

Report to Council



Date: June 15, 2016
Rim No. 1405-06
To: City Manager
From: Jerry Dombowsky, Regional Programs Manager
Subject: Transit Ridership, Expansion Plans and 2016 Service Adjustments

Recommendation:

THAT Council receives, for information, the report of the Regional Programs Manager dated June 15, 2016 with respect to transit ridership performance in 2015;

AND THAT Council approve the Conventional Transit service adjustments to be implemented on September 4, 2016;

AND THAT the 2016 Financial Plan be amended by \$18,045, for the fall 2016 Custom Transit expansion, funded from an increase in all system ridership year to date;

AND FURTHER THAT Council authorizes the Regional Programs Manager to execute the 3 year Memorandum of Understanding on behalf of the City for transit service over the 2017-2019 service years.

Purpose: To provide a review of transit ridership performance in 2015 by route, and to provide Council with information and seek approval for planned service adjustments and expansion from 2016 - 2019.

Background:

Annual System Performance Review

Since 2012, an annual system performance review has been conducted, assessing the performance of all routes based on the minimum performance target thresholds established in the 2011 Transit Future Plan. This included a target threshold of 35 rides per service hour with a minimum threshold of 12 rides per hour; and a target of 35% cost recovery with a minimum 15% cost recovery on all routes.

For the last 4 months of 2015, on an all-week summary basis, average cost recovery on Conventional Bus Service routes combined was 33%. Cost recovery over the same period in 2014 was 31.3%. Within the City of Kelowna all routes, with the exception of the #15 Crawford, exceeded the minimum threshold of 12 rides per service hour, with an average of 26 rides per service hour for all routes. The 15% cost recovery minimum threshold was exceeded by all of Kelowna's Conventional Bus service routes with the exception of the #15 Crawford at 9%, the #12 McCulloch at 14%, and the #17 Southridge at 14%.

Route No	Boardings per revenue hour	Estimated Cost Recovery
1 Lakeshore	44.7	39%
2 North End Shuttle	26.3	23%
3 Dilworth Mt.	33.0	16%
4 Pandosy/UBCO Ex	25.5	22%
5 Gordon	28.0	25%
6 Glenmore/UBCO Ex	26.5	23%
7 Glenmore	22.6	20%
8 University	44.5	39%
9 Shopper Shuttle	20.9	18%
10 North Rutland	34.5	30%
11 Rutland	31.1	31%
12 McCulloch	15.4	14%
13 Quail Ridge	34.5	49%
14 Black Mountain	50.9	38%
15 Crawford	10.2	9%
16 Kettle Valley	18.7	16%
17 Southridge	16.4	14%
97 Okanagan	46.7	41%
All routes	25.7	33%

-  exceeds target performance standard

In comparison to performance in 2014, of note is the continued growth in both ridership and performance on the #1 Lakeshore and #5 Gordon Frequent Transit routes which saw boarding increase by 5% and 28% respectively. The #12 McCulloch and #14 Black Mountain Local Transit routes experienced 17% and 35% growth in boarding respectively.

Increased University and College enrollment, growth in ridership to and from Kelowna Senior Secondary/Okanagan College and the Mission Recreation Park, and growth in outlying areas are among the factors influencing growth in ridership and improvement in cost recovery City wide.

2016 Service Adjustments

Conventional Transit Service

Transit expansions since the major Rapid Bus service improvements in 2014 have been modest and generally limited to minor service adjustments to accommodate growth pressure and overload situations. With respect to 2016, a detailed report on the fall service adjustments is attached to this report. The adjustments comprise reinstatement of seasonal service as well as addressing some on-time performance issues. Resources saved from summer seasonal reductions are to be re-invested back into the system to provide hours for the on-time adjustments.

Custom Transit (handyDART) Expansion

In February 2016, the provincial government announced an increase of \$12.7 million in expansion funding over 3 years, making service expansions available again to local systems. To take advantage of this new offering, a modest 2,000 hour (5.6%) increase in handyDART service is proposed to take effect September 2016. This increase, in conjunction with new eligibility requirements being phased in, will provide some relief to existing handyDART clients and help to accommodate population growth as needs increase over time.

The funding for this service expansion is proposed to come from revenues generated from an increase in all system ridership year to date. The full years cost of \$54,135 to be considered during the 2017 budget deliberations along with the next two years AOA budget requests.

Transit Improvement Program (TIP) Process

The Transit Improvement Program communicates to local governments the expansion initiatives proposed for the next three years. It seeks the commitment to the expansion initiatives from the local government which thereby allows BC Transit to proceed with securing sufficient funding within the Provincial Budget.

