

# Fare Review Kelowna Transit System

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# City of Kelowna Objectives

01

Improve public transit service

02

Ease of payment

03

Improved products

04

Fiscally sustainable

## Fare Review Objective

- Utilize BC Transit's recommended Fare Strategy to account for inflation and operational costs in proposed fare recommendations

Maximize revenue

Attract and retain ridership

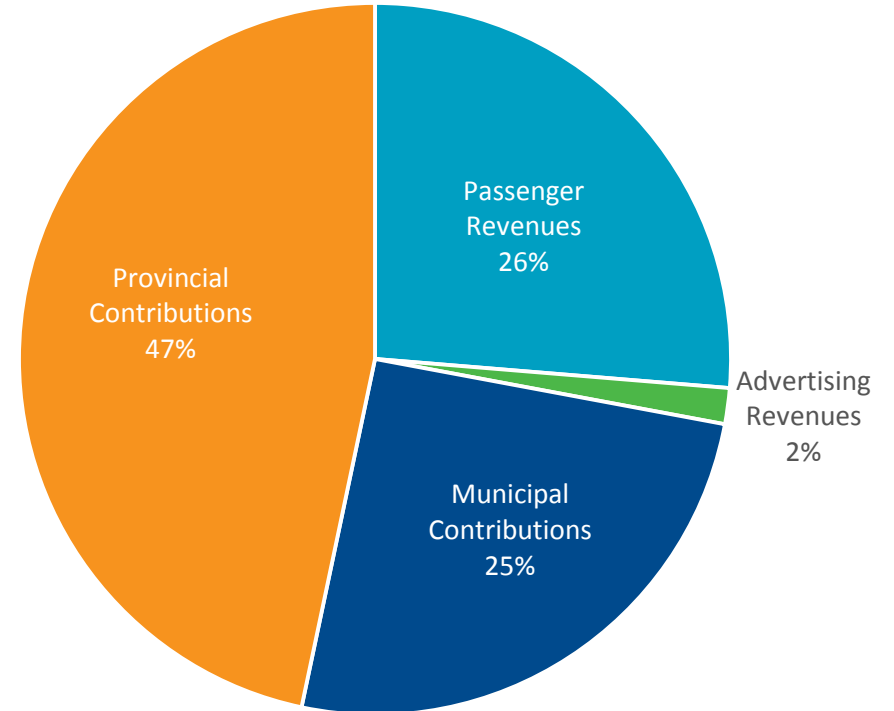
Consider affordability

## 2025 Fare Review Objective

- Increase ease of use for passengers and boost ridership
- Align with BC Transit's recommended fare structure
- Get the most out of existing electronic fare collecting technology (Umo)
- Introduce automatic DayPASS
- Introduce EcoPASS transit fund program

# Funding and Decision Authority

- Funding for Kelowna Regional Transit System is cost shared between the Province and
  - City of Kelowna,
  - City of West Kelowna,
  - District of Lake Country,
  - Westbank First Nation,
  - District of Peachland,
  - Regional District of Central Okanagan.
- Decision on fares, routes and service levels are made by the councils and boards based on information and planning provided by BC Transit
- Operating costs are met by a combination of
  - farebox passenger revenues
  - local partner funding and
  - provincial funding



