ADMINISTRATIVE REPORT TO THE COMMITTEE OF THE WHOLE
ON
TRANSIT FARES AND SERVICE

PURPOSE
To seek Council’s direction on proposed transit fare structure changes, proposed September 2019 service expansion implementation, and a proposed opportunity to expand in September 2020.

COUNCIL STRATEGIC PLAN
This report supports Council’s strategic priorities and areas of focus regarding:

• Governance and Accountability
  - Community Engagement: We are committed to engaging and connecting with Kamloops residents and stakeholders.
  - Fiscal Responsibility: We are fiscally responsible and accountable.
• Livability
  - Healthy Community: We foster an environment that supports and promotes healthy living through recreation, community, and social connection.
  - Safety: We recognize the importance of a safe and secure community.
• Vibrant Economy
  - Partnerships: We continue to nurture partnerships with key agencies and organizations.
• Environmental Leadership
  - Climate Action: We enhance the City’s resiliency and capacity for mitigating and adapting to the impacts of climate change.
  - Sustainability: We implement strategies that reduce our impact on the environment.
  - Transportation: We facilitate sustainable transportation options and create community connectivity.

SUMMARY
Administration has conducted a fare structure review to explore fare options and better align Kamloops’ current fare structure with BC Transit’s (BCT’s) Fare Guidelines. The results of the review are presented in this report.

Based on the review’s findings, Administration recommends maintaining the current cash fare ($2 per single cash fare) and decreasing monthly pass fares in order to make them more appealing. It is further recommended that the Student/Senior discount on tickets be removed, though there will still be a significant Student/Senior discount on monthly pass options. Lastly, it is proposed that the current transfer program be eliminated in conjunction with introducing the DayPASS-on-board Program (as shown in Table 3).
Numerous opportunities already exist to help make transit available to people with limited income. Provincial programs exist through the Ministry of Social Development and Poverty Reduction, and the existing fare structure already provides favourable options for children, students, and seniors. The City currently collaborates with United Way, ASK Wellness, and the Elizabeth Fry Society on additional affordable transit options. These programs are expected to mitigate any negative financial impacts the proposed fare changes could have on those that are most vulnerable.

The approved 2019 operating budget for transit includes the implementation of 3,000 additional conventional service hours in September 2019. A memorandum of understanding (MOU) from BCT and the Discussion section of this report outline the recommended implementation of those additional service hours. The service changes are guided by priorities outlined in the Transit Future Plan; the results of a customer satisfaction survey, which was completed in fall 2018 by NRG Research Group; and ongoing analysis of public feedback and correspondence received by the City and BCT.

Looking forward to 2020, BCT requires the City to provide notification if we wish to consider further expansion hours for both conventional (regular, scheduled, fixed-route service) and custom transit (handyDART door-to-door service). The City can express its interest in expansion by executing the MOU provided by BCT. The executed MOU will initiate the addition of 4,500 conventional hours in September 2020. It will also trigger an increase to the hours of custom service so that the span of weekday custom transit service can match the weekday hours served by the conventional system. These expansion hours will be included in the 2020–2021 budget deliberations.

Lastly, the transit service agreement (TSA) between the City and BCT requires that both parties update and execute an annual operating agreement (AOA) to accommodate changes in transit service and operational costs. Council’s authorization of the updated AOA is requested. The updated AOA captures and reflects the changes approved for the 2019/20 operating year.

**RECOMMENDATION:**

That the Committee of the Whole:

a) direct staff to implement the fare product adjustments shown in Table 3 of this report and better align Kamloops’ current fare structure with BC Transit’s Fare Guidelines (including amending, as necessary, the Annual Operating Agreement [AOA])

b) direct staff to implement 2019 service expansion and adjustments (including amending the AOA as necessary) (Attachment “A”)

c) direct staff to execute the September 2020 service expansion memorandum of understanding for conventional and custom transit service (Attachment “B”)

d) recommend that Council authorize signing of the 2019–2020 AOA between the City and BC Transit (Attachment “D”)
SUPPORTING COUNCIL AND CORPORATE DIRECTION

- KAMPLAN: City of Kamloops Official Community Plan, 2018
- Transportation Master Plan, 2018
  - Vision of Transportation in Kamloops: A transportation system in the city of Kamloops, consistent with the vision of KAMPLAN, that provides a diversity of safe, accessible, affordable, and sustainable travel choices for all that integrate well, are effective to use, promote healthy lifestyles, and support economic prosperity.
  - Transit Goal: Foster an efficient, affordable, safe, and accessible transit system that is an attractive alternative to the private vehicle and integrates with other transportation modes.
- Transit Future Plan - Kamloops, 2012

Staff are in the process of updating the 2012 Transit Future Plan and have started to create the Transit Future Action Plan (TFAP). The TFAP will replace the Transit Future Plan and build on the extensive engagement that was undertaken when the 2012 Transit Future Plan was developed. Project information, a survey, and an interactive opportunity for feedback on the TFAP were provided on the City’s Let’s Talk web page. City and BCT staff have also hosted two separate open houses for the public to provide input on the plan. The feedback received from online and in-person public engagement will directly impact the process for updating the Transit Future Plan to create the TFAP and help staff to prioritize action items in order to improve transit in the community. Full details on the engagement results will be provided to Council in summer 2019, and staff will seek Council’s adoption of the TFAP at a future meeting. To date, there are no items identified that will result in any drastic changes.
DISCUSSION

Fare Structure Changes

Decisions regarding transit fares, routes, and service levels are authorized by Council and based on information and planning by Administration and BCT.

The last change to conventional transit fares was in May 2015, when $2 single cash fares were introduced. No changes to the transfer policy or the structure of fare products were included as part of the 2015 fare review.

Staff have conducted a fare structure review to explore fare options and better align Kamloops’ current fare structure with BCT’s Fare Guidelines. Regularly reviewing fares supports an efficient and accessible transit system because reliable revenues create a sustainable funding model and enable investments in transit improvements. Investments in transit to create frequent, convenient, and reliable service is the main driver to make transit an attractive alternative vs. private vehicles.

For the most part, Kamloops Transit System fare structure aligns well with BCT’s Fare Guidelines; however, there are the following exceptions:

• Kamloops offers a Student/Senior discount ticket fare, which is not offered in BCT’s guidelines
• a DayPASS costs more than the guideline of two times the base cash fare
• the amount saved on a student/senior monthly pass is greater than the guideline of 15% off of the adult monthly pass
• the amount saved on the semester pass is greater than the guideline of 20% off of the price of four student/senior monthly passes
• transfers are included; however, the guidelines recommend against using transfers

<table>
<thead>
<tr>
<th>Fare Product</th>
<th>Riders</th>
<th>Current Fares</th>
<th>Alignment to BC Transit Fare Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>All</td>
<td>$2.00</td>
<td>Aligned</td>
</tr>
<tr>
<td>Tickets (10 pack)</td>
<td>Adult</td>
<td>$18.00</td>
<td>Aligned</td>
</tr>
<tr>
<td></td>
<td>Student/Senior</td>
<td>$15.50</td>
<td>Not aligned</td>
</tr>
<tr>
<td>DayPASS</td>
<td>All</td>
<td>$5.00</td>
<td>Not aligned</td>
</tr>
<tr>
<td>Monthly Pass</td>
<td>Adult</td>
<td>$53.00</td>
<td>Aligned</td>
</tr>
<tr>
<td></td>
<td>Student/Senior</td>
<td>$34.00</td>
<td>Not aligned</td>
</tr>
<tr>
<td>Semester Pass</td>
<td>Student</td>
<td>$100.00</td>
<td>Not aligned</td>
</tr>
<tr>
<td>U-PASS</td>
<td>Post-secondary</td>
<td>$55.48</td>
<td>n/a</td>
</tr>
<tr>
<td>ProPASS</td>
<td>Enrolled Employees</td>
<td>$44.00</td>
<td>n/a</td>
</tr>
<tr>
<td>Transfers</td>
<td>All</td>
<td>Valid for 60 minutes, including return trips</td>
<td>Not aligned</td>
</tr>
</tbody>
</table>
The proposed fare structure helps to address the discrepancies between BCT’s Fare Guidelines and the current Kamloops Transit System fare structure. Due to the nature of the expected changes resulting from the introduction of new fare collection technology, the focus on fare structures is to align the number and types of fares versus aligning the actual fare prices.

Table 2 highlights key BCT performance statistics for the Kamloops Transit System for the 2017/18 fiscal year. Trend analyses of these performance measures are based on the three years since the current fare structure was introduced in 2015.

