

# STAFF REPORT TO COUNCIL

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**DATE:** October 19, 2020

**TO:** MAYOR AND COUNCIL

**NAME AND TITLE:** Adam Homes, Director of Infrastructure Services

**SUBJECT:** Prince George Transit Operational Update

**ATTACHMENT(S):**

1. Signed Memorandum of Understanding (MOU) from June 2019
2. Transit Improvement Program (TIPS) letter for Transit Service Expansion

**RECOMMENDATION(S):**

That Council RECEIVES FOR INFORMATION the report date October 19, 2020, from the Director of Infrastructure Services, titled "Prince George Transit Operational Update".

**PURPOSE:**

This report is to provide Council with an update on the operations and finances of the Prince George Transit System, as it relates to the ongoing COVID-19 pandemic, and provide background on the deferred service expansion and Transit Improvement Program (TIPS).

**STRATEGIC PRIORITIES:**

This report supports Council's Strategic priority of maintaining fiscal sustainability and balancing service levels with the affordability of City services, facilities, and operations.

**BACKGROUND:**

Staff wish to inform Council about the operations of the city's transit system. The COVID-19 pandemic has a significant operational consequence on the transit system in Prince George. Additionally, staff wish to update Council on the deferred service expansions that were authorized through a Memorandum of Understanding (MOU) in June 2019.

**Service Levels**

In response to a significantly reduced physical presence of students at the University of Northern British Columbia and College of New Caledonia for the fall 2020 semester, services to the institutions were adjusted to match demand. The 15 UNBC/Downtown operates at a reduced frequency than it usually would while the university is in full session. The 17 UNBC and 18 Spruceland are not operating.

The resources that would normally operate on the UNBC peak hour service were reinvested in "flex hours"; one or two buses with drivers remain on standby during times of the day where the system sees the highest ridership. These buses can be deployed at a moments' notice and are usually staged at either Pine Centre Exchange or Spruceland Exchange. In September and October, a bus was dispatched on ten different occasions, typically during busy afternoons on the 88 and 89 routes. The flex bus deployment also allows us to ensure that proper physical distancing can take place on

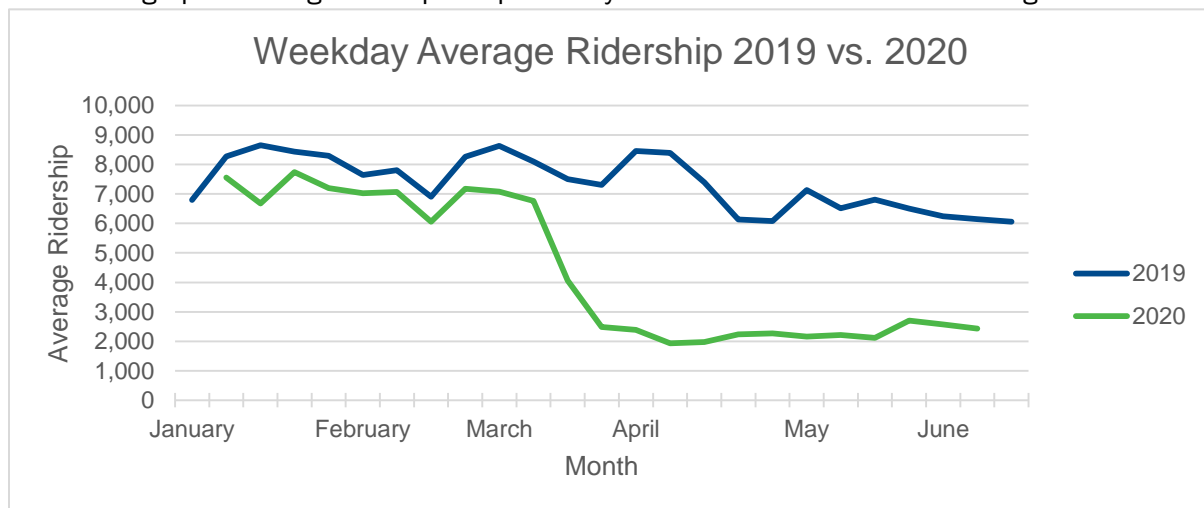
our busiest trips. Staff will continue to work with BC Transit on optimizing this resource based on ridership data.