Cost Share Kelowna Conventional 2024/25

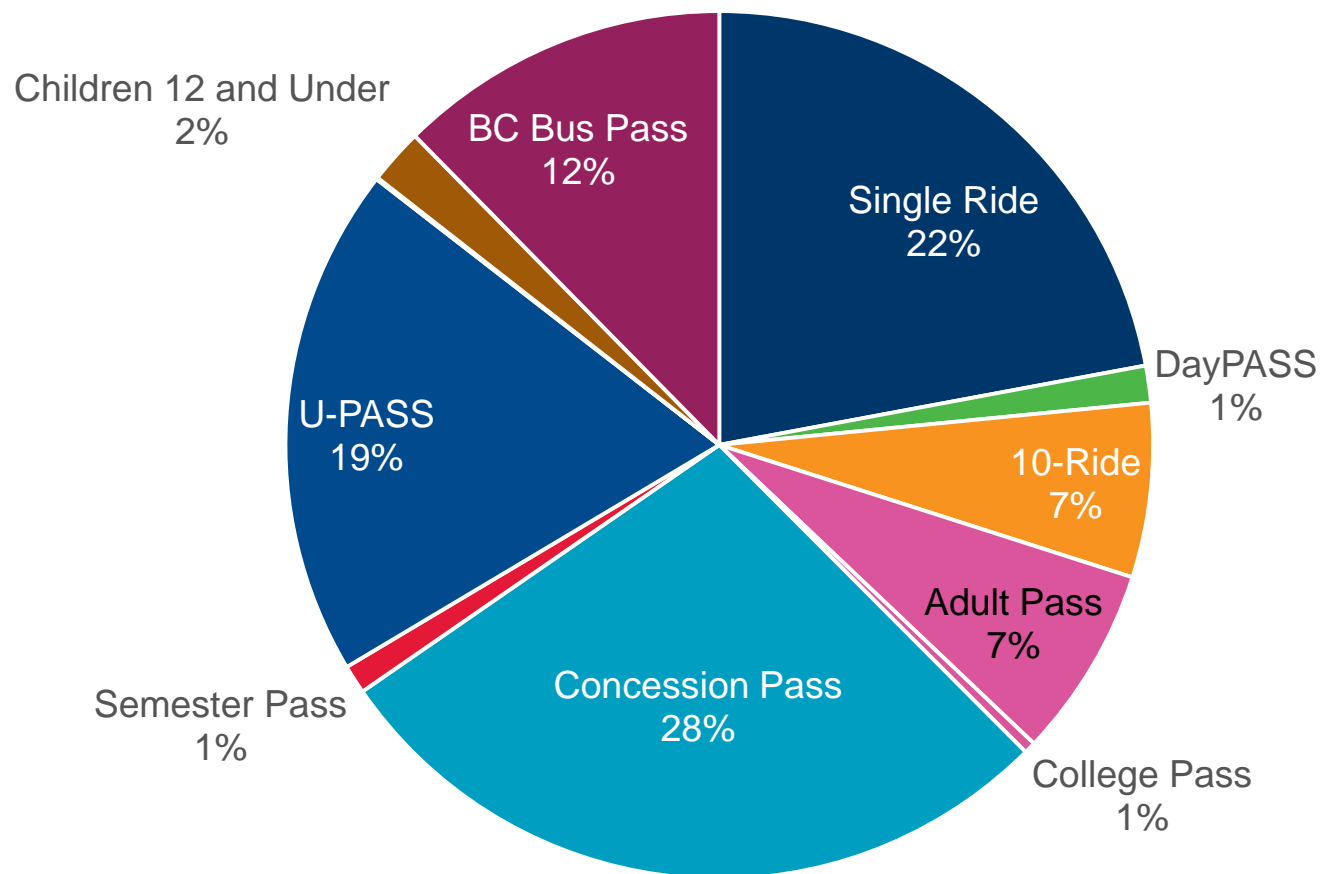
# Current Fare Structure vs Fare Guidelines

Fare Type		Price	BC Transit Fare Guidelines	Variance
Single Ride		\$2.50	Base	-
DayPASS		\$5.00	2 times Base Fare	-
10-Rides	Adult	\$22.50	9 times Base Fare	-
	Concession*	\$20.25	9 times Base Fare	8 times Base Fare
30-Day / Monthly Pass	Adult	\$70.00	20 to 30 times Base Fare	-
	Concession*	\$45.00	Adult 30-Day Pass less 15%	Adult 30-Day Pass less 36%
Post-Secondary 30-Day Pass		\$55.00	Adult 30-Day Pass less 15%	Adult 30-Day Pass less 20%
Post-Secondary Semester Pass		\$176.00	4 times Student 30-Day Pass less 20%	-
5-Tickets (handyDART))	Adult	\$11.25	-	-
	Concession*	\$10.00	-	-