**Table 2: Key Performance Measures for the Kamloops Transit System**

<table>
<thead>
<tr>
<th>Measure</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Ridership (2017/18)</td>
<td>3,665,000</td>
</tr>
<tr>
<td>Rides Paid for with a Transfer</td>
<td>188,000 (5%)</td>
</tr>
<tr>
<td>Rides Paid for with Cash or Tickets</td>
<td>1,200,000 (33%)</td>
</tr>
<tr>
<td>Revenue/Ridership Growth (three-year annual compound rate)</td>
<td>+3%</td>
</tr>
<tr>
<td>Revenue from Fare Sources*</td>
<td>$3,388,000</td>
</tr>
<tr>
<td>Percentage of Fare Revenue from Prepaid Fare Products</td>
<td>73%</td>
</tr>
<tr>
<td>Prepaid Fare Revenue Growth (three-year annual compound rate)</td>
<td>+1%</td>
</tr>
<tr>
<td>Average Fare</td>
<td>$1.06</td>
</tr>
<tr>
<td>Operating Cost Recovery**</td>
<td>39%</td>
</tr>
</tbody>
</table>

*Excludes advertising, BC Bus Pass, and miscellaneous revenue, and represents revenue that can be affected by fare changes
**Total revenue divided by total operating costs, less local lease fees

Annual ridership in the Kamloops Transit System has grown since the current fare structure was introduced, and increases have been observed year over year. Ridership growth was aided by increases in transit service hours.

The Kamloops Transit System’s revenue has also grown over the past three years at a comparable rate to ridership. Total revenue peaked in the most recent fiscal year. Revenue from fare sources makes up 84% of total revenue in the Kamloops Transit System and has mirrored the growth rate of total revenue.

Total revenue can be broken down into prepaid fares, cash fares, and advertising revenue. Revenue from prepaid sources has increased over the past three years, as a percentage of the total revenue prepaid is now 73%. Cash fares (23%) and advertising revenue (4%) make up the remaining 27%. This increase in prepaid revenue is attributed to increases in monthly, semester, and U-PASS sales, as these products offer a discount for pre-purchase and result in an increased number of rides per product sold. Cost recovery has improved by 3% over three years as a result of stable operating expenses along with increasing revenues.

**Proposed Fare Options**

Staff recommend adjusting fare products as illustrated in Table 3. The recommended fare structure calls for the elimination of the discounted student/senior tickets and also recommends...
pricing the DayPASS at twice the base cash fare so as to better align with BCT Fare Guidelines. Additionally, this fare structure decreases the cost of monthly pass fares in order to make them more appealing, and it retains a discounted monthly pass product for students/seniors. BCT staff have confirmed that no other system that has introduced the DayPASS-on-board Program has recommended decreasing monthly pass fares. This step is recommended by City staff to ensure that transit remains an affordable option while promoting increased transit use.

Table 3: Proposed Fare Option

<table>
<thead>
<tr>
<th>Fare Product</th>
<th>Riders</th>
<th>Existing</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>All</td>
<td>$2.00</td>
<td>$2.00</td>
</tr>
<tr>
<td>Tickets (10 pack)</td>
<td>Adult</td>
<td>$18.00</td>
<td>$18.00</td>
</tr>
<tr>
<td></td>
<td>Student/Senior</td>
<td>$15.50</td>
<td></td>
</tr>
<tr>
<td>DayPASS</td>
<td>All</td>
<td>$5.00</td>
<td>$4.00*</td>
</tr>
<tr>
<td>Monthly Pass</td>
<td>Adult</td>
<td>$53.00</td>
<td>$50.00</td>
</tr>
<tr>
<td></td>
<td>ProPASS</td>
<td>$44.00</td>
<td>$40.00</td>
</tr>
<tr>
<td></td>
<td>Student/Senior</td>
<td>$34.00</td>
<td>$30.00</td>
</tr>
<tr>
<td>Semester Pass</td>
<td>Student</td>
<td>$100.00</td>
<td>$100.00</td>
</tr>
<tr>
<td>U-PASS</td>
<td>Post-secondary</td>
<td>$55.48</td>
<td>$55.48</td>
</tr>
</tbody>
</table>

*Available through the DayPASS-on-board Program

As part of aligning more closely with BCT’s Fare Guidelines, staff recommend discontinuing transfers. This recommendation is made due to issues that stem from the subjective nature of how transfers are used, which creates the potential for fare evasion by transit users who attempt to use an expired or invalid transfer as a valid fare. In escalated circumstances, this can lead to conflict between customers and bus operators.

In place of transfers, staff recommend introducing the DayPASS-on-board Program. Under this program, upon boarding the bus, a customer pays two times the base fare with either cash or two tickets, and the operator provides them with a dated paper DayPASS. The customer can then travel throughout the transit system for the remainder of the calendar day by presenting the DayPASS to the operator when boarding.

The DayPASS-on-board Program is currently in place in the Regional District of Nanaimo and Victoria Regional Transit Systems. In both systems, the DayPASS has reduced transfer-related conflicts with operators to the point of conflicts being non-existent. Additionally, transit ridership has been observed to have increased in two ways. First, users of the DayPass-on-board Program are more inclined to take additional transit trips in a calendar day due to the added convenience of the product. Second, there has been a marked increase in the purchase and use of monthly pass products in both systems after the introduction of the DayPass-on-board Program, which correlates to increased transit ridership. The increased ridership and the lack of opportunity to use expired transfers has led to an increase in fare revenues in both Nanaimo and Victoria. Prince George and Squamish have also already approved DayPASS-on-board to be implemented in September 2019.
In the most recent year, only 5% of all bus rides in Kamloops were paid for by using a transfer. As proposed, assuming each rider is able to make an informed decision on which product to purchase, the absolute maximum monthly impact to any individual Adult rider would be $24/month (assumes 12 one-way rides requiring a transfer on 12 separate days of the month). To any individual Student/Senior rider it would be $14/month (seven rides). If any more rides per month are taken than listed in these examples, then the monthly pass options become more cost efficient than DayPASS purchases.

September 2019 Service Expansion

The approved 2019 operating budget for transit includes the implementation of 3,000 additional conventional service hours in September 2019. BCT has provided an MOU to amend the AOA service specifications (Attachment “A”). The service changes are guided by priorities outlined in the Transit Future Plan, an NRG Research Group customer satisfaction survey completed in fall 2018, and ongoing analysis of public feedback and correspondence received by the City and BCT. From these guiding documents and consultations, the recommended service changes consist of the following:

- approximately 175 hours added to Route 1 to improve weekday on-time performance, and the evening span on Sundays will be extended
- approximately 1,075 hours added to Route 7 to improve service frequency on Saturdays, increase the weekend service span, and improve weekday on-time performance
- approximately 950 hours added to Route 9 to improve service frequency on Saturdays and improve weekday on-time performance
- approximately 75 hours used to extend the evening span on Sundays on Route 17
- approximately 525 hours used to make additional on-time performance improvements to weekday schedules
- approximately 200 hours used to ensure that base service levels can be maintained in summer 2020 given the fall 2019 service expansion

One of the performance measures used to determine the above recommendations was the record of passenger pass-ups (usually when full buses have to pass by riders waiting at a bus stop). For example, in January 2019, drivers reported 16 instances when they had to pass by waiting riders. The total number of riders passed by who had to wait for the next bus was estimated at 156. Of the passenger pass-ups, 94% of them occurred on Route 9 and Route 7; therefore, the frequency of service on both of these routes is being increased.

<table>
<thead>
<tr>
<th>Figure 1 - On-time Performance - Fall 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>60%</td>
</tr>
<tr>
<td>50%</td>
</tr>
<tr>
<td>40%</td>
</tr>
<tr>
<td>30%</td>
</tr>
<tr>
<td>20%</td>
</tr>
<tr>
<td>10%</td>
</tr>
<tr>
<td>0%</td>
</tr>
<tr>
<td>Early (&gt;3min)</td>
</tr>
<tr>
<td>Early (1-3 min)</td>
</tr>
<tr>
<td>On-time</td>
</tr>
<tr>
<td>Late (3-6 min)</td>
</tr>
<tr>
<td>Late (&gt;6min)</td>
</tr>
</tbody>
</table>

13%
On-time performance is another statistic that is used to determine where hours are allocated. As a whole, the Kamloops system performs well. The on-board smart bus equipment already installed on the Kamloops fleet enables in-depth reporting that shows the on-time performance of each route at each hour of the day. Figure 1 illustrates the on-time performance recorded across all routes during fall 2018. Typical reporting within the transit industry is to focus on buses that are more than six minutes late, and this has been observed in Kamloops at 13%.

BCT confirms that the Kamloops stats are very similar to the other BCT Tier 1 systems. Examples of on-time performance published by non-BCT systems reveal that Washington state’s goal for on-time performance is less than 22% of buses that are more than seven minutes late, San Francisco experiences approximately 5% late buses in spite of a voter mandate to meet a target of 15%, and 2018 TransLink data shows routes that are anywhere from 58% to 95% on time (one minute early to three minutes late). Based on the on-time performance monitoring for Kamloops, 525 hours will be used to make additional on-time performance improvements.

