

STAFF REPORT TO COUNCIL

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DATE: May 25, 2022

TO: MAYOR AND COUNCIL

NAME AND TITLE: Blake McIntosh, Director, Civic Operations

SUBJECT: 2022-2023 Annual Operating Agreement between BC Transit and the City of Prince George

ATTACHMENT(S): 2022-2023 BC Transit Annual Operating Agreement and Cover Letter
PowerPoint Presentation from BC Transit

RECOMMENDATION(S):

That Council GIVES FIRST THREE READINGS to “City of Prince George Transit Service Annual Operating Agreement 2022-2023 Authorization Bylaw No. 9322, 2022”

PURPOSE:

This report is to provide context to the renewal of the Annual Operating Agreement (AOA) of 2022-2023 between BC Transit and the City of Prince George, and provide an update on current and future transit projects and operations in Prince George.

DISCUSSION AND FINANCIAL IMPLICATIONS:

Transit operations in Prince George is guided and funded through the annual renewal of an operating agreement between the City of Prince George and the British Columbia Transit Authority (BC Transit), known as the Annual Operating Agreement (AOA). As the AOA is constructed by BC Transit and is bound to the timelines of the province’s fiscal year, the AOA now requires renewal for the 2022-2023 provincial fiscal year.

Under the operating model in communities served by BC Transit, the provincial government covers approximately 47% of all operating expenses. The remaining 53% is funded by the local government. The costs provided in the report are the local government share of the operating expenses.

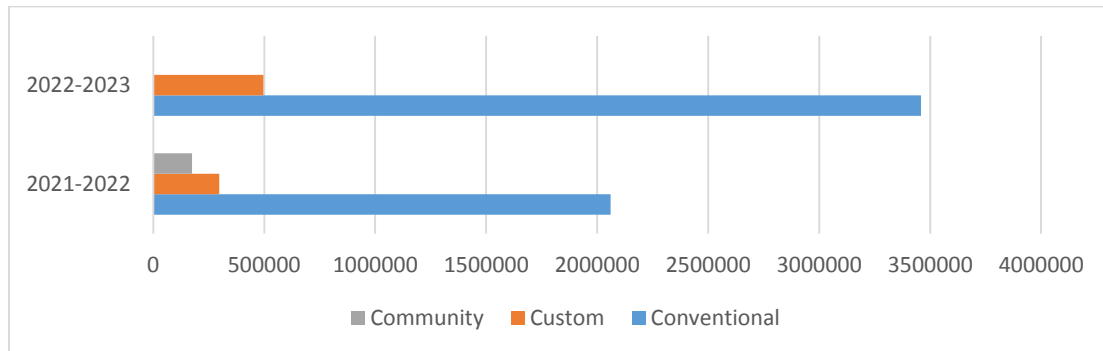
Variances from 2021-2022:

There is an increase in cost to providing transit in Prince George due to a variety of factors. These include:

- Additional service hours (6.6%)
- Additional fleet and associated lease fees (7.4%)
- Fuel (29%)

| | Conventional | Custom | Community |
|-----------|--------------|-----------|-----------|
| 2021-2022 | \$2,227,171 | \$296,900 | \$174,698 |
| 2022-2023 | \$3,458,856 | \$496,838 | \$0** |

**In 2022, the Community Bus program was consolidated into Conventional transit.



Revenue

Revenue from the transit system is collected from a combination of advertising and farebox revenue, with transit fare sales comprising a vast majority of revenue collection. Subsequently, revenue has been subject to decreased ridership from the COVID-19 pandemic, and saw a significant fall in the 2021-2022 fiscal year. As ridership slowly returns to pre-pandemic levels, this will increase. It is expected that the total revenue collected for 2022-2023 will be approximately \$2.28 million. This is an increase of 37% over 2021-2022.

Local Transit Fund and Reserve Funds

There are two main reserve funds that are currently set up to assist in the funding of transit. The Local Transit Fund is a reserve account set up by BC Transit as an operational reserve, of which the local government is able to draw from to offset operations costs. As part of the Safe Restart program, the provincial government has made two contributions to this account over the course of the pandemic, of which the first has been fully drawn upon to cover revenue losses experienced through 2020. The intention is to draw upon the account for the second time, to assist in operational funding and cover additional losses in revenue, in 2022.

The City of Prince George has an internal reserve fund for transit. At this time, the intention is to preserve the balance of this account, which may be drawn upon in future years should funding challenges persist.

Recovery from COVID-19

At this time, the conventional transit system remains at about 75% of pre-COVID ridership.

NextRide

The NextRide system is about to begin installation on buses in Prince George, and is expected to be operational this summer. This system will include real-time GPS tracking on buses, on-board announcements, and displays showing next stop information. Installation of NextRide will improve accessibility and predictability of the transit network, and enhance the experience of taking transit.

Electronic Fare Collection System (EFCS) – BC Transit Umo

BC Transit is moving forward on the implementation of the Umo Farecard system, under the Electronic Fare Collection System (EFCS) project. Staff is currently partaking in engagement with BC Transit on implementation of the system in Prince George, with an expected installation date in late-2023.

STRATEGIC PRIORITIES:

The delivery of transit service in Prince George falls under Council's Focus Areas on Climate Change by supporting the continued implementation of the Climate Change Mitigation and Adaptation Plan by:

- *Continue to support the actions of the Transit Future Plan to help reduce carbon emissions through increasing ridership.*

SUMMARY AND CONCLUSION:

The renewal of the AOA is a critical piece of transit service delivery in Prince George under the BC Transit Act. Staff and BC Transit continue to work collaboratively on a variety of projects and ensuring that day-to-day transit service is delivered effectively and efficiently.

RESPECTFULLY SUBMITTED:

Blake McIntosh
Director, Civic Operations

PREPARED BY: Michael Coulson, Transit Planner

APPROVED:

Walter Babicz, City Manager

Meeting date: June 13, 2022