



STAFF REPORT TO THE BOARD

DATE OF REPORT May 10, 2024
MEETING TYPE & DATE Regular Session Board of May 22, 2024
FROM: Facilities & Transit Division
Community Services Department
SUBJECT: 2024/25 BC Transit – CVRD Annual Operating Agreement
FILE: 2240-85 BC Transit AOA 2024/25

PURPOSE/INTRODUCTION

The purpose of this report is to present a request for inclusion of Glenora Farm into the handyDART service area boundary, and to seek approval of the Annual Operating Agreement (AOA) with BC Transit, effective April 1, 2024 to March 31, 2025.

RECOMMENDED RESOLUTION

1. That Glenora Farm, located at 4766 Waters Road in Duncan BC, be included within the handyDART service area boundary; and
2. That the Annual Operating Agreement with BC Transit for the period of April 1, 2024 to March 31, 2025, be approved.

BACKGROUND

The AOA between BC Transit and CVRD is the governing document that outlines service areas, hours, approved fares, and costs for the CVRD's transit system (Attachments A and B).

The AOA includes: the current transit fares; any newly implemented service expansions (excluding approved expansions that have not yet been implemented, such as the Custom service and Nanaimo-Cowichan Express (NCX) which are approved for implementation later in the BC Transit fiscal year); service terms and conditions including BC Transit contract service fees; any special non-regular funding; and the negotiated service cost amounts with the transit operating company. BC Transit is responsible for contract negotiations, oversight, day-to-day work and management with the operating company.

As part of the initial AOA development, each year BC Transit reviews the Service Agreement terms and conditions with the operating company and negotiates the costs for the upcoming year. Following negotiations with the operating company, BC Transit advises local governments of the expected operator and BC Transit costs (i.e. draft budgets) so that local governments can incorporate the new costs into their corresponding next year's budget. The AOA affects both Function 106 (Commuter Service) and Function 107 (Conventional Service, which includes the NCX and Custom service) budgets.

Detailed budget information is supplied to CVRD staff for budgeting purposes; however, the commercially confidential information is protected by the *Freedom of Information & Protection of*

Privacy Act and as such, the budget information that is available for public sharing has been streamlined and summarized into a schedule that accompanies the AOA (Attachment B).

The AOA also specifies the service area boundary for handyDART, which limits service to those areas within 1.5 km of local fixed-route service. As indicated in Attachment C, a request has been made by Glenora Farm to include this property within the service area for Custom service (handyDART) as it is currently outside the boundary (6 km from a fixed-route).

ANALYSIS

Each year BC Transit incorporates some minor language changes to the AOA and updates the budget shown in Schedule C of the AOA (Attachment B). Included in this year's AOA is also an updated *Figure A – Cowichan Valley Custom Service Boundary* map.

For 2024/25, the agreement language and map changes are acceptable, and there is a new request to include Glenora Farm into the Custom service area boundary.

In 2016, the handyDART service area boundary was adopted, limiting service to areas within 1.5 km of a local fixed route service (regular transit route). As the Cowichan Valley is a large rural region and handyDART offers a door-to-door service, the limit to the service area boundary was implemented to recognize the growing demand for handyDART service while being able to continue to provide cost-effective trips to the majority of Cowichan Valley residents.

Glenora Farm is a registered non-profit charity offering day and residential programs to adults with special needs since 1995. Prior to 2016, when the 1.5 km boundary from a fixed-route service was implemented, several clients had been receiving handyDART service and have continued to do so since then (legacy clients). However, as described in a letter from Glenora Farm (Attachment C), the restriction on handyDART service limits who can utilize the service despite the buses travelling on a daily basis to/from Glenora Farm for legacy clients. Not being included within the handyDART boundary also limits expansion of the Glenora Farm day program.

The transit division supports inclusion of Glenora Farm into the service area boundary as it is a long-standing service provider with some clients who currently receive handyDART service; it is the only service provider offering programs for adults with special needs in the CVRD that is outside the handyDART boundary; and by including the property, the service can be adequately planned for and delivered.

Glenora Farm has indicated they will be flexible with their program scheduling as they recognize the value in obtaining handyDART services. The CVRD custom expansion approved this year will also provide additional resources to alleviate peak time scheduling.

Normally, the budget that BC Transit provides staff in the fall for inclusion in the CVRD's following year's budget, has been fairly close to the budget that is included in the AOA when presented in the spring. This year, extended negotiations with the operating company resulted in costs higher than what BC Transit projected last fall. However, BC Transit has been able to reduce costs in other areas (fuel, marketing, UMO, IT systems) to allow the total cost increase to the CVRD to be manageable and staff feel the increase can be absorbed within the current approved 2024 transit budgets (Functions 106 and 107).

