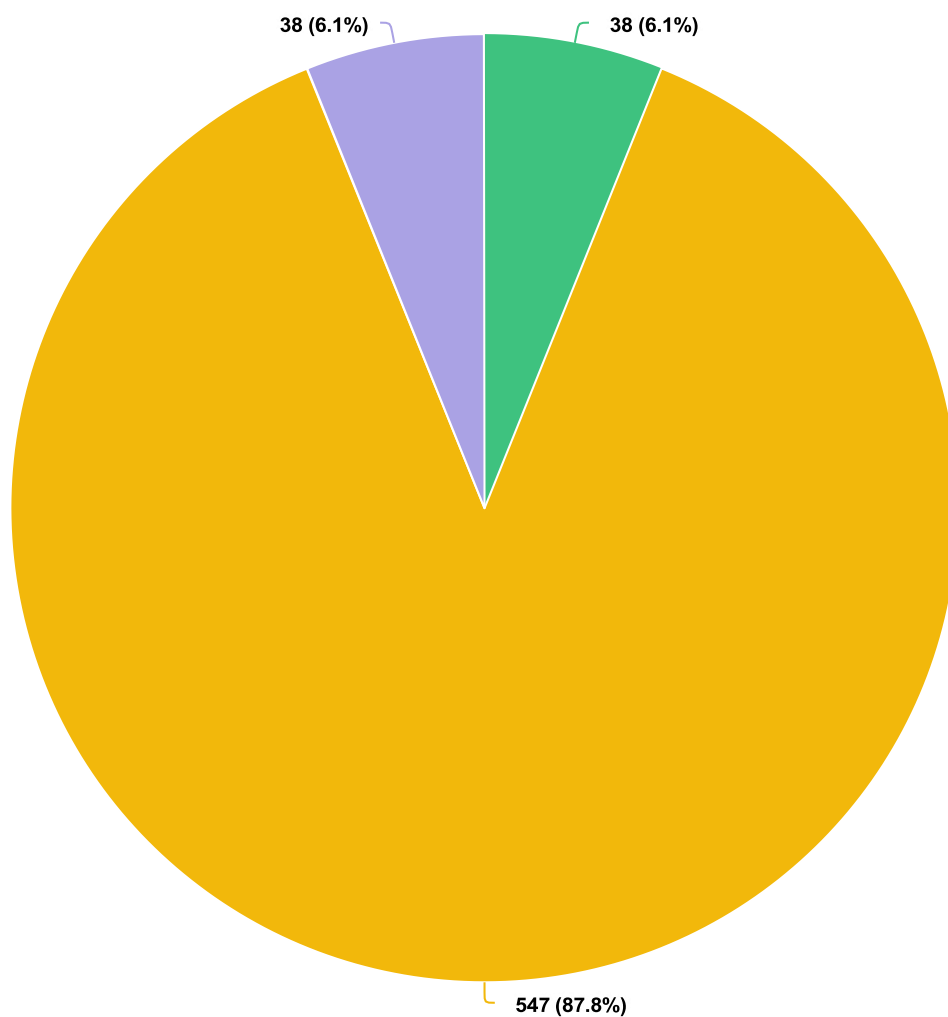


Question options

- Retired
- Student
- Unemployed
- Employed (working from home)
- Employed (working from an external workspace)
- Employed (hybrid)
- Other (please specify)

Optional question (625 response(s), 3 skipped)
Question type: Radio Button Question

Q15 | Do you identify as an Indigenous Person, that is, a person who identifies with Aboriginal, First Nation (Status/Non-Status), Metis or Inuk (Inuit) cultural and/or ancestral background?



