

# Report to Council



**Date:** January 25, 2021  
**To:** Council  
**From:** City Manager  
**Subject:** Transit Program 3-year proposed budgets  
**Department:** Integrated Transportation

---

## **Recommendation:**

THAT Council receives for information, the report from Integrated Transportation dated January 25, 2021, with respect to the Transit Program 3-year proposed budgets.

## **Purpose:**

To provide Council with information on proposed transit budgets from 2021-2024.

## **Background:**

Each year, a Memorandum of Understanding (MOU) related to proposed transit expansions is signed by the Local Government, setting out the City's intention to proceed. Given current COVID-19 pandemic conditions and the impact upon ridership demand, no expansion is proposed within the 2021-2024 timeframe. Consequently, an MOU is not required and the annual reporting to Council takes the form of an update of proposed transit budgets over this time period only.

## **Discussion:**

Kelowna's traffic patterns are the result of the daily travel decisions made by the City's 130,000 citizens. Where people live, and how far they need to travel to get to work, school, or other services is the primary factor that influences how people choose to get around. Today, roughly 1 in 5 people commute by sustainable transportation modes such as walking, biking, carpooling, or taking transit. Over the next 20 years, by encouraging future growth in urban centres and making investments that make sustainable transportation options easier and more convenient, the City will be able to accommodate the increasing demand for travel while minimizing the need for costly roadway expansions. Increasing transit service hours and accompanying infrastructure and amenities, including transit priority measures, will be a key component of this approach.

As part of the ongoing annual budgeting process with BC Transit, we have received and summarized the proposed three-year budget for the period April 1, 2021 to March 31, 2024. The draft budget reflects general industry trends, location-based operations and maintenance activities, and any specific initiatives planned over the next three years. The sustained impact of the COVID-19 pandemic on

transit service is reflected in this draft three-year budget, most notably with lower projections for revenue and ridership. The recent safe restart funding, with joint contributions from the provincial and federal governments, has provided relief and will allow the continued provision of transit service during the economic and social recovery of our community as reflected in the 2020-21 amended annual operating agreement.

The balance of the local transit fund, which contains safe restart funding contributions may be applied to reduce the City's share of expenses in future years. This balance, or a portion thereof, may be applied at the City's sole discretion. The City will have the opportunity to determine the amount to apply to the 2021/22 annual operating agreement budget, with details on the process expected from BC Transit in early 2021.

### Three Year Proposed Budget

Proposed Conventional/Community Budget						
AOA Period	Annual Hours	Estimated Annual Revenue *	Estimated Annual Total Costs **	Estimated Net Kelowna Cost ***	Benchmark year 2019/20 ***	Difference from benchmark year 2019/20
2021/22	208,277	\$4,749,203	\$26,585,077	\$6,594,671	\$4,596,313	\$1,998,358
2022/23	208,277	\$5,395,450	\$27,878,908	\$6,870,454	\$4,596,313	\$2,274,141
2023/24	208,277	\$6,687,949	\$28,364,164	\$5,831,000	\$4,596,313	\$1,234,687
* recovery assumption based on 2019/20 actuals (55%, 65%, 85%)						\$5,507,186
** all local government partner						
*** before application of Restart/Reserve funding						
Proposed Custom Transit (handyDART) Budget *						
AOA Period	Annual Hours	Estimated Annual Revenue **	Estimated Annual Total Costs	Estimated Net Local Govt. Cost ***	Benchmark year 2019/20 ***	Difference from benchmark year 2019/20
2021/22	36,599	\$108,873	\$3,926,060	\$1,181,280	\$1,165,487	\$15,793
2022/23	36,599	\$128,668	\$4,091,417	\$1,273,689	\$1,165,487	\$108,202
2023/24	36,599	\$168,257	\$4,107,117	\$1,271,905	\$1,165,487	\$106,418
* all local government partner						\$230,413
** recovery assumption based on 2019/20 actuals (55%, 65%, 85%)						
*** before application of Restart/Reserve funding						

Based upon comparison with the pre-COVID 2019/20 fiscal year, before application of reserve funding, the net additional cost over the 3-year forecast period is estimated at \$5,737,599 based upon conservative ridership recovery assumptions and cost estimates. Combined remaining restart funding, shared and local reserve funding available for these years is \$5,543,436.

### Conclusion:

Reliable, safe and equitable transit service will play a critical role in recovery from the impact of the COVID-19 pandemic. Stable, ongoing investment in service levels will ensure that transit is a key part of a diverse transportation landscape available to all residents of Kelowna.

### Internal Circulation:

Financial Services, Budget Supervisor  
 Financial Services, Financial Analyst  
 Financial Services, Revenue Supervisor

Strategic Transportation Planning Manager

**Financial/Budgetary Considerations:**

As per three year proposed budget table included in this report.

**External Agency/Public Comments:**

BC Transit has reviewed and approved the report and attachments.

**Considerations not applicable to this report:**

Alternate Recommendation

Communications Comments

Existing Policy

Legal/Statutory Authority

Legal/Statutory Procedural Requirements

Personnel Implications



J. Dombowsky, Transit and Programs Manager

**Approved for inclusion:**



A. Newcombe, Divisional Director, Infrastructure

Attachment 1 - Transit 3 year budget forecast presentation

cc: Divisional Director, Financial Services  
Divisional Director, Infrastructure  
C. Mossey, Senior Manager Government Relations, BC Transit  
M. Boyd, Planning Manager, BC Transit