Unfortunately, as reported to the Committee of the Whole on March 27, 2024, the Provincial budget tabled in February 2024 did not provide funding for any of CVRD's **local conventional** transit expansions. As a result, the CVRD's year one transit expansions approved through the 2024 – 2027 'Three Year Transit Expansion Plan' will not be proceeding as originally anticipated

in 2024. The affected expansions are improvements identified through the South Cowichan Local Area Transit Plan, including Eagle Heights; introduction of Route 7x Cowichan Lake Express on Saturdays; and an additional round trip on Route 6 Duncan/Chemainus.

Custom expansion of 1,400 hours to introduce basic Sunday service, extend evening service and support peak hour service will receive funding; as will the NCX for Friday and Saturday evening service. Implementation dates are targeted for January 2025 (Custom) and September 2024 (NCX).

No changes to fares are presented in the AOA. BC Transit is conducting a fare review of CVRD conventional and interregional transit services to identify opportunities to increase revenue with minimal (or possibly improved) impact to ridership. Since the Regional District of Nanaimo (RDN), our partner in the NCX service, is conducting their fare review and public engagement this summer, we need to wait to hear the outcome of the public feedback before finalizing the CVRD's fare review with recommended changes. We anticipate presenting our fare review in the fall of 2024 with any changes to commence after April 2025. This is per our agreement with BC Transit, and BC Transit's agreement with the Province for Safe Restart and Recovery Funding, which limits fare increases to 2.3% per year until March 31, 2025. Fare reductions would not be subject to this timeframe.

FINANCIAL CONSIDERATIONS

The total 2024/25 AOA costs and revenues are in line with our 2024 transit budgets (Functions 106 and 107). The CVRD 2024 Function 106 budget includes a total of \$123,000 in Safe Restart funding which includes \$40,000 from the last 3 months of the 2023/24 AOA year. The last remaining 'Safe Restart' grant funding for the 2024/25 AOA of \$83,000 for the **Commuter** service has been applied to CVRD's 2024 budget. There was no remaining amount to be allocated in 2024 for the Conventional service.

As noted above, no conventional transit service expansions are occurring in 2024 aside from the NCX. The handyDART expansion will be implemented in January 2025, as it is dependent on additional fleet. Since there is no conventional expansion and the implementation of the Custom service expansion is delayed, there will be a savings of approximately \$102,000 in the 2024 Function 107 budget, and the corresponding transfer from the operating reserve that was included in the budget is no longer required in 2024.

The interregional NCX service revenue and expense budget amounts are included in the RDN's AOA (as they are the operators), but the 50% CVRD share of the expenses and revenues are included in our 2024 Function 107 budget.

COMMUNICATIONS CONSIDERATIONS

CVRD staff will provide BC Transit with a signed AOA by June 30, 2024.

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

The CVRD's partnership with BC Transit to fund and deliver transit service aligns with the strategic plan objective to enhance and expand regional transit as funding allows.

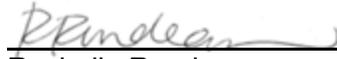
Referred to (upon completion):

- Community Services (Cowichan Community Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Facilities & Transit)

- Corporate Services (*Finance, Human Resources, Information Technology, Legislative Services*)
- Operations (*Utilities, Parks & Trails, Recycling & Waste Management*)
- Land Use Services (*Community Planning, Strategic Initiatives, Development Services, Building Inspection & Bylaw Enforcement*)
- Strategic Services (*Communications & Engagement, Economic Development, Emergency Management, Environmental Services*)

Prepared by:

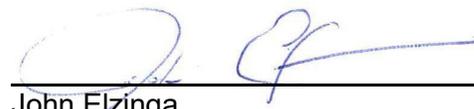
Reviewed by:



Rachelle Rondeau
Transit Analyst



Jim Wakeham
Senior Manager



John Elzinga
General Manager

Reviewed for form and content and approved for submission to the Board:

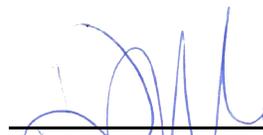
Resolution:

Financial Considerations:

Corporate Officer

Chief Financial Officer

Chief Administrative Officer's Comments / Concurrence



Danielle Myles Wilson
Chief Administrative Officer

ATTACHMENTS:

Attachment A – BC Transit Letter dated April 15, 2024

Attachment B – BC Transit 2024/25 Annual Operating Agreement

Attachment C – Glenora Farm Letter dated April 23, 2024