

**DATE:** May 12, 2021

**TO:** MAYOR AND COUNCIL

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

**SUBJECT:** 2021-2022 Prince George Transit System Annual Operating Agreement

**ATTACHMENT(S):** 2021-2022 Annual Operating Agreement

**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.”

**PURPOSE:**

To provide Council with the Annual Operating Agreement (AOA) between BC Transit and the City of Prince George for approval within a Bylaw.

**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.

**BACKGROUND:**

Each year, the British Columbia Transit Authority (BC Transit) and the City of Prince George enter into an Annual Operating Agreement (AOA) to be approved by bylaw, for the provision of transit service within the City of Prince George. The AOA is signed and executed under the *British Columbia Transit Act* in coordination with the provincial fiscal year.

Included in the AOA is the total operational costs for the transit system, including the Local Government share, and the total number of service hours to be provided. Also provided are lease fees for the fleet, on board technology, among other items.

**DISCUSSION:**

The COVID-19 pandemic has had an ongoing impact to transit budgeting. Significantly decreased ridership has in turn diminished fare revenue, particularly from the U-Pass. However, funding from the provincial government’s Safe Restart program has provided additional operating funds, and access to operating reserves have helped offset those losses, and reduced the overall municipal share obligation for the Prince George Transit System.

### About the Safe Restart Funding:

Approximately \$86 million was provided to BC Transit for allocation to the various systems and communities across BC. In total, the Provincial government and BC Transit have allocated approximately \$2.39 million to the Prince George Conventional, Community, and Custom transit systems. This money is meant to make up for lost revenues and cover additional operating expenses related to the pandemic. It comes with the following provisions:

- Fare increases amount to no more than 2.3% between now and March 2024; and
- A base level of service hours be maintained until March 2024. In Prince George, this base level is 68,302 hours for the conventional system. This is the level of service provided currently.

Approximately half of that money was applied to the 2020-2021 AOA to offset additional operating expenses. The remaining balance will be added to the Local Government Transit Fund, and is being reflected in this Annual Operating Agreement.

### September 2021 Service Improvements

For the duration of the pandemic, Staff and BC Transit have worked together to respond to changing travel patterns and ridership demands through the system using existing service hours and resources. Since September 2020, the transit system has operated “flex buses” that can be deployed on any route during the busiest times of the day, to allow for physical distancing. This service utilized existing service hours that had been pulled from the peak hour “extra” trips to UNBC. In September 2021, with the return of post-secondary institutions to full session, these services will return in a modified fashion to CNC and UNBC, to ensure that adequate service is provided.

### January 2022 Expansion Initiatives and Service Improvements

Staff is working with BC Transit to determine how to respond to the post-COVID recovery on the transit system. It is expected that with the return of regular classes at UNBC and CNC, there will be a return to ridership that will be substantially close to pre-COVID levels. It is possible that full post-secondary ridership could return as soon as January 2022. Subsequently, staff and BC Transit are preparing for responding to capacity constraints that were previously being experienced on the system prior to March 2020. These constraints were most prominent on the routes serving the post-secondary institutions, and subsequently the services that our U-Pass riders were using the most.

In 2020, the planned expansion for September of that year was canceled due to the COVID pandemic and deferred to a later date. At this time, the province has committed to once again move ahead with that expansion to be implemented in January 2022, at the previously agreed upon 4000 new service hours. These hours would be implemented on new express routes serving the post-secondary institutions, and would help alleviate those constraints. These hours would be subject to approval of a Memorandum of Understanding to come forward to Council in a future meeting.

### **FINANCIAL CONSIDERATIONS:**

The Local Government share of operational costs for the Prince George Conventional, Custom and Community transit systems are as follows:

- Conventional: \$2,060,918
- Custom: \$ 296,900
- Community: \$ 174,698

Total share: \$2,532,516

Below is a cost comparison of the Local Government share against the previous year's AOA

System Type	2021/2022 AOA (Current)	2020/2021 AOA	2019/2020 AOA (Amended)
Conventional	\$ 2,060,918	\$ 1,602,791	\$ 2,463,324
Custom	\$ 296,900	\$ 322,550	\$ 508,770
Community	\$ 174,698	\$ 162,067	\$ 186,229
Total	\$ 2,532,516	\$ 2,087,408	\$ 3,158,323

**SUMMARY AND CONCLUSION:**

The 2021-2022 Annual Operating Agreement with BC Transit is another step towards recovery for the Prince George Transit System. In it, the City of Prince George benefits from cost offsets from the Provincial Government, and maintains service levels to provide transportation for essential travel throughout the city. Staff have worked with BC Transit to create opportunities to be flexible in providing transit through the year, and in the coming months will find opportunities to better deploy existing resources and explore opportunities for expansion to ensure that capacity can sufficiently meet the demands post-pandemic.

**RESPECTFULLY SUBMITTED:**

Blake McIntosh, Acting Director, Civic Operations

PREPARED BY: Michael Coulson, Transit Planner

**APPROVED:**

Walter Babicz, Acting City Manager

Meeting Date: 2021/06/14