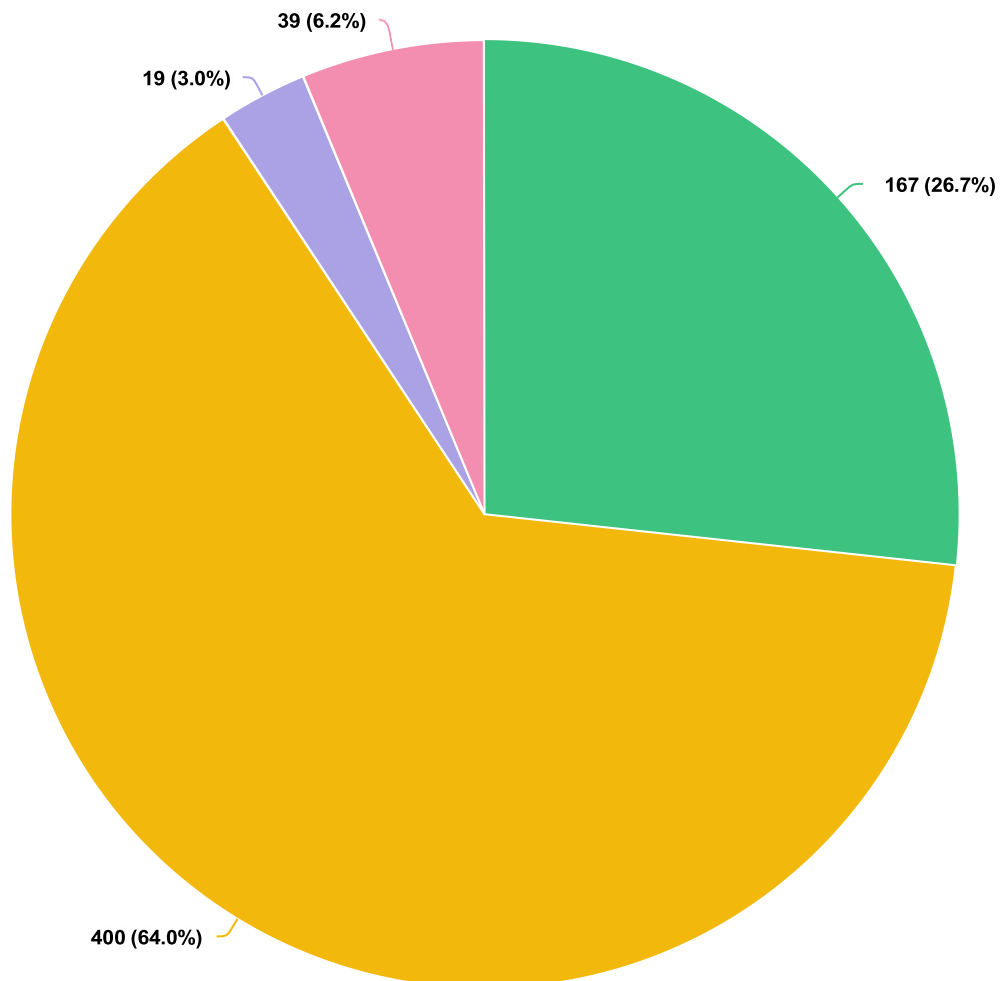
Question options

☒ Yes ☒ No ☒ Prefer not to say

Optional question (623 response(s), 5 skipped)

Question type: Radio Button Question

Q16 | Do you identify as a person with a disability? Examples of disabilities include, but are not limited to: Mental health disability: Psychiatric disorders such as major depressive disorder, anxiety disorders, schizophrenia, bipolar disorder, post-tra...