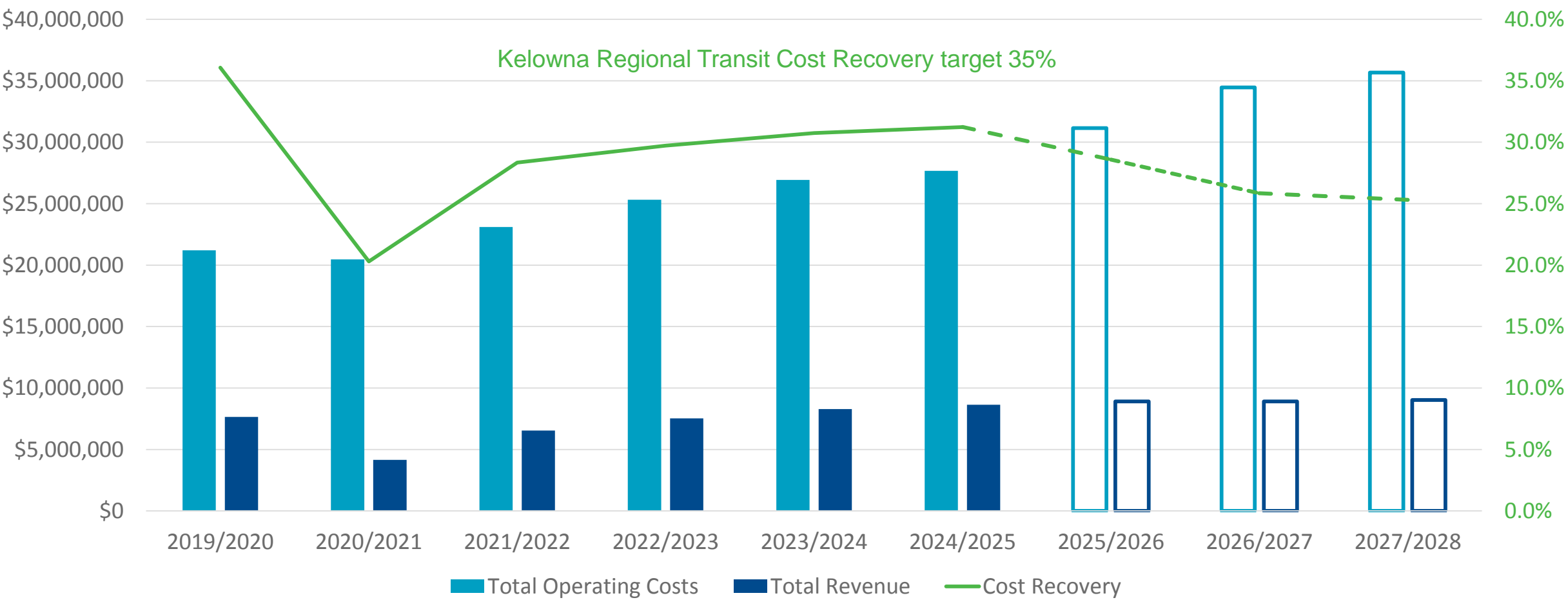
\*Concession fare valid for youth aged 13 – 18 and persons 65 and over



# Conventional Fare Product Revenue 2024/2025



# Cost Recovery – Conventional Transit



# Regional Partner Revenue Allocations

The Kelowna Regional Transit System has a revenue-sharing agreement, revenue allocation is based on local ridership in each community (75%) and agreed upon cost-sharing (25%)

Regional Partner	Ridership	Ridership %	Revenue
City of Kelowna	5,622,838	85.97%	\$6,373,902
City of West Kelowna	533,702	8.16%	\$772,719
Westbank First Nation	155,663	2.38%	\$230,548
District of Lake Country	180,517	2.76%	\$272,186
District of Peachland	37,281	0.57%	\$61,753
Regional District of Central Okanagan	11,119	0.17%	\$12,357



# Online Engagement

- Survey was live from February 10<sup>th</sup> – March 10<sup>th</sup>
- Marketing through traditional and online media
- 625 Respondents, 893 visitors who interacted with the page
- Engagement was launched to gather public feedback on whether potential fare change options would impact ridership and whether the transition to the DayPASS system would be supported
- Key takeaways:
  - Respondents were 91% regular fixed-route bus customers with the majority using Single Ride fare products. 80% of respondents reside within the City of Kelowna.
  - 41% indicated that there would be no change to their transit usage with a small fare increase, and 20.3% indicated it would depend on the amount of the increase.
  - Respondents asked if they would support moving to the DayPASS system, with 46.5% supporting the transition, and 31.9% indicating a desire to maintain transfers. The remainder had no opinion.

# Transfers vs Automatic DayPASS

## Current policy: 90-Minute Transfer

Kelowna Transit allows riders to travel on the next connecting bus within 90 minutes of trip departure without an additional fare.

