

STAFF REPORT TO COUNCIL

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

DATE: May 26, 2025

TO: MAYOR AND COUNCIL

NAME AND TITLE: Blake McIntosh, Director Civic Operations

SUBJECT: 2025-2026 Annual Operating Agreement for the Prince George Transit System

ATTACHMENT(S): Annual Operating Agreement Schedule 'A'
BC Transit Update- City of Prince George

RECOMMENDATION(S):

That Council GIVES FIRST THREE READINGS to "City of Prince George Transit Service Annual Operating Agreement 2025-2026 Authorization Bylaw No. 9560, 2025"

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:

Council's 2023-2026 Strategic Plan includes the following goal under Environmental Stewardship & Climate Action Priorities:

Preserve the community's natural areas:

- Promote the use of active transportation and public transit modes to reduce the impact of vehicles on the local environment

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 Conventional or Custom 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 2025-2026 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 agreement includes those operating costs, minus revenue, and the 47% provincial share for conventional transit, and the 66% provincial share for custom transit. The city is billed monthly based on the actual costs of operating the system. The AOA includes budgeted costs, and therefore the actual costs may vary depending on operational factors such as price of fuel, parts and maintenance of our aging fleet.

The annual cost to the City of Prince George of operating the Conventional transit system for the 2025-2026 provincial fiscal years is as follows:

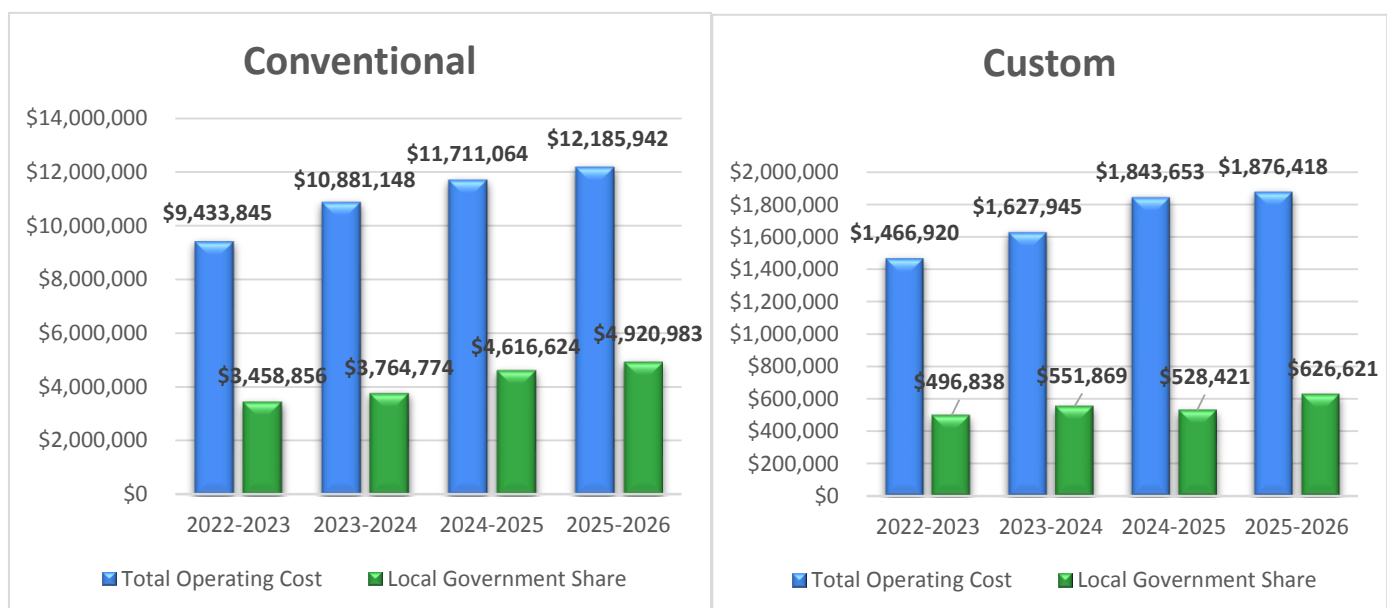
TOTAL OPERATING COSTS	\$12,185,942
TOTAL COSTS (including vehicle Lease Fees)	\$13,214,512
Less: REVENUE	\$2,453,609
Provincial Share of Operating Costs	\$5,689,616
NET LOCAL GOVERNMENT SHARE OF COSTS	\$4,920,983

The annual cost to the City of Prince George of operating the Custom transit system for the 2025-2026 provincial fiscal years is as follows:

TOTAL OPERATING COSTS	\$1,876,418
TOTAL COSTS (including vehicle Lease Fees)	\$1,932,341
Less: REVENUE	\$71,479
Provincial Share of Operating Costs	\$1,251,383
NET LOCAL GOVERNMENT SHARE OF COSTS	\$626,621

The total local government share of costs for both systems is \$5,547,604.

Historical Operational Costs 2022-2026



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 2025-2026 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.

Elise Wren, Government Relations Manager with BC Transit will be in attendance alongside staff to answer any questions.

RESPECTFULLY SUBMITTED:

Blake McIntosh, Director Civic Operations

PREPARED BY: Daniel Pearce, Transit Planner

APPROVED:

Walter Babicz, City Manager

Meeting Date: 2025/05/26