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**MEETING TYPE:** Regular Council Meeting  
**MEETING DATE:** June 6, 2023  
**AUTHOR:** Matthew Salmon, Director of Engineering and Environmental Services  
**DEPARTMENT:** Engineering and Environmental Services  
**ITEM TITLE:** 2023-24 BC Transit Annual Operating Agreement  
**DESCRIPTION:** To authorize execution of the Annual Operating Agreement for BC Transit service

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## QUESTION

The Annual Operating Agreement with BC Transit is due for renewal and as such; are the service levels and operating costs appropriate and meet the needs of the community?

## OPTIONS

- A. THAT the 2023-2024 Annual Operating Agreement for transit service between the District of Lake Country and BC Transit for the period April 1, 2023 to March 31, 2024 be authorized.
- B. THAT the 2023-2024 Annual Operating Agreement for transit service between the District of Lake Country and BC Transit for the period April 1, 2023 to March 31, 2024 not be authorized  
AND THAT Council provide specific direction to staff regarding desired amendments to the Annual Operating Agreement.

## EXECUTIVE SUMMARY

The Annual Operating Agreement outlines the term, costs, fares, and service levels for BC Transit's services within the District of Lake Country. The District received the Annual Operating Agreement and supporting materials on April 24, 2023. The effective operational period is April 1, 2023, to March 31, 2024. Staff work closely alongside BC Transit in monitoring service within the District, continuing to seek on-going opportunities for enhancement and efficiencies. Staff are presenting the Annual Operating Agreement as a method of ensuring service continuity, which is within current service levels and budget. In their cover letter, BC Transit reports that as of January 2023, ridership had recovered to more than 90% compared to 2019-2020 levels. More recently, BC Transit has communicated that ridership in the Kelowna Regional Transit System is now exceeding pre-pandemic ridership levels.

The Annual Operating Agreement 2023-2024 outlines a net cost, to the District for Kelowna Conventional Transit Service, of \$846,170, reflecting a 5.65% share of the regional costs of BC Transit's services. Further, the net cost to the District for Community Transit Service is \$117,931 reflecting a 5.69% share of the regional costs. These items are within the District's 2023 Financial Plan.

The service for route 90 (UBCO Connector) from Vernon to UBCO, with stops in Lake Country, is provided through an Annual Operating Agreement between BC Transit and the Regional District of the North Okanagan (NORD).

The HandyDART service, which is also available to Lake Country residents, is provided through an Annual Operating Agreement between BC Transit and the City of Kelowna.

The 2023-2024 Annual Operating Agreement refers to a number of service level considerations and objectives summarized in Attachment A. More specifically, for the coming operating year, BC Transit is pursuing innovations

in electric buses, and a province wide implementation of the new electronic fare system. These initiatives are noted amid acknowledgment of challenges recruiting staff and with fluctuating fuel costs. Further, BC Transit expresses commitment to actions outlined in their Indigenous Relations and Reconciliation strategy and fulfilling the requirements in the Accessible BC Act.

The provincial budget includes a \$150.6 million operating grant, that results in BC Transit maintaining existing service levels into the next operating year. In 2021 the District had created an independent transit reserve to insulate the District from year over year fluctuations. This funding mechanism allows the District to absorb the financial impact of unfavorable years, and unforeseen events, as well as provide financial flexibility to pursue new opportunities when they arise.

#### **KEY INFORMATION**

Improved Transit service is a key component of Council's vision as captured in the Mobility Master Plan. The community would continue to have transit service, and staff could continue working to improve the service in collaboration with BC Transit staff.

#### **DESIRED BENEFIT**

Lake Country will be served by a local and regional transit service. The service is a key part of building towards an equitable, accessible, and resilient transportation network with surrounding communities.

#### **STRATEGIC RELEVANCE AND COMMUNITY SUSTAINABILITY**

Community bus services are a key component of the Mobility Master Plan as we strive to move away from creating car centric communities. Transit is often the only viable form of mobility for many residents who would otherwise be unable to move around the community and the region.

#### **REQUISITES**

The approval of this Annual Operating Agreement is essential for existing transit service continuity.

#### **UNINTENDED OUTCOMES**

If the Operating Agreement is not approved, the District would not have the capacity to provide its own transit service. The service is an integral part of providing equitable and accessible transportation services to the public.

#### **BACKGROUND/HISTORY**

The Annual Operating Agreement with BC Transit is updated annually to reflect any changes to the funding model, service delivery or other special circumstances.

#### **APPLICABLE LEGISLATION AND POLICIES**

Achieving continuity in transit service, by way of an executed agreement between the parties, aligns with Councils Strategic Priorities under Infrastructure (Create Infrastructure That Meets Community Needs) and Governance (Explore Opportunities to Engage with Regional Local Governments for the Betterment of the Community). The Agreement is considered within the context of the Transportation for Tomorrow and Mobility Master Plan frameworks.

#### **IMPACT ON INFRASTRUCTURE OR MUNICIPAL SERVICES**

There is no anticipated negative impacts to infrastructure or services.

#### **IMPACT ON STAFF CAPACITY AND FINANCIAL RESOURCES**

Monitoring of the transit service and the Annual Operating Agreement is managed within existing staff resources. The 2023 Financial Plan reflects the District's portion of this agreement for the provision of Transit services.

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**CONSULTATION AND COMMUNICATION**

Ongoing monitoring and review of operations occurs between the District Engineering staff and the operations staff of BC Transit. Communication regarding transit services is generally issued by BC Transit, with the District communications team acting as an additional conduit for information to the users.

**ANALYSIS OF OPTIONS FOR CONSIDERATION**

The Agreement is an established and agreed-to document. Authorizing the execution of it confirms the service provision for the one-year term identified.

Respectfully Submitted,

**Matthew Salmon, Director of Engineering and Environmental Services**

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**Report Approval Details**

Document Title:	2023-2024 BC Transit Annual Operating Agreement.docx
Attachments:	- 2023-24 ANNUAL OPERATING AGREEMENT Covering Letter.pdf - 2023-24 ANNUAL OPERATING AGREEMENT Copy.pdf
Final Approval Date:	May 17, 2023

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

**Reyna Seabrook, Director of Corporate Services - May 17, 2023 - 12:03 PM**

**Tanya Garost, Chief Administrative Officer - May 17, 2023 - 8:47 PM**