

DATE: August 6, 2021

TO: MAYOR AND COUNCIL

NAME AND TITLE: Blake McIntosh, Acting Director, Civic Operations

SUBJECT: Amendment to the BC Transit Annual Operating Agreement

ATTACHMENT(S): Amended Annual Operating Agreement, Schedule "A": Tariff and Fares

RECOMMENDATION(S):

That Council GIVES FIRST THREE READINGS to "City of Prince George Transit Service Annual Operating Agreement 2021/2022 Authorization Bylaw No. 9208, 2021, Amendment Bylaw No. 9231, 2021."

PURPOSE:

To amend the Annual Operating Agreement (AOA) between the City of Prince George and the British Columbia Transit Authority, to revise the tariff structure to accommodate free fares for those under 12 years of age.

BACKGROUND:

As part of the 2021 BC Provincial Budget, the provincial government made a commitment to allow all riders under the age of 12 to board buses fare-free. The initiative is to take effect in early September. Such a change to the tariff structure of the transit system, as well as receipt of compensation from the provincial government has necessitated an amendment to the existing AOA for 2021-2022, which in turn must be adopted by Council.

The existing 21-22 AOA with the current fare structure was passed and adopted by Council in spring of this year.

STRATEGIC PRIORITIES:

This report supports Council's Strategic priorities of maintaining fiscal sustainability and balancing service levels with the affordability of City services, facilities, and operations; of infrastructure re-investment and renewal to ensure the delivery of critical recreation, emergency, transportation, and utility service; and to enhance and integrate various transportation options, including transit, cycle routes, sidewalks, and trails.

FINANCIAL CONSIDERATIONS:

The change in the fare structure is anticipated to have a negative impact on fare revenue on the Prince George system. Under the BC Transit model, all fare revenue from the transit system is collected by the local government. To reconcile this loss, an anticipated loss amount was calculated by BC Transit, to be reimbursed to the local governments, on a monthly basis through the invoicing

process, between September 1st 2021 and March 31st 2022. The City will be compensated by lost revenue for fixed-route transit only (Conventional and Community systems), and the allocation does not include the custom (HandyDart) system. This amount is shown below:

System	Anticipated total loss of revenue (Sept 1-Mar 31)	Amount to be reimbursed monthly (Sept 1-Mar 31)
Community	\$696.88	\$99.55
Conventional	\$27,914.37	\$3,987.78
Total	\$28,611.25	\$4,087.33

The custom system was not included as part of this funding package as ridership of those 12 and under is extremely low in all systems province-wide.

SUMMARY AND CONCLUSION:

This AOA amendment will create a tariff structure to allow for children under the age of 12 to travel for free on the transit system. With the allocated reimbursement from the province to offset lost revenues, it is expected that there will be a minimal change from overall costs of operating the system.

RESPECTFULLY SUBMITTED:

Blake McIntosh, Acting Director, Civic Operations

PREPARED BY: Michael Coulson, Transit Planner

APPROVED:

Walter Babicz, City Manager

Meeting Date: 2021/08/30