

STAFF REPORT TO COUNCIL

1100 Patricia Blvd. | Prince George, BC, Canada V2L 3V9 | www.princegeorge.ca

DATE: April 19, 2024

TO: MAYOR AND COUNCIL

NAME AND TITLE: Blake McIntosh, Director, Civic Operations

SUBJECT: 2024-2025 Annual Operating Agreement for the Prince George Transit System

ATTACHMENT(S): Annual Operating Agreement Schedule 'A'

RECOMMENDATION(S):

That Council GIVES FIRST THREE READINGS to “City of Prince George Transit Service Annual Operating Agreement 2024-2025 Authorization Bylaw No. 9469, 2024.”

PURPOSE:

To seek Council’s approval and adoption of the Annual Operating Agreement between BC Transit and the City of Prince George for continued operations of the Prince George Transit System.

STRATEGIC PRIORITIES:

Preserve the Environment: Implement local government actions that advance environmental protection including climate change and adaptation.

BACKGROUND:

Transit in Prince George is funded and operated through an agreement between the City and BC Transit, known as the Annual Operating Agreement (AOA). Each year, the AOA must come before Council for approval prior to going into effect. The approval of the AOA is necessary to continue transit operations under the BC Transit model.

Two types of transit operate in Prince George: “Conventional Transit”, which is standard fixed route transit that operates on a set schedule; and “Custom Transit” which operates door-to-door service for registered customers who qualify.

Under the AOA, financial obligations to funding the transit system are split into two categories: the “Municipal Share” and the “Provincial Share”. The City of Prince George is responsible for covering the municipal share as outlined in the AOA. The total municipal share is dependent on which of the two funding models being applied, whether for Custom or Conventional Transit:

The funding model for Conventional Transit can be broadly described as 53% municipal share, and 47% provincial share.

The funding model for Custom Transit can be broadly described as 33% municipal share, and 67% provincial share.

FINANCIAL CONSIDERATIONS:

About the 2024-2025 AOA

The AOA encompasses all costs associated with operating the transit system in Prince George. The total amount payable to BC Transit over the course of the year includes those operating costs, minus revenue, the use of the Local Transit Fund, and the 47% provincial share for conventional transit, and the 66% provincial share for custom transit. The City is billed monthly invoices based on the actual costs of operating the system – the AOA includes budgeted costs, and therefore the actual costs may vary depending on unforeseen factors.

The annual cost to the City of Prince George of operating the **Conventional** transit system for the 2024-2025 provincial fiscal years is as follows:

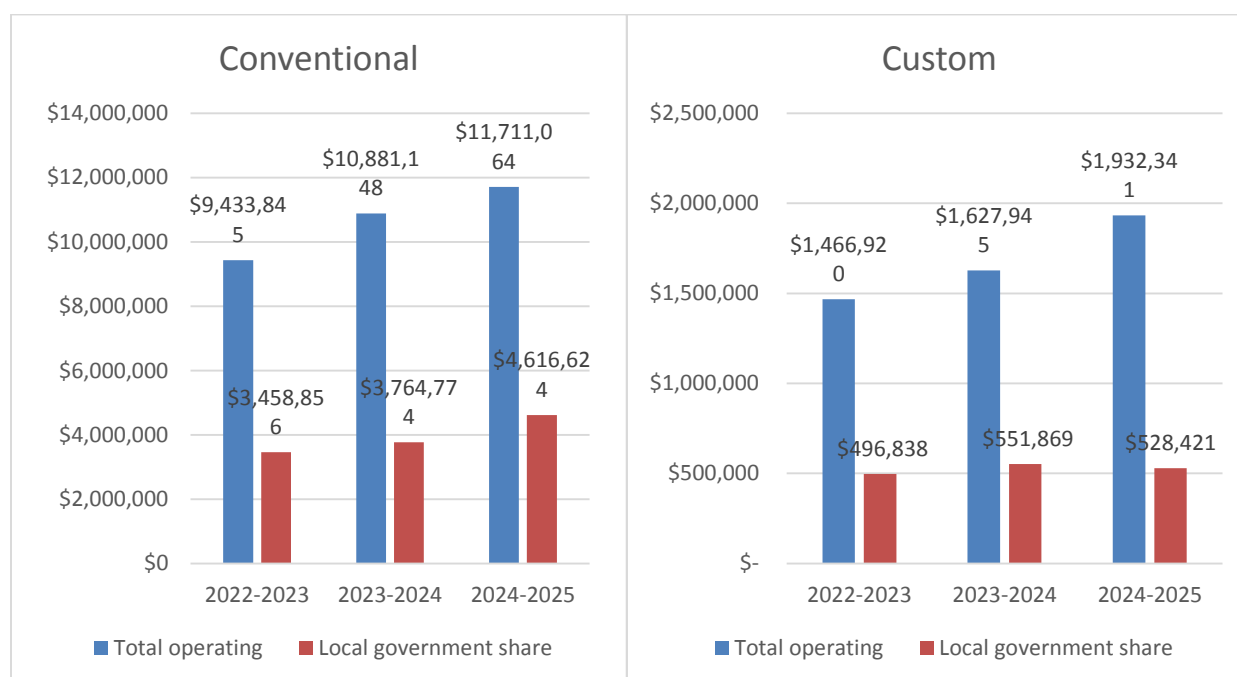
TOTAL OPERATING COSTS	\$11,711,064
TOTAL COSTS (including Lease Fees)	\$12,628,952
Less: REVENUE	\$2,397,076
NET LOCAL GOVERNMENT SHARE OF COSTS	\$4,616,624

The annual cost to the City of Prince George of operating the **Custom** transit system for the 2024-2025 provincial fiscal years is as follows:

TOTAL OPERATING COSTS	\$1,843,653
TOTAL COSTS (including Lease Fees)	\$1,932,341
Less: REVENUE	\$60,496
NET LOCAL GOVERNMENT SHARE OF COSTS	\$528,421

Historical Operational Costs Since 2021

Below is a breakdown of transit operational costs from previous years:



SUMMARY AND CONCLUSION:

The Annual Operating Agreement between the City of Prince George and BC Transit will facilitate the continued operation of the Prince George Transit System through the 2024-2025 fiscal year.

Included in the AOA is the expected operating budget for the transit system for the current provincial fiscal cycle, with considerations given to expected costs related to maintenance and other variables, with a subtraction of expected revenues through fare collection and advertising. City and BC Transit staff continue to collaborate on this service delivery, as well as new projects and initiatives that will improve the system.

RESPECTFULLY SUBMITTED:

Blake McIntosh, Director, Civic Operations

PREPARED BY: Michael Coulson, Transit Planner

APPROVED:

Walter Babicz, City Manager

Meeting Date: [Enter 2024/05/06]