



Regional Board Report

Request for Decision



To: Regional Board

From: David Komaïke, Director of Engineering

Date: July 14, 2022

Subject: BC Transit 2022 – 2023 Annual Operating Agreement

Voting Entitlement: *All Directors – Weighted Corporate Vote – Majority (LGA s.209)*

Purpose: To consider approval of the 2022/23 Annual Operating Agreement between the Regional District of Central Okanagan and British Columbia Transit.

Executive Summary:

Each year, the Regional District enters into an agreement with BC Transit for the provision of transportation services to the Ellison Area. The Annual Operating Agreement (“AOA”) between the Regional District of Central Okanagan and British Columbia Transit (“BC Transit”) is renewed yearly and covers the period from April 1, 2022 to March 31, 2023.

The new agreement reflects the impact of the significant operating challenges experienced over the past two years such as increased fuel and labour costs.

The most significant change to the agreement is the removal of references to the “Operating Reserve” which is no longer collected by BC Transit. The small balance of funds in our operating reserve were added as a revenue source in 2021-22 budget.

Recommendation(s):

THAT the Regional Board approves the 2022-23 Kelowna Regional Annual Operating Agreement effective April 1, 2022 as outlined in the report from the Director of Engineering dated July 14, 2022;

AND THAT the Regional Board authorizes the Chair and Corporate Officer to execute the agreement in the form attached to the report.

Respectfully Submitted:

A handwritten signature in black ink, appearing to read "DK/KR", written over a light blue horizontal line.

David Komaïke, P.Eng., Director of Engineering Services

Attachment(s):

1. BC Transit 2022/23 Annual Operating Agreement
2. Letter from BC Transit dated April 5th, 2022
3. 2022-23 Annual Operating Agreement – Budget Notes

Strategic Plan Alignment:

Priorities: Transportation and Mobility
 Values: Regional Perspective

Background:

The Ellison Transit Service represents the smallest component of the Kelowna/Central Okanagan Transit System. The 2022/23 budget for the program is \$24,784 (after provincial grants) or approximately 0.20% of the Kelowna/Central Okanagan Transit operating budget. The total operating costs for the entire transit system, net of provincial grants, is just over \$10,300,000.

The cost for the Ellison Transit Service has remained low throughout the pandemic due to costs being partly offset by the return of the Operating Reserve as a one-time infusion of revenue in 2021 and Federal “Safe Restart” Grant in 2020. BC Transit estimates that it will take 2-3 years for ridership to recover to pre-pandemic levels. 2022/23 will be the first “normal” year of operation since 2019/20.

Operating Year	AOA Total Budget	RDCO Costs	Comments
2017-2018	\$18,486	\$10,629	
2018-2019	\$22,643	\$12,886	
2019-2020	\$36,105	\$20,397	First year of service level change
2020-2021	\$42,252	\$13,461	Reflects Restart Grant of \$14,400
2021-2022	\$45,154	\$16,908	Reflects use of Operating Reserve
2022-2023	\$48,480	\$24,784	

Conventional Transit service costs have remained relatively stable as the district’s hours of service, as a % of total hours, remains at 4.60%.

Considerations:**Financial:**

Funding for BC Transit services for the RDCO is identified in the 2022 Financial Plan.

Considerations not applicable:

- Alternate Recommendation
- Legal/Statutory Authority
- Organizational/External