Table 5: Typical Example of Customer Comments (May 2018)

<table>
<thead>
<tr>
<th>Onboard Related</th>
<th>Vehicle Related</th>
<th>Service Related</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety</td>
<td>Safety</td>
<td>Early</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Behaviour</td>
<td>Cleanliness</td>
<td>Late</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fare</td>
<td></td>
<td>Missed</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pass-up</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>15</td>
<td>5</td>
<td>8</td>
<td>52</td>
</tr>
</tbody>
</table>

Comments Received Via:

<table>
<thead>
<tr>
<th></th>
<th>Phone</th>
<th>Email/Web</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-person</td>
<td>21</td>
<td>31</td>
<td>-</td>
<td>52</td>
</tr>
</tbody>
</table>

Receiving, tracking, and resolving comments provided by customers is a coordinated effort that involves the City, BCT, and First Canada ULC. All customer comments are shared, tracked, and resolved by the group, regardless of how the comment was received or which organization received it. In a typical year, over 400 comments are documented, and the vast majority come in by email/web and phone.

Expansion Memorandum of Understanding

BCT has submitted an MOU to formalize the process of securing provincial funding (Attachment “B”). This MOU summarizes specific expansion initiatives for the subsequent three operating years of 2020/21 through to 2022/23. Initiatives are derived from recommendations outlined in the most recent service plan(s) from BCT and are collaboratively validated by staff.

The proposed expansion requires additional vehicles, which is factored into the estimated total costs. The covering letter with the MOU indicates that “should fleet be procured following agreement to the MOU and a later determination is made that expansion is no longer desired by the local government, the lease fees related to the new vehicles will still be added to your operating budget for a minimum of a one-year period.”

Once local governments confirm a commitment to expansion, the request is included in BCT’s draft Service Plan to the Province to seek the matching funding required for operating and capital costs. A commitment from Council is required by June 1, 2019, to ensure sufficient time for BCT to include our requests.
The proposed initiatives for conventional service include an additional 4,500 hours for implementation in September 2020. The approximate annual net cost to the City is $223,278, which includes approximately $70,000 in annual lease fees. The figure of 4,500 hours is derived from the ridership target in the Transit Future Plan, the Sustainable Kamloops Plan, and the Transportation Master Plan. Service hours strongly correlate with ridership, especially in a healthy system like our city’s. Calculations reveal that 4,500 hours of additional service will be required each year to reach the ridership targets set for the year.

The proposed custom initiatives are based on the findings and recommendations of a Custom Transit Services report from January 2019 (Attachment “C”). The initiative proposed for custom services, starting in September 2020, is to increase the span of weekday service to match the weekday hours served by the conventional system. The net annual City cost for this is estimated at $22,709. In subsequent years, additional custom expansion should focus on providing a weekend service span to match the conventional system’s. Once custom service times match those available on the conventional system, focus can turn to address potential latent demand (primarily at peak times).

**2019/20 Annual Operating Agreement**

The TSA between the City and BCT requires that both parties update and execute an AOA to accommodate changes in transit service and operational costs. The 2019/20 AOA reflects the increases in hours approved by Council in 2018 and, possibly through amendment, include the service hours and fare structure changes approved by Council as a result of this report. A copy of the 2019/20 AOA is provided as Attachment “D”. Council's approval is being sought to sign the AOA and any amendments required to implement additional items authorized by Council. The AOA aligns with the province’s fiscal year and covers the period from April 1, 2019, through to March 31, 2020.

**ALTERNATIVES/OPTIONS**

Two other fare structures are provided as alternatives for Council’s consideration. Both call for the elimination of the Student/Senior ticket fare and introduce the DayPass-on-board Program. Alternative 1 calls for the DayPASS to be priced at twice the base cash fare to better align with BCT’s Fare Guidelines, eliminating the discounted tickets for Seniors/Students, and maintaining all other products at their current price. Alternative 2 includes a $0.25 increase in the base cash fare and corresponding increases to ticket and DayPASS fares while reducing the monthly pass prices.

**Table 5: Alternative Fare Options**

<table>
<thead>
<tr>
<th>Fare Product</th>
<th>Riders</th>
<th>Existing Fare Structure</th>
<th>Proposed Fare Structure</th>
<th>Alternative 1</th>
<th>Alternative 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>All</td>
<td>$2.00</td>
<td>$2.00</td>
<td>$2.00</td>
<td>$2.25</td>
</tr>
<tr>
<td>Tickets (10 pack)</td>
<td>Adult</td>
<td>$18.00</td>
<td>$18.00</td>
<td>$18.00</td>
<td>$20.25</td>
</tr>
<tr>
<td></td>
<td>Student/Senior</td>
<td>$15.50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DayPASS</td>
<td>All</td>
<td>$5.00</td>
<td>$4.00*</td>
<td>$4.00*</td>
<td>$4.50*</td>
</tr>
</tbody>
</table>
When determining alternatives, it is important to consider all of the available products at the same time and not focus on just one product. It is important that any new fare structure does not cause riders to migrate away from the monthly pass options. People who commit to a monthly pass are inclined to consider using transit for trips outside of their current usage patterns. Studies clearly demonstrate that the convenience of having a prepaid product in hand increases the likelihood of a person taking additional and subsequent trips. This is widely known to be true for monthly passes, and it also can be said for the DayPASS-on-board. This positive impact on overall convenience and ridership will have a positive influence on the health of the system. The healthier the system, the better the opportunities for affordable and sustainable growth of the system. Sustainable growth of service hours has proven to be a more important driver of ridership than changes in fares and pricing.

FINANCIAL IMPLICATIONS

Fare Structure Review

Introducing the recommended fare product adjustments, including the DayPass-on-board Program, is anticipated to have positive impacts on both revenue and ridership. Projections based on modeling and the experiences in other DayPass-on-board communities are outlined in Table 5.

Table 5: Quantitative Analysis

<table>
<thead>
<tr>
<th>Quantitative Analysis</th>
<th>Proposed Fare Structure</th>
<th>Alternative 1</th>
<th>Alternative 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Impact on Revenue</td>
<td>+$191,000 (+6%)</td>
<td>+$254,000 (+8%)</td>
<td>+$305,000 (+9%)</td>
</tr>
<tr>
<td>Projected Impact on Ridership</td>
<td>+346,000 (+11%)</td>
<td>+310,000 (+10%)</td>
<td>+312,000 (+10%)</td>
</tr>
</tbody>
</table>

September 2019 Service Expansion

There are no financial implications with respect to implementing the recommended 2019 service expansion and adjustments. All implications have been accounted for within the existing approved operating budget.
Expansion Memorandum of Understanding

The proposed expansion outlined for September 2020 is estimated to have an annual impact of $223,278. The proposed custom transit initiatives are estimated at $22,709. If the recommendations of this report are approved, then these budget requests will be brought forward by staff when Council is deliberating the 2020–2021 budget.

If the conventional service expansion is approved now but is denied later, there will be approximately $70,000 in annual lease fees that the City will still be accountable for in 2020. These lease fees correlate with the two new additional buses required to implement the proposed hours. In this scenario, the risk to the City will be mitigated somewhat by BCT, as BCT will make every effort to deploy the buses for another system that needs them.

SOCIAL IMPLICATIONS

The Transportation Master Plan (2018) and Transit Future Plan (2012) outline a number of strategic directions that support a socially responsible transit system within the community including, but not limited to, the following:

• striving to maximize transit ridership
• encouraging students, organizations, and residents to take transit more regularly through incentive programs such as ProPASS, U-PASS, BC Bus Pass Program, and Family Travel
• providing value to customers and the community as a whole while working toward a financially sustainable transit system

The most recent BCT Fare Review Report also notes that re-optimizing the Kamloops Transit Fare Structure will make it easier for customers to choose the appropriate product. With easier-to-understand fare products and an on-board option for purchasing a DayPASS, the overall transit rider experience will be improved.

The Province, through the Ministry of Social Development and Poverty Reduction, currently provides an extra $52/month for a transportation supplement to individuals receiving provincial disability assistance. This supplement can be used for an annual bus pass (Compass Card) or for other transportation needs. Low-income seniors and people meeting other eligibility requirements under this provincial program can access a Compass Card at a reduced cost of $45/year. The Compass Card is valid for travel anywhere within the TransLink and BC Transit service areas. The City does not contribute to these programs; however, the Compass Card can be used to access transit rides in Kamloops.