- Cash users receive a paper transfer from driver
- Paper transfer is difficult to validate for drivers
- Umo users have a transfer automatically applied

## Proposed policy: Automatic DayPASS

Replacing transfers with automatic DayPASS which allows for unlimited rides all day, for two Single Ride fares

Umo Transfers March 2024 - March 2025



# Proposed Fare Change

- BC Transit and staff have collaborated to produce a proposed fare change developed with the following considerations:
  - BC Transit Fare Guidelines
  - Comparable transit system fares
    - Average Single Ride Adult fare in Canada is **\$3.50**
  - Inflationary increases since the last fare increase in 2015
    - Bank of Canada's Inflation Calculator estimates a **\$2.50** fare in 2015 would be equivalent to **\$3.24** in 2025
  - Public engagement results
  - Local cost recovery target
    - Kelowna Regional Transit has a set cost recovery goal of 35%
  - Financial and ridership modelling

Balance funding

Attract and retain  
ridership

Consider affordability

# Proposed Fare Structure

Fare Product		Existing Fares	Proposed Fares
Single Ride		\$2.50	\$3.00 (+20%)
DayPASS*		\$5.00	\$6.00 (+20%)
10 Rides	Adult	\$22.50	Discontinued
	Concession	\$20.25	
30 Day / Monthly Pass	Adult	\$70	\$80 (+14%)
	Concession**	\$45	\$55 (+22%)
Post-Secondary 30-Day Pass		\$55	\$65 (+18%)
Post-Secondary Semester Pass		\$176	\$208 (+18%)
5-Tickets (handyDART)	Adult	\$11.25	\$15 (+33%)
	Senior	\$10	\$15 (+50%)

Quantitative Analysis	2024/2025 Actuals	Estimated Impact
Total Fare Revenue	\$7,026,024	\$8,174,795
Revenue Increase	-	\$1,148,771 (+16.4%)
Ridership Change	6,540,465	6,585,233 (+0.68%)
Cost Recovery	31%	31%

\*DayPASS-on-Board and Fare Capping to generate automatic DayPASS.

\*\*Concession fare valid for youth aged 13-18 and persons 65 and over.

# Regional Partner Impacts

Quantitative Analysis	Regional Partner	Recommended Change
Total Fare Revenue Impact	City of Kelowna	+\$957,845
	City of West Kelowna	+\$109,363
	Westbank First Nation	+\$32,969
	District of Lake Country	+\$38,598
	District of Peachland	+\$8,156
	Regional District of Central Okanagan	+\$1,838

# Pre-Paid Fare Programs



- **U-PASS**

- U-PASS gives students at partnering post-secondary institutions (UBCO) unlimited access to travel on all Kelowna Regional transit services during their enrolled term.
- Gives transit systems guaranteed income as most students will be enrolled. The fee for a U-PASS is included in a student's tuition payment.
- If a fare increase is approved, UPASS fees increase can be issued, requiring student body approval.
  - UBCO requires one year notice of fare increase (August 15th deadline)
  - Student referendum would need to approve increase
  - If approved, UPASS rate would increase as of Sept 1, 2026



# Pre-Paid Fare Programs

## EcoPASS

- A transit fund created via a bulk purchase discount that can be used by a variety of groups
- Secure stable revenue in the form of pre-purchased fare revenue
- Administered by BC Transit through Umo

Transit Fund	Discount %
\$5,000	5.00%
\$10,000	5.50%
\$20,000	6.00%
\$30,000	6.50%
\$40,000	7.00%
\$50,000	7.50%
\$100,000	10.00%
\$150,000	12.50%
\$200,000	15.00%

- Examples:
  - Property developers establish a transit fund for occupants of residential buildings to access to satisfy TDM programs
  - Conferences create a transit fund for attendees to access
  - Employers provide transit fund available to all employees
  - Social services agencies can use it to provide transit access for their target audience until the fund is extinguished

# Fare Review Timeline

Winter 2025

- February 10 - March 10<sup>th</sup>: Survey Engagement Live

Spring 2025

- Options Development and Staff Consultation

Summer 2025

- July 8: Peachland Council
- July 15: Lake Country Council
- July 17: RDCO Board
- July 21: COK Council
- July 22: West Kelowna Council
- July 7: Westbank FN Council
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August 2025

- Notify UPASS Agreements for price increase 12 months in advance

Fall 2025

- Marketing campaign to notify riders

October 1, 2025

- Fare change in-effect



# Report Recommendations

- Receive report for information
- Implement the proposed fare strategy including rate changes, DayPASS and EcoPASS, effective Oct 1, 2025.





Questions?