



Report to Council

To: Mayor and Council File No: 8500-16
Date: July 14, 2025
From: Anne Huisken, Acting Manager, Transportation
Subject: Transit Expansion Update and Annual Operating Agreement

Purpose:

To provide Council with an update on recent transit service expansions for both Conventional and Custom Transit, outline Administration's recommended service improvements, and summarize the 2025–2026 Annual Operating Agreement with BC Transit.

Recommendation:

THAT Council direct Administration to allocate any unspent 2025 transit budget funds into the Transit Reserve to mitigate BC Transit operating changes compared to budget;

AND FURTHER, that Administration is authorized to execute the Annual Operating Agreement with BC Transit dated April 1, 2025 to March 31, 2026.

Background:

Transit Update and Service Expansion

At the August 12, 2024, Regular Council Meeting, Council authorized Administration to apply for approved transit expansion hours to three key routes in the Vernon Regional Transit System and support interregional transit expansions for the whole network.

Both City of Vernon Conventional and Custom transit route received service expansion and implementation will start January 4, 2026.

CITY OF VERNON Conventional	Weekday span and frequency improvements; weekend span and frequency improvements; On-time performance improvements.	2,600 annual service hours	1 expansion vehicle	Approved
CITY OF VERNON Custom	Custom handyDART expansion to provide Sunday and statutory holiday service	780 annual service hours	1 expansion vehicle	Approved

This is the first transit expansion Vernon has received in several years, following pandemic-related funding constraints and fleet shortages at the provincial level. The expansion aligns with the **2021 Transit Future Action Plan**, endorsed by Council, and supports progress toward the province's mandate to build a more connected, frequent transit network.

For the Conventional transit expansion, Administration recommends allocating the new service hours to Routes 3 and 5, based on findings from the recent Active Transportation and Transit Gap Analysis:

- **Route 3** operates on a 40-minute run-time, 7 days a week, between the Downtown Exchange and Walmart via Alexis Park. It recorded the highest boardings of any route in 2023 and is one of the most constrained routes in terms of schedule reliability. As the only bi-directional route connecting two of the City's busiest corridors, Route 3 plays a critical role in maintaining system reliability, supporting existing ridership, and providing a key connection to the new Active Living Centre (ALC). Many students from Alexis Park Elementary also rely on this route.

It is anticipated that road construction near the ALC will temporarily impact Route 3 in 2026. However, the additional service hours from this expansion will help maintain service levels during construction, reducing the likelihood of dropped trips and supporting reliable transit connections when the Active Living Centre opens in Fall 2026.

- **Route 5** serves South Vernon, including Mission Hill Elementary, Clarence Fulton Secondary, and many cultural services. It had the third-highest boardings in 2023. Route 5 is interlined with Route 3 and operates on the same 40-minute frequency on weekdays and Saturdays, with an 80-minute frequency on Sundays. Improving this route will enhance service reliability for both Routes 3 and 5.

Routes 3 and 5 have the tightest turnaround times in the system due to their interlined schedules, making them particularly vulnerable to delays. Allocating service expansion hours to these routes will help address existing timing challenges and improve reliability, though it will not result in additional trips (frequency) at this time.

Although Route 9 was identified for future expansion as part of the Frequent Transit Network (15-minute service), it currently operates at a 30-minute frequency between the Downtown Exchange and Polson Park. Addressing service reliability and run-time constraints on Routes 3 and 5 first is critical to ensuring these routes can effectively support and complement future expansions, including the Frequent Transit Network.

The transit expansion hours for Custom transit (handyDART) will introduce Sunday and statutory holiday service for the first time. This is a major improvement for residents who rely on Custom transit will provide better service to these customers.

The costs associated with the transit service improvements are approved as part of the 2025-2029 Financial Plan (pages 105-106).

Some larger regional expansions, and new routes were not approved for 2025/2026, and this is primarily due to ongoing provincial fleet procurement challenges. These initiatives, which require additional vehicles and resources, remain priorities as the transit system continues to grow:

The following expansion initiatives **have not been approved** for implementation:

NORTH OKANAGAN CONNECTOR	Increase weekday service on Route 90, providing three additional round trips per day.	1,600 annual service hours	2 expansion vehicles	Not Approved
NORTH OKANAGAN PARA TRANSIT	Remove weekday variants on routes 60 and 61 (700 hours). One additional weekday midday round trip on route 61 to close existing service gap (450 hours). Remove Saturday variants on route 60 (200 hours).	1,350 annual service hours	2 expansion vehicles	Not Approved
CITY OF VERNON / COLDSTREAM Conventional	New service to Middleton Mountain	2,600 annual service hours	1 expansion vehicle	Not Approved

Annual Operating Agreement

The Vernon Transit System operates under agreements with BC Transit, including a long-term Transit Service Agreement (TSA) and an Annual Operating Agreement (AOA). The TSA outlines the overall relationship and remains in place until significant changes occur. The current TSA was signed in 2017.

The AOA is renewed each year and covers annual operating costs, service levels, and fares.

2025-2026 BC Transit Annual Operating Agreement

The Vernon 2025-2026 BC Transit AOA (Attachment 1) covers the conventional transit service (Routes 1 to 9) and the custom transit service (handyDART, Taxi Saver, and Taxi Supplement) on behalf of the region, as follows:

- Route 1 – Cost shared with BC Transit and District of Coldstream
- Routes 2 to 9 – Cost shared with BC Transit only.
- Custom Transit – Cost shared with BC Transit, District of Coldstream, and Regional District of North Okanagan (RDNO)

Note that routes 60, 61, and 90 are included in a separate AOA held by RDNO and funded by RDNO member jurisdictions, including the City of Vernon, as per their Service Establishment Bylaws (Bylaws 1161 and 2547).

a. Relevant Policy/Bylaw/Resolutions/Legislative Authority:

b. Council's Strategic Plan Alignment:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Governance & Organizational Excellence | <input checked="" type="checkbox"/> Livability |
| <input type="checkbox"/> Recreation, Parks & Natural Areas | <input checked="" type="checkbox"/> Vibrancy |
| <input checked="" type="checkbox"/> Environmental Leadership | <input type="checkbox"/> Not Applicable |

Financial Implications:

There are no additional financial impacts beyond the approved 2025 Budget. Existing staff resources are sufficient to implement the changes.

As in previous years, any 2025 funds not spent on transit expansion can be redirected to the Transit Reserve through a Council resolution. This ensures ongoing funding for AOA changes without requiring year-over-year property tax increases for the same service.

Attachments:

Attachment 1 - 2025-2026 Annual Operating Agreement BC Transit VRT

Reviewed by: Terry Barton, Director Planning & Community Services
Reviewed by: Sue Wood, Manager, Legislative Services
Reviewed by: Kevin Poole, Director, Corporate Administration
Approved by: Peter Weeber, Chief Administrative Officer