The United Way, in partnership with municipalities in communities across Canada, administers the Emergency Transportation Assistance Program (ETAP). Since 2007, the City has been providing transit tickets annually to the Thompson Nicola Cariboo United Way for redistribution to participating not-for-profit organizations to assist their clients in accessing services and resources. In 2013, Council increased the annual allotment of transit tickets for the ETAP to 7,660 adult tickets and 1,020 student/senior tickets (a total approximate annual value of $15,600).
In addition to the ETAP, the City issues permanent ProPASSes at no cost to tenants of Maverick Manor (operated by the ASK Wellness Society), as they do not live within walking distance of many services or employment opportunities. The City also issues permanent ProPASSes at no cost to the Elizabeth Fry Society, which issues those ProPASSes to participants of the Lived Experience Committee and the My Place drop-in program. Both organizations may also distribute transit tickets that are issued to them through the ETAP.

These existing programs are expected to easily offset any negative financial impacts the proposed fare structure changes could have on those that are most vulnerable. Also, staff will present further affordable transportation options and details to Council in a separate report.

IMPLEMENTATION PLAN

Staff do not recommend seeking further feedback from the public on the proposed fare structure changes because the potential impacts are already well understood and have been well articulated in the feedback received to date. It is clear that DayPASS-on-board could have a negative financial impact on the one-way users that require a transfer. It is also clear that transfers are a relatively small component of all trips (only 5%) and that there are numerous options available to mitigate the negative impacts that could occur.

If approved by Council, the changes to transit fares will be implemented in September 2019. The revised fare structure will be included in the new Rider’s Guide, which is also being updated to incorporate approved service adjustments. Information on the fare changes will be communicated in advance through BCT’s and the City’s websites as well as through local media.

Concurrence: K. Humphrey, CPA, CA, Corporate Services Director
W. Heshka, Communications Manager

Author: D. Matkowski, P.Eng., Engineering Manager

M. Kwiatkowski, P.Eng.
Development, Engineering, and Sustainability Director

Approved for Committee of the Whole

DM/Im/kjm

Attachments
Memorandum of Understanding
to Amend the AOA Service Specifications

Date: April 4, 2019
Expiry: June 1, 2019
System: Kamloops

Prepared by: Chelsea Mossey
Manager, Government Relations Manager, BC Transit

Duplicate Sent to: First Canada
Alison Marshall

As per the requirements of our Operating Agreements, this document serves as notification to amend or modify schedules within the Annual Operating Agreement and seeks consent by the Local Government to proceed with the service changes detailed below within the scope identified.

Scope of Amendment
The following provides a scope to which the Specification Amendment will work within. It should be noted that revenue hours and fleet requirements are based on best estimates. Only following the detailed scheduling work can these be accurately provided to inform funding requirements. In the event there is a change that forces the scope defined for the “Schedule C” to be exceeded, a new Notification of Intent to Amend the Service Specifications must be completed and agreed to by all parties.

<table>
<thead>
<tr>
<th>AOA Schedule</th>
<th>The service changes noted below required the following considerations of amendments</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Tariff and Fares”</td>
<td>Potential Fare Change – Fare Review On-Going; if a Fare Change is confirmed, a subsequent MOU will be issued.</td>
</tr>
<tr>
<td>“Service Specifications”</td>
<td>Forecasted to require an additional 3000 revenue hours of service.</td>
</tr>
<tr>
<td>“Budget”</td>
<td>Estimated increase annually to the local share of costs before revenue of $112,300</td>
</tr>
</tbody>
</table>

Service Changes to be Implemented

Guiding Documents and Consultations
The following service changes are guided by priorities outlined in the 2012 Transit Future Plan, the NRG Customer Satisfaction Survey completed in Fall 2018, as well as ongoing analysis of public feedback and correspondence between the City of Kamloops and BC Transit.

Kamloops Council approved the changes in principle in March 2018 as part of the 2018 three-year rolling Transit Improvement Program, and confirmed their support at the March 12, 2019 Council meeting. Provincial funding for this expansion was confirmed in March 2019.

From these guiding documents and consultations, this service change will consist of the following:
- Approximately 175 hours will be added to the route 1 to improve weekday on-time performance and the evening span on Sundays will be extended.
• Approximately 1075 hours will be added to the route 7 to improve service frequency on Saturdays, increase the weekend service span and improve weekday on-time performance.
• Approximately 950 hours will be added to the Route 9 to improve service frequency on Saturdays and improve weekday on-time performance.
• Approximately 75 hours will be used to extend the evening span on Sundays on the route 17.
• Approximately 525 hours will be used to make additional on-time performance improvements to weekday schedules.
• Approximately 200 hours will be used to ensure that base service levels can be maintained in summer 2020, given this fall 2019 service expansion.

Timeline

The service change is estimated to be implemented September 1, 2019 pending consent to amend the Service Specifications of the Annual Operating Agreement via execution of this MOU.

The timeline considers only the Service Changes noted above. Significant alterations to the service changes outlined in this agreement or sign off not occurring by the expiry date could result in delays or a need to re-initiate a new Implementation Agreement and timeline.

Consent to Amend

Recommendation

That the City of Kamloops agrees to amend the Service Specifications of the Annual Operating Agreement as outlined above and requests BC Transit to proceed with the implementation of the service changes.

Name ___________________________ Position ___________________________

Signature ________________________ Date ___________________________
April 8, 2019

Attn: Deven Matkowski
Engineering Manager
City of Kamloops
7 Victoria Street West
Kamloops, BC V2C 1A2

Re: 3 Year Expansion Initiatives

Dear Deven,

As your transit system has service initiatives requiring expansion funding, we have attached a Memorandum of Understanding (MOU) to formalize the process of securing provincial funding on your behalf. This MOU summarizes specific initiatives for the subsequent three operating years of 2020-2021 through to 2022-2023. These initiatives are derived from recommendations outlined in the most recent service plan(s) received by your Council and validated in collaboration with local government staff.

Expansion initiatives are an important component to sustaining and growing a successful transit system. This investment in your transit system comes with several considerations. To support Council decision making, we have provided updated order-of-magnitude costing for each Conventional and Custom Transit initiative. These are based on either the estimated annual increase to revenue service hours or, where appropriate, the estimated increase to the supplemental services (Taxi Supplement) budget for Custom Transit initiatives as written into the description.

There are a few key considerations when reviewing your initiatives. It is important to realize that where proposed expansion is dependent on other infrastructure investment, this dependency will be noted in the proposed expansion initiatives table. Similarly, if your expansion requires additional vehicles, this is also identified and is factored into your estimated total costs. Please keep in mind that should fleet be procured to support your initiative following agreement to the MOU and a determination is made that expansion is no longer desired by the local government, the lease fees related to the new vehicles will still be added to your operating budget for a minimum of a one-year period. Finally, in the event expansion requests exceed the available funding, it is important to note a prioritization process is used to determine which projects receive funding.

By communicating proposed expansion initiatives as far in advance as possible we are trying to achieve three important goals:
1. Ensure 3 year expansion initiatives are aligned with the expectations of local governments.
2. Attain a commitment from local governments that allow BC Transit to proceed with the procurement and management of resources necessary to implement transit service expansions.
3. Provide local government partners with enhanced 3 year forecasts that identify longer term funding requirements.

Upon confirmation of your Council’s commitment to the expansion initiatives, we will include your request in BC Transit’s draft Service Plan to the Province to seek the matching funding required for operating and capital costs. If your proposed expansion requires additional vehicles in 2020-2021, a commitment from your Council is required by June 1st, 2019 to ensure sufficient time for BC Transit to include your requirements in our procurement process.

Following confirmation of the provincial budget, I will confirm with you if sufficient funding was secured and initiate an implementation plan, including the development of more detailed costing based on routing and schedules. I look forward to working with you on the continued improvement of your transit service and encourage you to contact me if you have any questions regarding these proposed expansion initiatives.

Yours truly,

[Signature]

Chelsea Mossey
Manager, Government Relations
BC Transit
Expansion Memorandum of Understanding

Date: April 8, 2019

Expiry: June 1st, 2019

System: Kamloops Transit

Expansion Initiatives Agreement
The following outlines expansion initiatives identified for your transit system along with a high level annual costing based on the hourly rates of your system. Please confirm these initiatives are aligned with the expectations of your local government. Upon confirmation of your local government’s intent to commit to the expansion and budget, we will proceed with the request to secure funding from the Province on your behalf.