Capacities on board all bus types were reduced at the beginning of the pandemic. However, they have been increased slightly since that time. It is unlikely that full capacity will be implemented until physical distancing guidelines are removed.

### Ridership

The system's overall ridership remained stagnant through the summer at roughly half of what it was in 2019. At the beginning of September, the ridership did not see its' normal increase from post-secondary students. This decline aligns with the provincial average for Tier-1 transit systems across BC.

Below is a graph showing ridership comparatively in 2020 vs. 2019 in Prince George:



The Prince George transit system is operating at approximately 45% of normal ridership, at roughly 3100 passengers per week. This on trend with the provincial average, which remains at 43% of normal.

### Lost Revenue

The loss in revenue as a result of the pandemic has been significant. Staff is expecting a roughly \$1-million loss in revenue before year-end due to the pandemic's impacts. These losses can be summarized into three key factors:

- The period of rear door boarding that resulted in no fare collection taking place from mid-March to June 1<sup>st</sup>;
- The conversion of physical in-person classes at the post-secondary institutions to virtual settings, thereby impacting UPass fee collection; and
- Overall diminished confidence in confined public spaces, including transit.

Timelines on the last two factors are challenging to predict at this time.

## **Safety Measures**

There have been several safety measures that the City of Prince George and BC Transit have undertaken in response to COVID-19. These include, but are not limited to:

- Wiping and sanitizing of high-touch surfaces at City-owned bus shelters;
- Wiping and sanitizing of high-touch points and surfaces on the buses;
- Daily wipe down of high-touch areas on board buses, and weekly sanitizing spray inside;
- Installation of a physical barrier between customers and operators;
- Requirements around the wearing of masks while on buses; and
- Creating flexible capacity within the system operationally ensures that physical distancing can be maintained on board while serving all customers.

The City, BC Transit, and the operating companies (Pacific Western Transportation and the Carefree Society) have worked together in the implementation and ongoing execution of these safety measures. As the pandemic is still a fluid situation, and we continue to learn about the impacts these measures have, these procedures may be amended as required.

Masks became mandatory on board buses on August 24<sup>th</sup>. In September, mask usage was measured at approximately 62%. It increased slightly to 64% in October.

## **Deferred System Expansion and Other Initiatives**

*Service Expansion:* In April, it was announced by BC Transit that all expansion hours would be deferred to a future date. This deferral resulted in the implementation of 4,000 service hours allocated to Prince George to be postponed to at least the fall of 2021. This service expansion was approved by Council through a Memorandum of Understanding (MOU) in June 2019, for implementation in September 2020.

*NextRide:* Prince George is currently on the list for the Phase 2 implementation of the NextRide program. NextRide is a GPS-based system that includes on-board automated announcements, an on-board LCD screen with next stop and other customer information, a mobile website displaying transit vehicle positions using GPS, and LCD screens with customer information at major stops. The service is currently used in Victoria, Kelowna, Nanaimo, Kamloops, Whistler, and other systems. The implementation for all remaining systems has been placed on hold due to the pandemic. There is currently no timeline for the implementation of the system in Prince George.

*SmartFare:* The SmartFare program is designed to utilize smartphone technology as a form of fare payment, has been delayed, with no timeline announced.

Staff continue to work with BC Transit on these initiatives. Council will be updated in subsequent reports on the status of these projects.

## **Annual Operating Agreement (AOA) update**

The presentation and adoption of the 2020-2021 AOA has been delayed until December.

## **Transit Future Action Plan (TFAP) update**

The presentation of the TFAP to Council has been delayed until early 2021.

#### **DISCUSSION:**

The implications of the pandemic could have lasting impacts on the shape of the system. Staff expects these impacts to resonate with greater emphasis in some key areas.

#### **Ridership and Customer Confidence**

Ridership will likely continue a slow and steady trend of increases over the next year. However, it is not expected to make a full recovery until the confidence of riders is fully restored. This will depend on the return to physical classroom attendance at post-secondary institutions and shifting workplaces back to an office setting. Overall, rider confidence further depends on significant external factors, such as decreases in the number of new COVID-19 cases each day and the development of a COVID-19 vaccine.