Each year, a Memorandum of Understanding related to the TIPS expansion is signed by the local government. It sets out the City's intention to proceed. Of course, it is subject to annual City Council budget deliberation each fall. This year however, BC Transit has added the caveat that the lease cost of any new buses must be covered by the City, even if the expansion is not approved at budget time. The lag time associated with ordering buses means that BC Transit must commit to purchase up to a year in advance of actual receipt of an expansion bus.

With respect to impact upon City of Kelowna budget, this is mitigated by the Federal Gas Tax funding that is being applied to the pre-payment of bus lease fees. Both the 2016 handyDART and 2017/18 proposed Conventional expansion will be covered under this funding so there is no actual financial risk of additional cost impact.

2016 - 2019 Proposed Service Expansion

PROPOSED CONVENTIONAL EXPANSION INITIATIVES						
AOA Period	In Service Date	Annual Hours	Vehicle Requirements	Revenue	Total Costs*	Net Municipal Share
2017/18	Sept 2017	500	-	\$9,291	\$53,047	\$18,989
		City of Kelowna	On Saturdays, improve service and extend service spans on frequent transit corridors that connect with key activity centres (Downtown, KGH, Rutland) to accommodate varying shift start-finish times			
	Sept 2017	2,000	1	\$37,163	\$249,931	\$113,698
		City of Kelowna	On Frequent Transit Network Routes (Route 1, 8, 97), improve service to ensure schedule reliability and to address over-crowding and pass-ups and continue to grow ridership.			
	Sept 2018	2,000	1	\$37,163	\$259,698	\$119,502
		City of Kelowna	Re-align Route 6 and Route 7 with new connection to UBCO via John Hindle corridor. Realignment will see expanded service on Route 6 to accommodate expected increased demand and optimization of Route 7.			
	Sept 2018	2,000	1	\$18,213	\$259,698	\$138,452
		City of Kelowna	On Frequent Transit Network routes (Route 1, 5, 8, 97) improve service to ensure schedule reliability and to address over-crowding and pass-ups to continue to grow ridership			
	Sept 2018	1,000	-	\$18,582	\$110,338	\$40,239
		City of Kelowna	Introduce expanded service to Kelowna International Airport			
2019/2020	Sept 2019	5,000	2	\$45,532	\$654,361	\$340,942
		Kelowna Regional	Improve service reliability, address overcrowding and optimize service			

* Vehicle costs do not reflect Standardized Lease Fees

PROPOSED CUSTOM EXPANSION INITIATIVES						
AOA Period	In Service Date	Annual Hours	Vehicle Requirements	Revenue	Total Costs*	Net Municipal Share
2016/17	Sept 2016	2,000	1	\$8,150	\$151,371	\$54,135
		Description	Improve handyDART service during high-demand times			
2017/18	Sept 2017	500	-	\$2,037	\$34,732	\$9,532
		Description	Improve Custom Transit (handyDART) based on results of Service Review and Transit Future Action Plan			
2018/19	Sept 2018	1,000	1	\$4,075	\$91,429	\$39,176
		Description	Improve Custom Transit (handyDART) based on results of Service Review and Transit Future Action Plan			

The scope of service changes outlined in this report are recommended as they will respond to increasing pressure on the transit system by improving the network, attract new ridership and adhering to the goals outlined in the Central Okanagan Transit Future Plan with minimal disruption to existing customers. Once these service changes have been implemented, an extensive monitoring review will take place on the impacts of these changes, and any need to pursue alternative actions can be evaluated.

A copy of the MOU in respect to the TIPS process is attached to this report.

Council's approval of the above service adjustments is sought in this regard.

Internal Circulation:

Financial/Budgetary Considerations: The costs associated with the Custom Transit service expansion is not part of the City's current Financial Plan. The 2016 Financial Plan will require an addition of up to \$18,045 funded from increasing the associated revenues to account for the increase in all system ridership year to date.

Full year costs are \$54,135 and will need to be considered in the 2017 budget. Funding for the Custom and Conventional transit expansions in 2017 will be \$3,177 and \$44,229 respectively with full year costs of \$9,532 and \$132,687 to be considered in the 2018 budget. All cost estimates include vehicle lease payments which will be removed via pre-payment thorough Gas Tax funding. In addition, costs are calculated on current lease rates and do not reflect Standardized Lease rates which will come into effect in 2017.

External Agency/Public Comments: BC Transit has reviewed the report and attachments.

Considerations not applicable to this report:

Legal/Statutory Authority
 Legal/Statutory Procedural Requirements
 Existing Policy
 Personnel Implications
 Communications Comments

Alternate Recommendation

Submitted by:



J. Dombowsky, Regional Programs Manager

Approved for inclusion:



A. Newcombe, Director, Infrastructure

Attachments: Kelowna 2016 Transit Service Change Summary Report; 2016 TIP MOU

cc:

G. Davidson, Director, Financial Services
R. Williams, Regional Transit Manager, BC Transit
M. Boyd, Senior Transit Planner, BC Transit