<table>
<thead>
<tr>
<th>AOA Period</th>
<th>In Service Date</th>
<th>Annual Hours</th>
<th>Vehicle Requirements</th>
<th>Estimated Annual Revenue</th>
<th>Estimated Annual Total Costs</th>
<th>Estimated Annual Net Municipal Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020/21</td>
<td>Sep-20</td>
<td>4,500</td>
<td>2</td>
<td>$95,337</td>
<td>$531,951</td>
<td>$223,278</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Description</td>
<td>Improve Transit Network Span and Frequency based on Transit Future Action Plan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021/22</td>
<td>Sep-21</td>
<td>4,500</td>
<td>3</td>
<td>$95,337</td>
<td>$567,511</td>
<td>$261,327</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Description</td>
<td>Improve Transit Network Span and Frequency based on Transit Future Action Plan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022/23</td>
<td>Sep-22</td>
<td>4,500</td>
<td>2</td>
<td>$95,337</td>
<td>$544,736</td>
<td>$232,227</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Description</td>
<td>Improve Transit Network Span and Frequency based on Transit Future Action Plan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AOA Period</td>
<td>Estimated Annual Revenue</td>
<td>Estimated Annual Total Costs</td>
<td>Estimated Annual Net Municipal Share</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------</td>
<td>--------------------------</td>
<td>-----------------------------</td>
<td>-------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020/21</td>
<td>$12,600</td>
<td>$106,000</td>
<td>$22,709</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Description</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021/22</td>
<td>$7,600</td>
<td>$85,000</td>
<td>$20,714</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Description</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022/23</td>
<td>$5,800</td>
<td>$50,000</td>
<td>$10,855</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Description</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Expand Custom transit weekday service span exclusively by means of supplemental services to reflect the Conventional hours of operation.

Expand Custom transit weekend hours exclusively by means of supplemental services to reflect Conventional hours of operation.

Expand Custom transit service (primarily at peak times) to address potential latent demand via the use of supplemental services.
Approval

On behalf of the City of Kamloops, I am confirming to BC Transit to proceed with the request for funding to the province on our behalf for the 2020/21 Fiscal year, and that we are committed to budget accordingly for the 3 year expansion but will review and confirm on an annual basis as per the advice provided and with the knowledge a more detailed budget will follow as service details are confirmed.

Signature: __________________________ Date: __________________________
Name: __________________________ Position: __________________________

On behalf of BC Transit, prepared by

Signature: __________________________ Date: April 8, 2019
Name: Chelsea Mossey Position: Manager, Government Relations
Custom Transit Services
Kamloops Transit System

January 28, 2019

City of Kamloops | BC Transit
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1.2 Elements of Effective Custom Transit Services ........................................................................... 3  
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   3.2 Expand Custom Service to Align with Conventional Service ............................................... 8
1.0 Custom Transit Overview

This report is intended to provide an overview of the Custom service options within the Kamloops Transit System for customers with physical or cognitive impairments. The overview consists of an explanation of Custom Transit, detailed data analysis specific to the Custom service options within Kamloops, future trends in regional demographics, and resulting recommendations, in accordance with provincial, national, and international best practices to improve system performance. The report’s goal is to provide stakeholders with useful information to make informed decisions to enhance the Custom service options in Kamloops.

To support your decision making, recommendations are provided in priority order for enhancing the availability of Custom Transit in your community. This is intended to help the process for informing the three-year transit initiatives for your community. For each recommendation, we have provided a high level estimate of the investment required to achieve that specific objective. While Custom services pose unique challenges when forecasting budget and ridership impact, best efforts have been made to provide sufficient budget estimates.

1.1 What is Custom Transit?

Custom Transit service includes door-to-door, demand-responsive or specialized service for registered customers with physical or cognitive impairments who are unable to independently use the Conventional services some or all of the time. Depending on the community, demographics, and demand for Custom Transit, there are three Custom service options offered across the province of British Columbia (BC). These options are as follows:

**handyDART (Also referred to as Van Rides):** A Custom Transit service option that provides a door-to-door shared ride service that uses smaller vehicles to transport clients to and from locations that are pre-arranged with the client ahead of their scheduled pickup time. Once arranged, the Operator (driver) will arrive at the client’s home or requested pickup location, help them board the vehicle, and safely get them to the door of their final destination.

**Taxi Supplement Program:** The Taxi Supplement Program enables the handyDART dispatcher to book trips in taxis when handyDART is unavailable, either due to capacity issues resulting from the bus being too full, or because the trip cannot be accommodated within the requested pickup window provided by the client. For instance, if a passenger requests a trip when the handyDART vehicle is unavailable, Taxi Supplement enables the handyDART dispatcher to relay the passenger’s name and pickup and drop off details to a participating taxi company. The taxi company then dispatches an appropriate taxi vehicle type to the client’s requested location and provides the service.

**Taxi Saver:** Taxi Saver enables registered handyDART users to purchase taxi vouchers at a discounted rate of 50%. This enables registered handyDART clients to coordinate their own trips on their own time with participating taxi companies.
1.2 Elements of Effective Custom Transit Services

There are many best practices recognized at a provincial, national, and international level that support the provision of effective Custom service within a transit system. Each contribute to a Custom program that maximizes the availability of customized service options for registered eligible users who are unable to independently use the Conventional services. These best practices include:

**Functional Ability Assessments:** Functional ability assessments modernize the process of eligibility based on a rider’s ability to use conventional service in lieu of diagnosis, age, or mobility device. To assist in this holistic approach to transit services, BC Transit works with independent Occupational Therapists, trained on public transit service options, to provide professional assessments leading to a recommendation for an individual’s unconditional, conditional, or ineligible use of Custom service options. Conditional and ineligible assessments are then validated by BC Transit staff before confirmation is sent to an applicant. This program ensures that services are efficiently and effectively allocated based on the customer’s abilities. Through proper allocation, a healthier system is maintained for all users by mitigating any one component of the system being unnecessarily overburdened. This program was endorsed by the BC Transit Board for implementation in all handyDART systems by 2021/22.

**Travel Training:** Travel Training is an important initiative to encourage and support first time users to navigate the transit system. It serves to inform the community of travel options and unlock the latent demand that may exist within the region. Travel Training assists individuals who may meet the handyDART eligibility criteria in learning to use Conventional and Custom Transit Services. Travel Training provides targeted information and awareness to those members of the community that would find it most beneficial and enable their independence by increasing their comfort level with Conventional services.

**Service Equity:** A transit system should view conventional and custom services holistically and not as independent systems. This means, while the service solution may vary based on a customer’s ability, availability and cost should not differ whenever possible. Fares for custom services should be equal to, or not greater than 50% of, fares for conventional service. Custom services should endeavor to be available during all hours of Conventional service. Boundaries for Custom service should reflect those of Conventional services. The American Disabilities Association recommends custom service boundaries be equal to within 1.5 kilometers in all directions of existing Conventional routes. This not only provides holistic equality to services, it also ensures that custom transit is servicing the same densely populated zones as Conventional.

**Taxi Supplement:** The use of supplemental services plays an important role in providing effective and efficient Custom service. handyDART buses are integral to the efficient transportation of customers with mobility aids and the efficiencies of moving many customers simultaneously. The use of flexible services (i.e. taxis) to supplement handyDART service during peak demand periods and often for one-off customers in remote areas is key to meeting demand in the most efficient way. The effective distribution of service between dedicated handyDART vehicles and flexible services results in an overall reduction in cost per passenger.
This may be particularly beneficial in employing a strategy to achieve an equal service span to Conventional service.

**Subscription Trips:** Subscription Trips are recurring trips that are booked well in advance and allow for efficient scheduling and planning. In order to ensure availability for less frequent and spontaneous trips requests, the percentage of subscription trips should be monitored closely. When the percentage of subscription trips is high, there is less available time for non-subscription users which will likely result in an increase in unmet trips or latent demand in the system from discouraged riders. The Canadian Urban Transit Association (CUTA) suggests that a ratio equal to 50 percent of subscription trips to Van and Taxi Supplement Rides will provide sufficient availability for non-subscription trips.

These best practices, when employed simultaneously, have enabled communities across British Columbia, Canada, and the United States to thrive better than providing any option entirely on its own. By implementing these best practices, your community is better able to serve the holistic transit needs of your community.
2.0 Key Performance Statistics

<table>
<thead>
<tr>
<th>Current Service Performance</th>
<th>YTD Actual</th>
<th>Yoy Var</th>
<th>2016/17 Actual</th>
<th>Yoy Var</th>
<th>2015/16 Actual</th>
<th>Yoy Var</th>
<th>2014/15 Actual</th>
<th>YTD Per Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Van Rides per Actual Hour</td>
<td>2.84</td>
<td>0%</td>
<td>2.84</td>
<td>-10%</td>
<td>3.15</td>
<td>3%</td>
<td>3.07</td>
<td>2.90</td>
</tr>
<tr>
<td>Unmets Per Van Ride</td>
<td>0%</td>
<td>-63%</td>
<td>1%</td>
<td>-76%</td>
<td>3%</td>
<td>-3%</td>
<td>3%</td>
<td>1.91%</td>
</tr>
<tr>
<td>Subscription Trips</td>
<td>47,334</td>
<td>-8%</td>
<td>51,510</td>
<td>-7%</td>
<td>55,199</td>
<td>3%</td>
<td>53,599</td>
<td></td>
</tr>
</tbody>
</table>

As Percentage of Rides
(Van and Taxi Supplement)

57%  64%  63%  61%  53%

The overall performance for the system has been positive. In 2017/18 the System saw Van Rides per Hour remained relatively flat at 2.84. Geographic, sociopolitical, and demographic factors all play significant roles on how Custom services within a system operate. These factors combined with performance indicators such as the number of Unmet Trips and the number of Subscription Trips help guide future decisions on how best to offer Custom Services within your community.

