



## THE CORPORATION OF THE CITY OF VERNON REPORT TO COUNCIL

**SUBMITTED BY:** Ellen Croy  
Manager, Transportation

**COUNCIL MEETING:** REG ☒ COW ☐ I/C ☐  
**COUNCIL MEETING DATE:** August 15, 2022  
**REPORT DATE:** August 4, 2022  
**FILE:** 8500-08

**SUBJECT:** **3 YEAR TRANSIT EXPANSION INITIATIVES MEMORANDUM OF UNDERSTANDING  
- NEW MIDDLETON ROUTE AND ADDITIONAL STATUTORY HOLIDAY SERVICE**

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### **PURPOSE:**

To inform Council of BC Transit's 3 Year Transit Expansion Initiatives Memorandum of Understanding for the Vernon Conventional Transit System, and to seek authorization for Administration to sign the Expansion Memorandum of Understanding, and to authorize provisional funding to correspond with the expansion options listed in addition to the annual operating increase for 2024 onwards.

### **RECOMMENDATION:**

THAT Council confirms its authorization in principle for the addition of 2,600 transit hours per year for the new Local Transit Network Route #10 - Middleton Mountain starting January 2024 at an estimated cost of \$194,577 annually, of which the City of Vernon would fund 48.92% (\$95,187) of the operating costs;

AND FURTHER, that Council confirms its authorization in principle for the addition of 560 transit hours per year for additional Statutory Holiday Service starting January 2024 at an estimated cost of \$26,186 annually, of which the City of Vernon would fund 89.99% (\$23,565) of the operating costs;

AND FURTHER, that Council approve partial funding of the new Route #10 – Middleton Mountain and additional Statutory Holiday Service from the Transit Expansion Reserve for three years (2024 to 2026) drawing \$100,000 +/- in 2024, \$60,000 +/- in 2025 and \$30,000 +/- in 2026;

AND FURTHER, that Council authorize Administration to sign the 3 Year Transit Expansion Initiatives Memorandum of Understanding, dated June 30, 2022 from BC Transit, for the addition of 3,160 transit hours, subject to funding approvals from BC Transit and the District of Coldstream effective January 2024, as presented in Attachment 3 of the report titled "3 Year Transit Expansion Initiatives Memorandum of Understanding – New Middleton Route and Additional Statutory Holiday Service" dated August 4, 2022 and respectfully submitted by the Manager, Transportation.

AND FURTHER, that Council authorize the increase in transit operating expenditures substantially as presented in the report titled "3 Year Transit Expansion Initiatives Memorandum of Understanding – New Middleton Route and Additional Statutory Holiday Service" dated August 4, 2022 and respectfully submitted by the Manager, Transportation.

### **ALTERNATIVES & IMPLICATIONS:**

1. THAT Council receive the report titled "3 Year Transit Expansion Initiatives Memorandum of Understanding – New Middleton Route and Additional Statutory Holiday Service" dated August 4, 2022 and respectfully submitted by the Manager, Transportation, for information.

*Note: This would mean that the new Route #10 - Middleton Mountain would not start in January 2024 and the current holiday service schedule would remain inconsistent between routes (i.e. Route #1 has fewer holiday service days than Routes #2 to #10).*

## **ANALYSIS:**

### **A. Committee Recommendations:**

N/A

### **B. Rationale:**

1. At its Regular Meeting of September 27, 2021, Council endorsed, in principle, the expansion of the conventional transit service for a new Route #10 – Middleton Mountain (2,600 additional transit service hours) and additional Statutory Holiday Service (560 additional transit service hours) with associated budget changes over a three-year period (Attachment 1). The District of Coldstream's Council also passed a resolution to approve the changes at its Regular Meeting of September 27, 2021.
2. The introduction of the new Route #10 – Middleton Mountain (Attachment 2) aligns with the 2022-2025 priority service improvements listed in the Transit Future Action Plan (TFAP). The TFAP was endorsed by Council at its Regular Meeting of December 13, 2021, subject to Council's consideration of and direction on funding as service level adjustments are brought forward.
3. The additional Statutory Holiday Service was identified as a short term service improvement in the Transit Future Plan (TFP). Currently, Route #1 has holiday service on Canada Day and Remembrance Day, while Routes #2 - #9 also have holiday service on Easter Monday, Victoria Day, BC Day, and Labour Day. The additional 560 Statutory Holiday Service hours would ensure Route #1 has the same holiday service as Routes #2 - #9 (and future Route #10), and would introduce new holiday service on New Years Day, Family Day, Good Friday, Truth & Reconciliation Day, Thanksgiving Day, Christmas Day, and Boxing Day on all routes.
4. The expansions (new Route #10 – Middleton Mountain and new Statutory Holiday Service) were scheduled to start in September 2022, but were postponed because the February 2022 provincial budget did not accommodate any service expansions. BC Transit has now proposed these service expansions should start January 2024 and have sent Administration and the District of Coldstream a revised 3 Year Expansion Memorandum of Understanding (Attachment 3).
5. Administration works with BC Transit to bring forward priority service and infrastructure improvements to Council for its consideration through the annual budget process. However, due to the lead time required to order a new bus for the new Route #10 – Middleton Mountain, BC Transit requires Council's approval, in principle, by August 31, 2022.
6. The revised estimates for the new Route #10 – Middleton Mountain and added Statutory Holiday Service are:

	<b>Total cost</b>	<b>Annual Cost (City of Vernon)</b>	<b>Annual Cost (District of Coldstream)</b>
Route #10 – Middleton Mountain	\$194,577	\$95,187 (48.92%)	\$99,390 (51.08%)
Additional Statutory Holiday Service – Routes #1 to #10	\$26,186	\$23,565 (89.99%)	\$2,621 (10.01%)

7. The current projected year end balance of the Transit Expansion Reserve is \$1,546,486. Administration recommends that the expansions (new Route #10 – Middleton Mountain and new Statutory Holiday Service) be partially funded from the Transit Expansion Reserve for three years, drawing \$100,000 from the reserve in 2024, \$60,000 in 2025 and \$30,000 in 2026. Note that these amounts would be refined each year based upon BC Transit's future Annual Operating Agreements and Three Year Base Budgets

that inform the City's Transit Budgets. Therefore, Administration recommends that the transit expansion MOU (Attachment 3) be endorsed by Council and signed by Administration.

**C. Attachments:**

- Attachment 1 – September 27, 2022 Report to Council – 3 Year Transit Expansion Initiatives Memorandum of Understanding
- Attachment 2 – New Route #10 – Middleton Mountain
- Attachment 3 – BC Transit's June 30, 2022 3 Year Expansion Initiative Memorandum of Understanding

**D. Council's Strategic Plan 2019 – 2022 Goals/Action Items:**

The subject 3 Year Transit Expansion Initiatives Memorandum of Understanding – New Middleton Route and Additional Statutory Holiday Service involves the following goals/action items in Council's Strategic Plan 2019 – 2022:

- Promote transit oriented mixed-use development
- Work towards a sustainable Vernon – environmentally, economically and socially.

**E. Relevant Policy/Bylaws/Resolutions:**

1. At its Regular meeting of Council on December 13, 2021 Council ratified the following resolution passed at it's Committee of the Whole meeting:

*THAT Council endorse the North Okanagan Transit Future Action Plan as outlined in Attachment 2 of the report titled "North Okanagan Transit Future Action Plan Update" dated November 24, 2021 and respectfully submitted by the Active Transportation Coordinator, subject to Council's consideration of and direction on funding as service level adjustments are brought forward.*

2. At its Regular meeting of September 27, 2021, Council passed the following resolutions:

*THAT Council authorize the addition of 2,600 transit hours per year for the new Local Transit Network Route #10 - Middleton Mountain starting September 2022 at a cost of \$178,270 annually, of which the City of Vernon will fund 48.92% (\$87,211 annual cost; \$29,070 2022 cost) of the operating costs;*

*AND FURTHER, that Council authorize the addition of 560 transit hours per year for additional Statutory Holiday Service starting September 2022 at a cost to the City of \$47,376 annually (\$15,792 2022 cost);*

*AND FURTHER, that Council approve that the funding of the new Route #10 – Middleton Mountain and additional Statutory Holiday service be partially funded from the Transit Expansion Reserve for three years (2022 to 2024) drawing \$108,400+/- in 2022, \$100,00 +/- in 2023 and \$75,000+/- in 2024;*

*AND FURTHER, that Council authorize Administration to sign the 3 Year Transit Expansion Initiatives Memorandum of Understanding, dated September 20, 2021 from BC Transit, for the addition of 2,600 transit hours for the new Local Transit Network Route #10 – Middleton Mountain and 560 transit hours for additional Statutory Holiday Service starting September 2022 as presented in the report titled "3 Year Transit Expansion Initiatives Memorandum of Understanding" dated September 20, 2021 and respectfully submitted by the Manager, Transportation;*

*AND FURTHER, that Council authorize the increase in transit operating expenditures substantially as presented in the report titled "3 Year Transit Expansion Initiatives Memorandum of Understanding" dated September 20, 2021 and respectfully submitted by the Manager, Transportation.*