#### **Service Expansion**

Future service expansion will depend on how staff and BC Transit interpret the community's transit connections and capacity relief needs. This decision would be made through a comprehensive review of ridership and capacity constraints through the existing network and the *Transit Future Plan's* goals.

The deferred service expansion initiatives are in Attachments 1 and 2. Attachment 1 is the signed Memorandum of Understanding from June 2019, which authorized the now-deferred service expansion for the fall of 2020 and 2022. Attachment 2 is the Transit Improvement Program (TIPS) letter, regarding the City of Prince George's interest in continuing with service expansion now that it has been deferred. There is no obligation to commit to service expansion and only indicates to BC Transit that the City has continued interest in these additional service hours. In order to officially authorize this service expansion, a revised MOU will need to be approved by Council. Staff will continue to work with BC Transit on implementing new expansion initiatives for transit service in Prince George, at Council's direction.

#### **Annual Operating Agreement (AOA)**

The final revised AOA is expected to be presented to Council in December before year-end. This version is expected to include the financial assistance received from the province, as well as the implementation of reserve funds. The waived lease fees will be subtracted from the amounts owed to BC Transit.

#### **FINANCIAL CONSIDERATIONS:**

The COVID-19 pandemic has had a substantial impact on the finances of the transit operation in Prince George. The lowered ridership has negatively impacted revenues significantly.

*Financial forecast:* Below is the forecasting for financial variances for each of the three different systems, in the areas that would help offset overall operating costs. "Community Bus" is the 91 Spruceland/Hart service operated by smaller coaches; "Custom" is the HandyDart door-to-door service, and "Conventional" is all regularly scheduled transit service.

*Operating Estimates:* Below is a table of the revised operating estimates for the 2020 fiscal year:

	<b>Approved 2020-24 Financial Plan</b>	<b>Projected (May 25)</b>	<b>Projected (October 19)</b>
<b>Total Expected Revenue</b>	\$2,381,520	\$1,441,520	\$1,441,520
<b>Total Expected Expenditures</b> <i>(subtracting all cost savings)</i>	\$5,915,260	\$5,833,660	\$4,460,573
After-Revenue Expenditure	\$3,533,740	\$4,392,140	\$3,019,053
After-Rev. Exp. Variance from approved budget (including offsets)		\$858,400	\$-514,687
<b>Revised Estimated Spend for Transit</b>			<b>\$3,019,053.50**</b>

*\*\*This figure is based on “flexible” service hours not being deployed. Operational costs may be more depending on the total usage of these hours. Cost savings from these hours not being used will be placed into reserves, which can be accessed in subsequent years.*

**Reserves:** \$628,363 in reserve funding (a reserve controlled by BC Transit) has been applied to the Annual Operating Agreement (AOA) for 2020-2021 across the Conventional, Custom, and Community systems. This funding allocation will be reflected in the revised AOAs to be issued in December. The City has also applied the remaining available reserve balance of \$199,551 across all systems to be reflected in the upcoming revised AOA. The City will also utilize an amount of \$7,302 called the Local Transit Fund, fully utilizing all financial resources available in the reserve accounts for the upcoming fiscal year. The total allocation of \$835,216 will be used to offset fixed operational expenses in the forthcoming AOA.

*Assistance from Higher Levels of Government:* The provincial government has indicated that \$86 million has been allocated to BC Transit for financial assistance in operations and offsetting lost fare revenue. It is unclear, at this time, how the financial assistance will be distributed. The funding allocation is expected to be included in the AOA 2020-2021.

#### **SUMMARY AND CONCLUSION:**

The COVID-19 pandemic continues to be a fluid and evolving situation with many different considerations and operational impacts. Staff continues to work with BC Transit on identifying areas for potential cost savings and offsetting lost revenues. The work to improve the transit system is currently evolving as well, with Staff expressing continued interest in transit service expansion through the TIPs document and previous MOU, and with the ongoing development of the *Transit Future Action Plan* and identifying needs for the implementation of additional service hours.

**RESPECTFULLY SUBMITTED:**

Adam Homes, Director of Infrastructure Services

**PREPARED BY:** Michael Coulson, Transit Planner

**APPROVED:**

Walter Babicz, Acting City Manager

Meeting Date: 2020/11/09