Unmet Trips are trips that are not fulfilled within a window of time to which they were requested. For instance, when a client calls the Custom services dispatcher and asks to be picked up at 3pm, but the dispatcher is unable to accommodate, this is reported as an Unmet Trip, even if they were able to make accommodations for that client at a later date/time. Unmet Trips are a key indicator as to whether or not other Custom Service offerings are being utilized to enable service offerings equitable to those provided by the Conventional services. Unmet Trips are further impacted by the number of subscribed users. Too many subscribed users can limit semi-spontaneous travel options and discourage current and future customers.

To reduce the number of Unmet Trips, programs such as Taxi Supplement can help. Taxi Supplement has the ability to assign flexible service options, such as taxis, for the purposes of delivering Custom services to clients looking to travel during peak travel times, or during times of the day when it makes better sense to reserve handyDART vans for clients requiring the use of large and/or multiple mobility aids. By utilizing all available Custom service offerings, the system is better able and prepared to meet the needs of their customers throughout the day.
Below reflects the distribution of demand among the Custom services:

<table>
<thead>
<tr>
<th>Passenger Rides</th>
<th>YTD Actual</th>
<th>YoY Var</th>
<th>2016/17 Actual</th>
<th>YoY Var</th>
<th>2015/16 Actual</th>
<th>YoY Var</th>
<th>2014/15 Actual</th>
<th>YoY Var</th>
<th>YTD Peer Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Passenger Rides</td>
<td>96,231</td>
<td>1%</td>
<td>95,182</td>
<td>-3%</td>
<td>97,874</td>
<td>-2%</td>
<td>99,669</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Van Rides</td>
<td>80,960</td>
<td>84%</td>
<td>77,215</td>
<td>81%</td>
<td>82,250</td>
<td>84%</td>
<td>81,669</td>
<td>82%</td>
<td></td>
</tr>
<tr>
<td>Taxi Supplement Rides</td>
<td>2,090</td>
<td>2%</td>
<td>2,736</td>
<td>3%</td>
<td>5,259</td>
<td>5%</td>
<td>6,009</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Taxi Saver Rides</td>
<td>10,936</td>
<td>11%</td>
<td>13,408</td>
<td>14%</td>
<td>8,795</td>
<td>9%</td>
<td>10,309</td>
<td>15%</td>
<td></td>
</tr>
</tbody>
</table>

This distribution of rides helps illustrate the way in which Custom services are provided in your community and demonstrates to what degree opportunities exist to adjust the distribution of rides within the Custom service offerings. Adjusting the distribution of rides allows the system to properly allocate resources to meet demand in the most effective and efficient way.

It is important to recognize that, with the implementation of the Custom Registration Program in 2016, a noticeable difference has already taken place in the form of managing demand as evident in the flattening, or even reduced number of Total Passenger Rides.

The efficient delivery of Custom services is of paramount importance as we seek to provide better accessibility for riders in your system. To illustrate the current cost breakdown for your community, we have provided a chart below to show the average Cost per Passenger Ride among the potential service offerings. It is important to note that Taxi Saver Rides reflect 50% of the fare being covered by the rider, thus the often significantly lower cost.

<table>
<thead>
<tr>
<th>Operating Cost Ratios</th>
<th>YTD Actual</th>
<th>YoY Var</th>
<th>2016/17 Actual</th>
<th>YoY Var</th>
<th>2015/16 Actual</th>
<th>YoY Var</th>
<th>2014/15 Actual</th>
<th>YoY Var</th>
<th>YTD Peer Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost per Passenger Ride</td>
<td>$28.06</td>
<td>21%</td>
<td>$23.11</td>
<td>4%</td>
<td>$22.15</td>
<td>9%</td>
<td>$20.35</td>
<td></td>
<td>$23.39</td>
</tr>
<tr>
<td>Van</td>
<td>$32.18</td>
<td></td>
<td>$27.26</td>
<td></td>
<td>$24.55</td>
<td></td>
<td>$23.26</td>
<td></td>
<td>$28.09</td>
</tr>
<tr>
<td>Taxi Supplement Rides</td>
<td>$15.38</td>
<td></td>
<td>$15.28</td>
<td></td>
<td>$15.70</td>
<td></td>
<td>$14.95</td>
<td></td>
<td>$17.30</td>
</tr>
<tr>
<td>Taxi Saver Rides</td>
<td>$5.75</td>
<td></td>
<td>$3.99</td>
<td></td>
<td>$7.51</td>
<td></td>
<td>$3.72</td>
<td></td>
<td>$5.64</td>
</tr>
</tbody>
</table>

The difference in costs among the various ride delivery methods offers an opportunity to influence the distribution of demand in an effort to optimize costs while providing a better overall span of service. Where Van Ride per Hour are lower than, or the Cost per Passenger Rider exceeds, the Peer average, there may exist opportunities to adjust the distribution of demand towards flexible services subject to their availability.
Another indicator of demand is Active Registrants. Active Registrants is defined as any user of the system within the last 18 months. In 2017/18, there were 370 new eligible users of Custom services and a total of 2818 Active Registrants which is equal to 3.0% per Capita. The CUTA average for Active Registrants per Capita is 2.1%. This indicates the relative number of Active Registrants within Canada for Custom Transit Services. Where Active Registrants per Capita is below this average, this may indicate latent demand for Custom Services and where higher than the CUTA average, it may indicate that the community is keeping up with demand.

<table>
<thead>
<tr>
<th>Service Offerings</th>
<th>Conventional Transit</th>
<th>Custom Transit</th>
<th>Variance to Conventional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hours of Operation</td>
<td>Monday-Friday: 0600 to 2400</td>
<td>Monday-Friday: 0700 - 2300</td>
<td>M-F: 0600 to 0700 and 2300 to 2400 Approx 2 hours</td>
</tr>
<tr>
<td></td>
<td>Saturday: 0700 to 2400</td>
<td>Saturday: 0700 - 2300</td>
<td>Saturday: 0700 to 0900 and 1800 to 2400 Approx 1 hour</td>
</tr>
<tr>
<td></td>
<td>Sunday: 0700 to 2300</td>
<td>Sunday: 0900 - 1800</td>
<td>Sunday: 0700 to 0900 and 1800 to 2300 Approx 8 hours</td>
</tr>
<tr>
<td>Fares</td>
<td>Cash Fare: $2.00</td>
<td>Cash Fare: $2.00</td>
<td>Same</td>
</tr>
<tr>
<td></td>
<td>Monthly Pass (Senior/Student): $34.00</td>
<td>Monthly Pass: N/A</td>
<td>Between $5 and $30</td>
</tr>
<tr>
<td></td>
<td>Monthly Pass (Adult): $53.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above table identifies the availability of handyDART, and where available Taxi Supplement, services in comparison to Conventional service span of hours, fares and boundaries. The variance identifies the opportunity to enhance the transit services available in your community by taking a holistic approach and promoting equity within the transit system by ensuring those requiring Custom services have equal access during the same periods as those who access the Conventional services. Progressively addressing the variance first in the available days of service followed by the span of hours each day, fares and boundaries should be a priority towards the goal of equitable service. Flexible resources may offer an efficient method to efficiently meet, and prove, demand during these extended periods of time. Where sustainable, if not multiple, flexible service options are not currently available in your community, strategies should be developed to support their introduction.
3.0 Recommendations

The following recommendations are presented in priority order based on the following criteria:

- Unmet trips should be addressed as a top priority to support customer service excellence while mitigating the build-up of latent demand;
- Initiatives to maximize the availability of service for, eligible users of Custom services;
- Initiatives to progressively address equity of service among Conventional and Custom services with priority as follows:
  - Days of service (ie. no weekend, Sunday or holiday service);
  - Hours of service (ie. evening service, morning service);
  - Fares;
  - Service Boundaries; and,
- Other initiatives to improve the overall program.

3.1 Expand Custom Service to Address Unmet Demand

Based on the percentage of subscription trips exceeding the recommended threshold of 50%, it is recommended to increase the budget for Taxi Supplement by $5,000 to compliment the available dedicated Custom service within the existing hours of service to accommodate an estimated 325 additional rides.