3. At its Regular Meeting of January 25, 2021, Council passed the following resolutions:

*THAT Council approve the Terms of Reference for the North Okanagan Transit Future Action Plan as outlined in Attachment 2 of the report titled "North Okanagan Transit Future Action Plan Update" dated January 11, 2021 from the Active Transportation Coordinator;*

*AND FURTHER, that Council direct the Chief Administrative Officer to appoint staff to join the Project Working Group.*

4. The 3 Year Transit Expansion Initiatives Memorandum of Understanding – New Middleton Route and Additional Statutory Holiday Service involves the following goals/actions from the Transportation Master Plan:

- a. Increase the percentage of all trips undertaken by transit to 2.5% by 2040

5. The 3 Year Transit Expansion Initiatives Memorandum of Understanding – New Middleton Route and Additional Statutory Holiday Service involves the following guiding principles, policies and objectives from the Official Community Plan:

- a. Provide alternative transportation;
- b. Create strong, compact, and complete neighbourhoods;
- c. Create a youth friendly city;
- d. Ensure that transit takes a high priority in transportation planning and that transit routes and transit facilities are implemented as described in the Transit Strategy of the Master Transportation Plan; and
- e. Implement the transit routes and infrastructure identified and prioritized in the North Okanagan Transit Future Plan.

6. The 3 Year Transit Expansion Initiatives Memorandum of Understanding – New Middleton Route and Additional Statutory Holiday Service involves the following goals and actions from the Climate Action Plan:

- a. Continue to implement the Master Transportation Plan; and
- b. Enable and support the enhancement and expansion of the transit network and alternative mobility options.

7. At its Regular Meeting of March 24, 2014 Council passed the following resolutions:

*THAT Council endorse the North Okanagan Transit Future Plan, March 2014 document as presented in the report dated March 12, 2014, from the Transportation Engineer;*

*AND FURTHER, that the North Okanagan Transit Future Plan, March 2014 document be made available for public viewing at City Hall and on the City's website.*

**BUDGET/RESOURCE IMPLICATIONS:**

Should Council support the recommendations, the estimated costs would be:

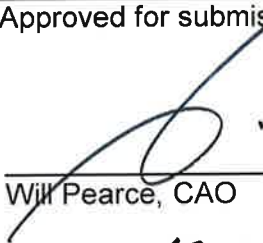
- 48.92% of \$194,577 annually (\$95,189) for an additional 2,600 transit service hours for the new Local Transit Network Route #10 – Middleton Mountain, starting in January 2024.
- \$23,565 annually for 560 additional Statutory Holiday Service hours, starting January 2024.

Administration recommends that the new Route #10 – Middleton Mountain and additional Statutory Holiday Service be partially funded from the Transit Expansion Reserve for three years (2024 to 2026) drawing \$100,000 +/- in 2024, \$60,000 +/- in 2025 and \$30,000+/- in 2026.



Prepared by:

Approved for submission to Council:

X   
Ellen Croy  
Manager, Transportation

  
Will Pearce, CAO

Date: 09. AUGUST. 2022

  
X  Kim Flick  
Director, Community Infrastructure and Development

**REVIEWED WITH**

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## THE CORPORATION OF THE CITY OF VERNON REPORT TO COUNCIL

**SUBMITTED BY:** Amanda Watson, Manager,  
Transportation

**COUNCIL MEETING:** REG ☒ COW ☐ I/C ☐  
**COUNCIL MEETING DATE:** September 27, 2021  
**REPORT DATE:** September 20, 2021  
**FILE:** 8500-08

**SUBJECT: 3 YEAR TRANSIT EXPANSION INITIATIVES MEMORANDUM OF UNDERSTANDING**

### PURPOSE:

To advise Council of BC Transit's 3 Year Transit Expansion Initiatives Memorandum of Understanding for the Vernon Conventional Transit System and seek authorization for the provisional funding for the expansion options and for Administration to sign the memorandum.

