



Regional Board Report

Request for Decision

To: Regional Board
From: Director of Development & Engineering Services
Date: July 17, 2025
Subject: BC Transit Fare Review

Voting Entitlement: *All Directors – Weighted Corporate Vote – Simple Majority (LGA s. 210)*

Purpose: To receive the presentation from BC Transit on the outcome of their transit fare review study and seek Board direction on the recommended transit fare option.

Executive Summary:

Transit service is vital to connecting people and places across the region, providing an affordable transportation option that helps reduce traffic congestion and emissions. While 2024 saw record transit ridership for the Kelowna Regional Transit System (6.4 million riders), the current transit fare structure for the system has not changed since 2015. While expenses have increased annually over the past 10 years, transit fare prices have not kept up with inflation.

To address this challenge, BC Transit conducted a comprehensive fare review for the Kelowna Regional Transit System. Transit fare reviews are a collaborative process between BC Transit and the Kelowna Regional Transit partners (which include the Regional District of Central Okanagan, City of Kelowna, City of West Kelowna, Westbank First Nation, District of Lake Country, and the District of Peachland). The RDCO is a partner in the Kelowna Regional Transit System due to the limited service #23 transit route that serves the Ellison community. Fare revenue is shared between all Kelowna Regional Transit partners based on ridership and service hours. All decisions regarding fares must be unanimously approved by the Kelowna Regional Transit partners to allow for implementation.

Three fare options were reviewed, and the resulting analysis and recommendations are described on page 18 of the attached Kelowna Regional Transit Fare Review Report (Attachment 1). Under the recommended Option #1, the RDCO would receive an additional \$1,838 to help offset the RDCO's share of transit operating costs. BC Transit will present a summary of the fare review findings and recommendations to the Regional Board.

Recommendation(s):

THAT the Regional Board endorse the Option 1 fare change, and associated U-PASS, DayPASS, and EcoPASS recommendations outlined on page 18 of the Kelowna Regional Transit Fare Review Report (Attachment 1).

Respectfully submitted by: Mariah VanZerr, Regional Planning Manager

Report Approved by: Danielle Noble-Brandt, Director of Development & Engineering Services

Approved for Agenda: Sally Ginter, Chief Administrative Officer

Strategic Plan Alignment:

- | | |
|---|--|
| <input type="checkbox"/> Emergency preparedness | <input type="checkbox"/> Truth and reconciliation |
| <input type="checkbox"/> Health and wellness | <input type="checkbox"/> Environment and climate – Regional priority only |
| <input checked="" type="checkbox"/> Regional transportation | <input type="checkbox"/> Growth and development – Electoral Area priority only |
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Background:

Transit is delivered as a partnership between BC Transit and local, regional and First Nation governments. The roles, responsibilities and funding for transit service are defined by the BC Transit Act. Transit operating costs are cost-shared between the province (47%) and the Kelowna Regional Transit System partners (53%). The Kelowna Regional Transit System partners include the Regional District of Central Okanagan, City of Kelowna, City of West Kelowna, Westbank First Nation, District of Lake Country, and District of Peachland. The RDCO is a partner in the Kelowna Regional Transit System due to the limited service #23 transit route that serves the Ellison community in the East Electoral Area.

For the Kelowna Regional Transit System, the local share of transit operating costs is offset by fare revenues. Fare revenues are shared between the partners based on ridership and service hours in each community. The cost recovery goal for the Kelowna Regional Transit System is 35%. Prior to the pandemic, fare revenues were able to cover base operating costs at this level, but cost recovery has not reached this level since 2019. With operational costs expected to continue to rise, the current rider contribution to transit operating costs will not be sufficient to meet the cost recovery target. Under the recommended Fare Option 1, the RDCO would receive an additional \$1,838 to help offset the RDCO's share of operating costs.

Considerations:

Financial:

Under the recommended Option #1, the RDCO would receive an additional \$1,838 to help offset the RDCO's share of operating costs. If Option 1 is implemented, the additional revenue would be included within the next 5-year Financial Plan.

Considerations not applicable:

- Organizational/External
 - Legal / Statutory Authority
 - Alternate Recommendation
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Attachment(s): 1. Kelowna Regional Transit System Fare Review - Report
 2. Kelowna Regional Transit System Fare Review - Presentation