3.2 Expand Custom Service to Align with Conventional Service

To address the identified variance of Custom service availability to Conventional service, it is recommended that service be expanded in phases towards the achievement of equitable access to transit as follows:

- Expand the Custom service hour span of weekday service exclusively by means of Taxi Supplement to reflect the Conventional hours of operation at an estimated cost of $14,000
- Expand the weekend hours of Custom service exclusively by means of Taxi Supplement to reflect the Conventional hours of operation at an estimated cost of $4,500

It is important to acknowledge that at this time, these costs do not reflect expanding the existing dispatch hours within which a customer will still need to call to book their trip. BC Transit is currently working on initiatives to address the expansion of dispatch hours in the most effective manner.
ANNUAL OPERATING AGREEMENT

between

CITY OF KAMLOOPS

and

BRITISH COLUMBIA TRANSIT

Effective
April 1, 2019

INFORMATION CONTAINED IN THIS AGREEMENT IS SUBJECT TO THE FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT. CONSULT WITH THE AUTHORITY PRIOR TO RELEASING INFORMATION TO INDIVIDUALS OR COMPANIES OTHER THAN THOSE WHO ARE PARTY TO THIS AGREEMENT.
ANNUAL OPERATING AGREEMENT

BETWEEN:

CITY OF KAMLOOPS
(the "Municipality")

AND:

BRITISH COLUMBIA TRANSIT
(the "Authority")

WHEREAS the Authority is authorized to contract for transit services for the purpose of providing and maintaining those services and facilities necessary for the establishment, maintenance and operation of a public passenger transportation system in the Transit Service Area;

WHEREAS the Municipality is authorized to enter into one or more agreements with the Authority for transit services in the Transit Service Area;

WHEREAS the parties hereto have entered into a Transit Service Agreement which sets out the general rights and responsibilities of the parties hereto;

WHEREAS the Municipality and the Authority are authorized to share in the costs for the provision of a Public Passenger Transportation System pursuant to the British Columbia Transit Act;

AND WHEREAS the parties hereto wish to enter into an Annual Operating Agreement which sets out, together with the Transit Service Agreement, the specific terms and conditions for the Public Passenger Transportation System for the upcoming term.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and of the covenants hereinafter contained, the parties covenant and agree with each other as follows:
Contents

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SECTION 3: INCORPORATION OF TRANSIT SERVICE AGREEMENT........... 4
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SECTION 5: FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT.... 4
SECTION 6: SETTLEMENT OF DISPUTES............................................. 5
SECTION 7: MISCELLANEOUS PROVISIONS............................................ 5
SECTION 8: GOVERNING LAW.......................................................... 6
SECTION 9: COUNTERPARTS........................................................... 6
SECTION 10: NOTICES AND COMMUNICATIONS..................................... 7
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SCHEDULE "B": SERVICE SPECIFICATIONS....................................... 10
SCHEDULE "C": BUDGET............................................................... 13
SECTION 1: DEFINITIONS

Unless agreed otherwise in the Annual Operating Agreement, the definitions set out in the Transit Service Agreement shall apply to this Annual Operating Agreement including:

a) “Annual Operating Agreement” shall mean this Annual Operating Agreement and any Annual Operating Agreement Amendments negotiated and entered into by the parties subsequent hereto;

b) “Transit Service Agreement” shall mean the Transit Service Agreement between the parties to this Annual Operating Agreement, including any amendments made thereto;

SECTION 2: INCORPORATION OF SCHEDULES

All schedules to this agreement are incorporated into the agreement, and form part of the agreement.

SECTION 3: INCORPORATION OF TRANSIT SERVICE AGREEMENT

Upon execution, this Annual Operating Agreement shall be deemed integrated into the Transit Service Agreement and thereafter the Transit Service Agreement and Annual Operating Agreement shall be read together as a single integrated document and shall be deemed to be the Annual Operating Agreement for the purposes of the British Columbia Transit Act, as amended from time to time.

SECTION 4: TERM AND RENEWAL

a) The parties agree that the effective date of this agreement is to be April 1, 2019, whether or not the agreements have been fully executed by the necessary parties. Once this agreement and the associated Transit Service Agreement are duly executed, this agreement will replace all provisions in the existing Transit Service Agreement and Master Operating Agreement with respect to the rights and obligations as between the Authority and the Municipality.

b) Upon commencement in accordance with Section 4(a) of this agreement, the term of this agreement shall be to March 31, 2020 except as otherwise provided herein. It is acknowledged by the parties that in the event of termination or non-renewal of the Annual Operating Agreement, the Transit Service Agreement shall likewise be so terminated or not renewed, as the case may be.

c) Either party may terminate this agreement as follows:

a. Cancellation by the Authority: In the event that the Authority decides to terminate this Agreement for any reason whatsoever, the Authority shall provide at least ninety (180) days prior written notice. Such notice to be provided in accordance with Section 10.

b. Cancellation by the Municipality: In the event that the Municipality decides to terminate this Transit Service Agreement for any reason whatsoever, and by extension the Annual Operating Agreement, the Municipality shall provide at least one hundred and eighty (180) days prior written notice. Such notice to be provided in accordance with Section 10.

SECTION 5: FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT

This Agreement and the parties hereto are subject to the provisions of the Freedom Of Information And Protection Of Privacy Act (“FOIPPA”). Any information developed in the performance of this Agreement, or any personal information obtained, collected, stored pursuant to this Agreement, including database information, shall be deemed confidential and subject to
the provisions of the FOIPPA including the handling, storage, access and security of such information. Confidential information shall not be disclosed to any third party except as expressly permitted by the Authority or pursuant to the requirements of the FOIPPA.

SECTION 6: SETTLEMENT OF DISPUTES

In the event of any dispute arising between or among the parties as to their respective rights and obligations under this Agreement, or in the event of a breach of this Agreement, the parties agree to use their best efforts to find resolution through a mediated settlement. However, in the event that mediation is not successful in finding a resolution satisfactory to all parties involved, any party shall be entitled to give to the other notice of such dispute and to request arbitration thereof; and the parties may, with respect to the particular matter then in dispute, agree to submit the same to a single arbitrator in accordance with the applicable statutes of the Province of British Columbia.

SECTION 7: MISCELLANEOUS PROVISIONS

a) Amendment: This agreement may only be amended in writing signed by the Municipality and the Authority and specifying the effective date of the amendment.

b) Assignment: This Agreement shall not be assignable without prior written consent of the parties.

c) Enurement: This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors.

d) Operating Reserve Fund: In accordance with OIC 594, in fiscal year 2015/16, BC Transit established a Reserve Fund to record, for each local government, the contributions that BC Transit has received but has not yet earned.

   a. BC Transit will invoice and collect on monthly Municipal invoices based on budgeted Eligible Expenses.

   b. Any expenditure of monies from the Reserve Fund will only be credited towards Eligible Expenses for the location for which it was collected.

   c. Eligible Expenses are comprised of the following costs of providing Public Passenger Transportation Systems:

   i. For Conventional Transit Service:

      1. the operating costs incurred in providing Conventional Transit Service excluding interest and amortization;
      2. the amount of any operating lease costs incurred by BC Transit for Conventional Transit Services;
      3. the amount of the municipal administration charge not exceeding 2% of the direct operating costs payable under an Annual Operating Agreement;
      4. an amount of the annual operating costs of BC Transit not exceeding 8% of the direct operating costs payable under an Annual Operating Agreement;

   ii. For Custom Transit Service:

      1. the operating costs incurred in providing Custom Transit Service excluding interest and amortization, but including the amount paid by BC Transit to redeem taxi saver coupons issued under the Taxi Saver Program after deducting from that amount the amount realized from the sale of those coupons;
      2. the amount of any operating lease costs incurred by BC Transit for Custom Transit Service;
3. the amount of the municipal administration charge not exceeding 2% of the direct operating costs payable under an Annual Operating Agreement; and,
4. an amount of the annual operating costs of BC Transit not exceeding 8% of the direct operating costs payable under an Annual Operating Agreement;

d. Eligible Expenses exclude the costs of providing third-party 100%-funded services; and,
e. BC Transit will provide an annual statement of account of the reserves received and utilized, including any interest earned for each local government.

E) The parties agree that this agreement is in substantial compliance with all relevant legislative requirements to establish the rights and obligations of the parties as set out in the British Columbia Transit Act.

SECTION 8: GOVERNING LAW

This Agreement is governed by and shall be construed in accordance with the laws of the Province of British Columbia, with respect to those matters within provincial jurisdiction, and in accordance with the laws of Canada with respect to those matters within the jurisdiction of the government of Canada.

SECTION 9: COUNTERPARTS

This contract and any amendment hereto may be executed in counterparts, each of which shall be deemed to be an original and all of which shall be considered to be one and the same contract. A signed facsimile or pdf copy of this contract, or any amendment, shall be effective and valid proof of execution and delivery.
SECTION 10: NOTICES AND COMMUNICATIONS

All notices, claims and communications required or permitted to be given hereunder shall be in writing and shall be sufficiently given if personally delivered to a designated officer of the parties hereto to whom it is addressed or if mailed by prepaid registered mail to the Authority at:

BRITISH COLUMBIA TRANSIT
  c/o President & CEO
  P.O. Box 610
  520 Gorge Road East
  Victoria, British Columbia V8W 2P3

and to the Municipality at:

CITY OF KAMLOOPS
  c/o Engineering Manager
  7 Victoria Street West
  Kamloops, BC
  V2C 1A2

and, if so mailed, shall be deemed to have been received five (5) days following the date of such mailing.
IN WITNESS WHEREOF, the parties have hereunto set their hand this ___ day of __________, 2019.