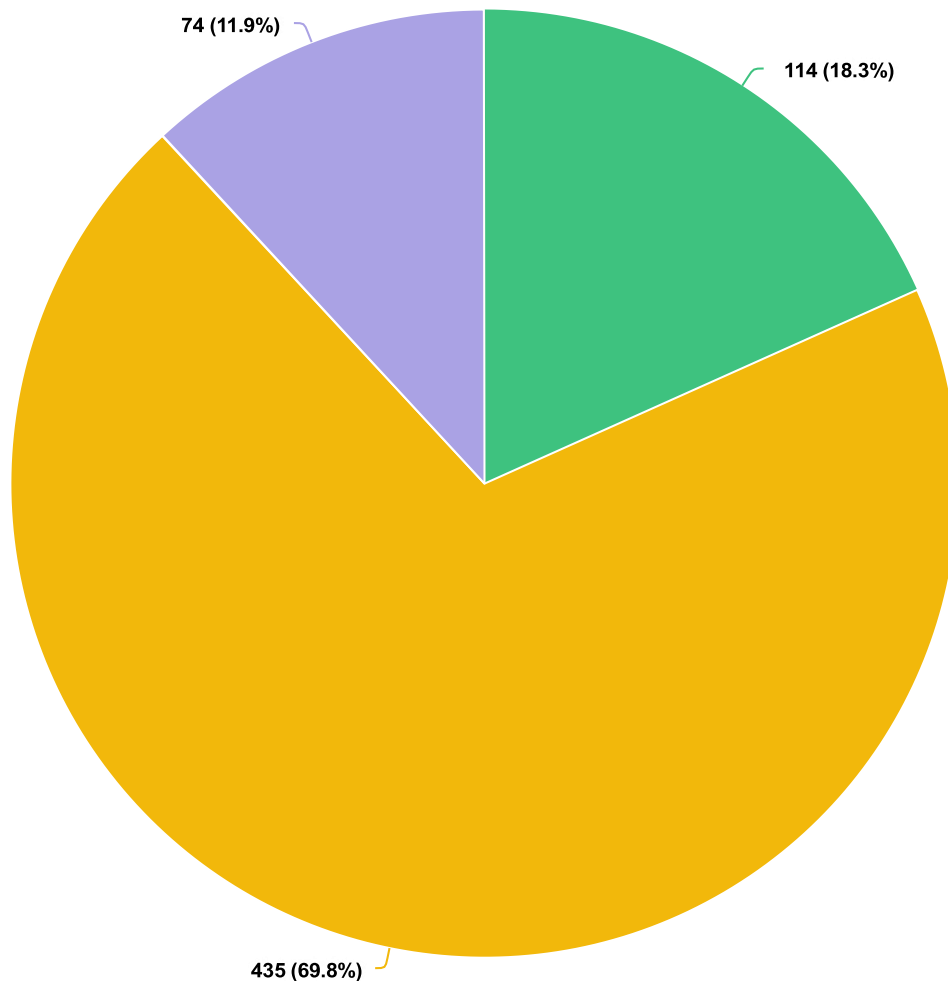


Question options

☒ Yes ☒ No ☐ Unsure ☐ Prefer not to say

Optional question (625 response(s), 3 skipped)
Question type: Radio Button Question

Q17 | In addition to, or other than your gender identity and/or identifying as an Indigenous Person and/or identifying as a person with a disability, do you identify as belonging to ADDITIONAL equity-seeking groups? Equity-seeking groups are communities t...

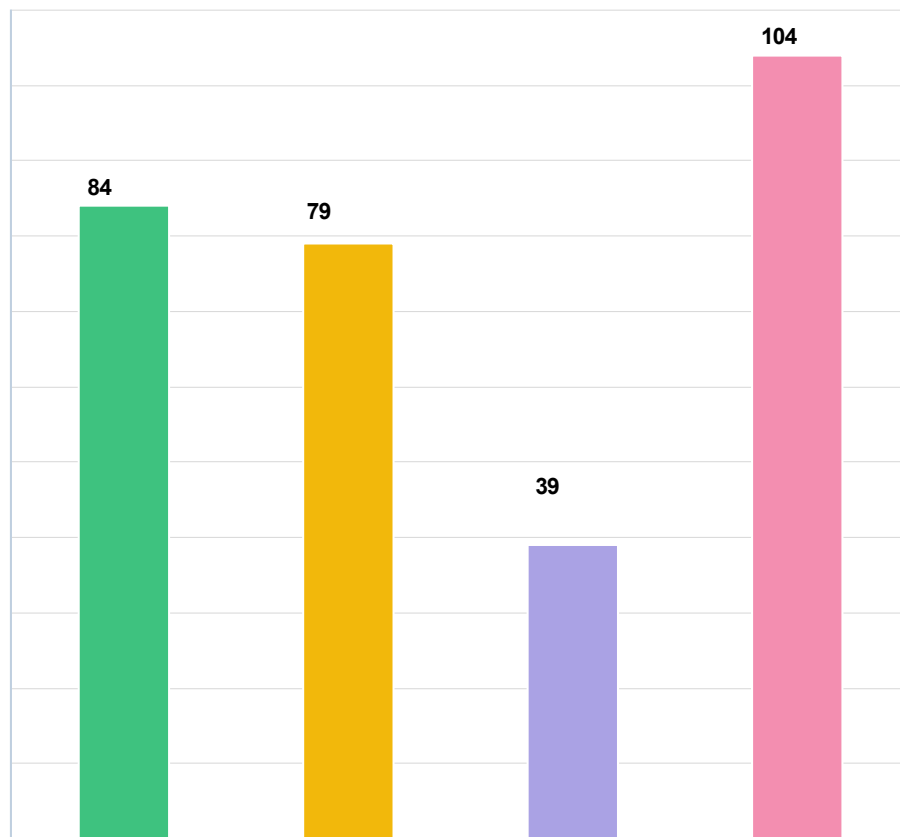


Question options

☒ Yes ☒ No ☐ Prefer not to say

Optional question (623 response(s), 5 skipped)
Question type: Radio Button Question

Q18 Please check if applicable



Question options

☒ I am a deaf person, person with disabilities and/or a person living with mental illness. [1] ☒ I am a person of colour or racialized person. [2]

☒ My gender identity or gender expression differs from my sex assigned at birth. [3] ☒ I identify as a member of the LGBTQ*2S community.[4]

Optional question (223 response(s), 405 skipped) Question type: Checkbox Question