CITY OF KAMLOOPS

__________________________

__________________________

BRITISH COLUMBIA TRANSIT

__________________________
BRIAN ANDERSON – VICE PRESIDENT, OPERATIONS and CHIEF OPERATING OFFICER

__________________________
ERINN PINKERTON – PRESIDENT and CHIEF EXECUTIVE OFFICER
SCHEDULE "A": TARIFF AND FARES

Conventional Transit
a) Single Cash Fares:
   i) Adult $2.00
   ii) Child 4 and under - Free when accompanied by an adult.
   iii) Accessible Transit Attendant Free

b) Tickets:
   i) 10 x Adult fare $18.00
   ii) 10 x Senior fare $15.50
   iii) 10 x Student fare $15.50

c) One Day Pass:
   i) Adult $5.00

d) Monthly Pass
   i) Adult $53.00
   ii) Senior $34.00
   iii) Student $34.00
   v) Student Pass Pack (4 monthly) $100.00

e) U-Pass per semester (adjusted annually CPI)
   As of August 2019 $55.48
   As of August 2019 $56.76

f) Pro-Pass – annually $528.00

g) Transfers: Allow for unlimited travel for up to 60 minutes

h) BC Bus Pass valid for the current calendar year and available through the Government of British Columbia BC Bus Pass Program.

i) CNIB Identification Card available from the local office of the CNIB.

j) BC Transit Employee Bus Pass

Custom Transit Fares: Effective as of April 1, 2005
Registered Users $2.00
Companions $2.00
Attendants required for travel Free
Tickets (Book of 5) $10.00
Tickets (Book of 10) $20.00

Note: Visitors may register for temporary handyDART service. Proof of registration in another jurisdiction or proof of eligibility is required.
SCHEDULE "B": SERVICE SPECIFICATIONS

Kamloops Conventional

Transit Service Area: The boundaries of the Kamloops Transit Service Area shall be the municipal boundaries of the Corporation of the City of Kamloops and shall also include those parts of Kamloops Indian Reserve #1 in the Province of British Columbia which are known as "Sun Rivers" and the "Mount Paul Industrial Park".

For purposes of Health Connections the boundaries also include all areas between 1) Kamloops and Logan Lake 2) Kamloops and Merritt 3) Kamloops and Chase and 4) Merritt and Kelowna.

Annual Service Level: shall be 111,500 revenue service hours

Exception Days recognized annually are:

<table>
<thead>
<tr>
<th>Exception Days</th>
<th>Service Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good Friday</td>
<td>Sunday Service</td>
</tr>
<tr>
<td>Easter Monday</td>
<td>Regular Service</td>
</tr>
<tr>
<td>Victoria Day</td>
<td>Sunday Service</td>
</tr>
<tr>
<td>Canada Day</td>
<td>Saturday Service</td>
</tr>
<tr>
<td>BC Day</td>
<td>Sunday Service</td>
</tr>
<tr>
<td>Labour Day</td>
<td>Sunday Service</td>
</tr>
<tr>
<td>Thanksgiving Day</td>
<td>Sunday Service</td>
</tr>
<tr>
<td>Remembrance Day</td>
<td>Sunday Service</td>
</tr>
<tr>
<td>Christmas Day</td>
<td>No Service</td>
</tr>
<tr>
<td>Boxing Day</td>
<td>Sunday Service</td>
</tr>
<tr>
<td>New Years Day</td>
<td>Sunday Service</td>
</tr>
<tr>
<td>Family Day</td>
<td>Sunday Service</td>
</tr>
</tbody>
</table>
Kamloops Community

Transit Service Area: The boundaries of the Kamloops Transit Service Area shall be the municipal boundaries of the Corporation of the City of Kamloops and shall also include those parts of Kamloops Indian Reserve #1 in the Province of British Columbia which are known as "Sun Rivers" and the "Mount Paul Industrial Park".

For purposes of Health Connections the boundaries also include all areas between 1) Kamloops and Logan Lake 2) Kamloops and Merritt 3) Kamloops and Chase and 4) Merritt and Kelowna.

Annual Service Level: shall be 8,000 revenue service hours

Exception Days recognized annually are:

<table>
<thead>
<tr>
<th>Exception Days</th>
<th>Service Level</th>
</tr>
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<tbody>
<tr>
<td>Good Friday</td>
<td>No Service</td>
</tr>
<tr>
<td>Easter Monday</td>
<td>Regular Service</td>
</tr>
<tr>
<td>Victoria Day</td>
<td>No Service</td>
</tr>
<tr>
<td>Canada Day</td>
<td>No Service</td>
</tr>
<tr>
<td>BC Day</td>
<td>No Service</td>
</tr>
<tr>
<td>Labour Day</td>
<td>No Service</td>
</tr>
<tr>
<td>Thanksgiving Day</td>
<td>No Service</td>
</tr>
<tr>
<td>Remembrance Day</td>
<td>No Service</td>
</tr>
<tr>
<td>Christmas Day</td>
<td>No Service</td>
</tr>
<tr>
<td>Boxing Day</td>
<td>No Service</td>
</tr>
<tr>
<td>New Years Day</td>
<td>No Service</td>
</tr>
<tr>
<td>Family Day (2020)</td>
<td>No Service</td>
</tr>
</tbody>
</table>
Kamloops Custom

Transit Service Area: The Boundaries of the Kamloops Custom Transit Service Area shall be the municipal boundaries of the Corporation of the City of Kamloops.

For purposes of Health Connections the boundaries also include all areas between 1) Kamloops and Logan Lake 2) Kamloops and Merritt 3) Kamloops and Chase and 4) Merritt and Kelowna.

Annual Service Level: shall be 31,800 revenue service hours

Exception Days recognized annually are:

<table>
<thead>
<tr>
<th>Exception Days</th>
<th>Service Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good Friday</td>
<td>No Service</td>
</tr>
<tr>
<td>Easter Monday</td>
<td>No Service</td>
</tr>
<tr>
<td>Victoria Day</td>
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</tr>
<tr>
<td>Canada Day</td>
<td>No Service</td>
</tr>
<tr>
<td>BC Day</td>
<td>No Service</td>
</tr>
<tr>
<td>Labour Day</td>
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</tr>
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<td>Thanksgiving Day</td>
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<td>Remembrance Day</td>
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<tr>
<td>Christmas Day</td>
<td>No Service</td>
</tr>
<tr>
<td>Boxing Day</td>
<td>No Service</td>
</tr>
<tr>
<td>New Years Day</td>
<td>No Service</td>
</tr>
<tr>
<td>Family Day (2020)</td>
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</tr>
</tbody>
</table>
SCHEDULE “C”: BUDGET

### KAMLOOPS CONVENTIONAL

<table>
<thead>
<tr>
<th>Description</th>
<th>Base Budget 2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL REVENUE</td>
<td>$4,260,806</td>
</tr>
<tr>
<td>TOTAL OPERATING COSTS</td>
<td>$12,233,143</td>
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<td>TOTAL COSTS (including Local Government Share of Lease Fees)</td>
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<tr>
<td>NET LOCAL GOVERNMENT SHARE OF COSTS</td>
<td>$3,850,330</td>
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</table>

### KAMLOOPS COMMUNITY BUS

<table>
<thead>
<tr>
<th>Description</th>
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</tr>
</thead>
<tbody>
<tr>
<td>TOTAL REVENUE</td>
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</tr>
<tr>
<td>TOTAL OPERATING COSTS</td>
<td>$810,406</td>
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<tr>
<td>TOTAL COSTS (including Local Government Share of Lease Fees)</td>
<td>$923,618</td>
</tr>
<tr>
<td>NET LOCAL GOVERNMENT SHARE OF COSTS</td>
<td>$528,992</td>
</tr>
</tbody>
</table>

### KAMLOOPS CUSTOM

<table>
<thead>
<tr>
<th>Description</th>
<th>Base Budget 2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL REVENUE</td>
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</tr>
<tr>
<td>TOTAL OPERATING COSTS</td>
<td>$3,056,779</td>
</tr>
<tr>
<td>TOTAL COSTS (including Local Government Share of Lease Fees)</td>
<td>$3,377,004</td>
</tr>
<tr>
<td>NET LOCAL GOVERNMENT SHARE OF COSTS</td>
<td>$1,122,082</td>
</tr>
</tbody>
</table>