### RECOMMENDATION:

THAT Council authorize the addition of 2,600 transit hours per year for the new Local Transit Network Route #10 - Middleton Mountain starting September 2022 at a cost of \$178,270 annually, of which the City of Vernon will fund 48.92% (\$87,211 annual cost; \$29,070 2022 cost) of the operating costs;

AND FURTHER, that Council authorize the addition of 560 transit hours per year for additional Statutory Holiday Service starting September 2022 at a cost to the City of \$47,376 annually (\$15,792 2022 cost);

AND FURTHER, that Council approve that the funding of the new Route #10 – Middleton Mountain and additional Statutory Holiday service be partially funded from the Transit Expansion Reserve for three years (2022 to 2024) drawing \$108,400+/- in 2022, \$100,00 +/- in 2023 and \$75,000+/- in 2024;

AND FURTHER, that Council authorize Administration to sign the 3 Year Transit Expansion Initiatives Memorandum of Understanding, dated September 20, 2021 from BC Transit, for the addition of 2,600 transit hours for the new Local Transit Network Route #10 – Middleton Mountain and 560 transit hours for additional Statutory Holiday Service starting September 2022 as presented in the report titled "3 Year Transit Expansion Initiatives Memorandum of Understanding" dated September 20, 2021 and respectfully submitted by the Manager, Transportation;

AND FURTHER, that Council authorize the increase in transit operating expenditures substantially as presented in the report titled "3 Year Transit Expansion Initiatives Memorandum of Understanding" dated September 20, 2021 and respectfully submitted by the Manager, Transportation.

### ALTERNATIVES & IMPLICATIONS:

1. THAT Council not authorize the addition of 2,600 transit hours for the new Local Transit Network Route #10 – Middleton Mountain and 560 transit hours for additional Statutory Holiday Service starting September 2022 as attached to the report titled "3 Year Transit Expansion Initiatives Memorandum of Understanding" dated September 20, 2021 and respectfully submitted by the Manager, Transportation.

*Note: This option does not support the City's growth strategy as encapsulated in the Official Community Plan and Master Transportation Plan, and it would not advance the provincial and municipal goals of greenhouse gas reduction and increasing the number of trips made by alternative transportation.*

**ANALYSIS:**

**A. Committee Recommendations:**

N/A

**B. Rationale:**

1. At its Regular Meeting of May 9, 2016 Council approved a three year expansion of the transit service to cover the period of 2018 to 2020 and directed Administration to sign the BC Transit Expansion Memorandum of Understanding (MOU) dated April 14, 2016. When a service expansion involves the purchase of a bus, due to the 18 month delivery time, BC Transit requires Council to sign a MOU as a commitment to fund the expansion when the bus is delivered. The first proposed expansion was the higher frequency CTN Route #9 – North End which started operating in 2018. The second proposal was to extend the CTN to the Polson Neighbourhood Centre and construct a secondary transit exchange on a yet to be constructed road. The third proposal was a lower frequency LTN route operating between the Polson secondary exchange and the transit exchange at Okanagan College, travelling via Middleton Way and College Way Okanagan College, without going to the Downtown Exchange. This new LTN Route #10 – Middleton Mountain would be jointly funded by the City of Vernon and the District of Coldstream based upon the service hours it would spend in each jurisdiction.
2. However, as the growth of the Polson Neighbourhood Centre and surrounding area was not occurring as projected, the CTN extension was postponed and as a consequence the new Middleton Route was also postponed. BC Transit was able to redeploy the buses that had been ordered for the expansion to another system (had the redeployment not occurred, having signed the MOU, the City would have had to pay its share of the vehicle lease fees even though they wouldn't have been in service).
3. Since 2018, Administration has been working with BC Transit and the District of Coldstream on different levels of service and routing options that reflect the anticipated growth of the Polson Neighbourhood Centre and Middleton Mountain. As such, the extension of the CTN has been put on hold until growth is nearing the levels required to support the frequency of a CTN route. BC Transit, Administration and Coldstream all support implementing a bi-directional LTN route that operates between the Downtown Exchange and Okanagan College, via Middleton Mountain, as shown in Figure 1. The only exception to the bi-directional routing is on the inbound trip towards the Downtown Exchange. This was done to maximise coverage while avoiding certain left turn manoeuvres on/off Highway 6 at unsignalized intersections.
4. The new Route #10 – Middleton Mountain would start operating with ten trips per day Monday to Friday, with expansion of the hours/days of operation in the future as ridership and demand increases. Its schedule would complement the Route #1 – Coldstream so that users may be able to transfer at crossover points (Attachment 2). The MOU (Attachment 3) sets out total cost and revenue estimates. As 48.92% of the route is in Vernon and 51.08% in Coldstream, this would be used to share the municipal costs for that route. BC Transit has, like many other industries, experienced supply chain issues due to the impacts of COVID-19. As this expansion needs a new bus, it wasn't expected to be able to start operating until 2023 or later. However, due to fleet changes in other BC transit systems, a bus will be available to start operating this route in September 2022. Accordingly, the draft 2022 Conventional Transit budget has been submitted for Council's 2022 Budget deliberations including this service expansion. Should Council not endorse this expansion, the proposed draw on the reserve would not take place. The projected revenues and costs, with the sharing percentages applied, are shown in Table 1.

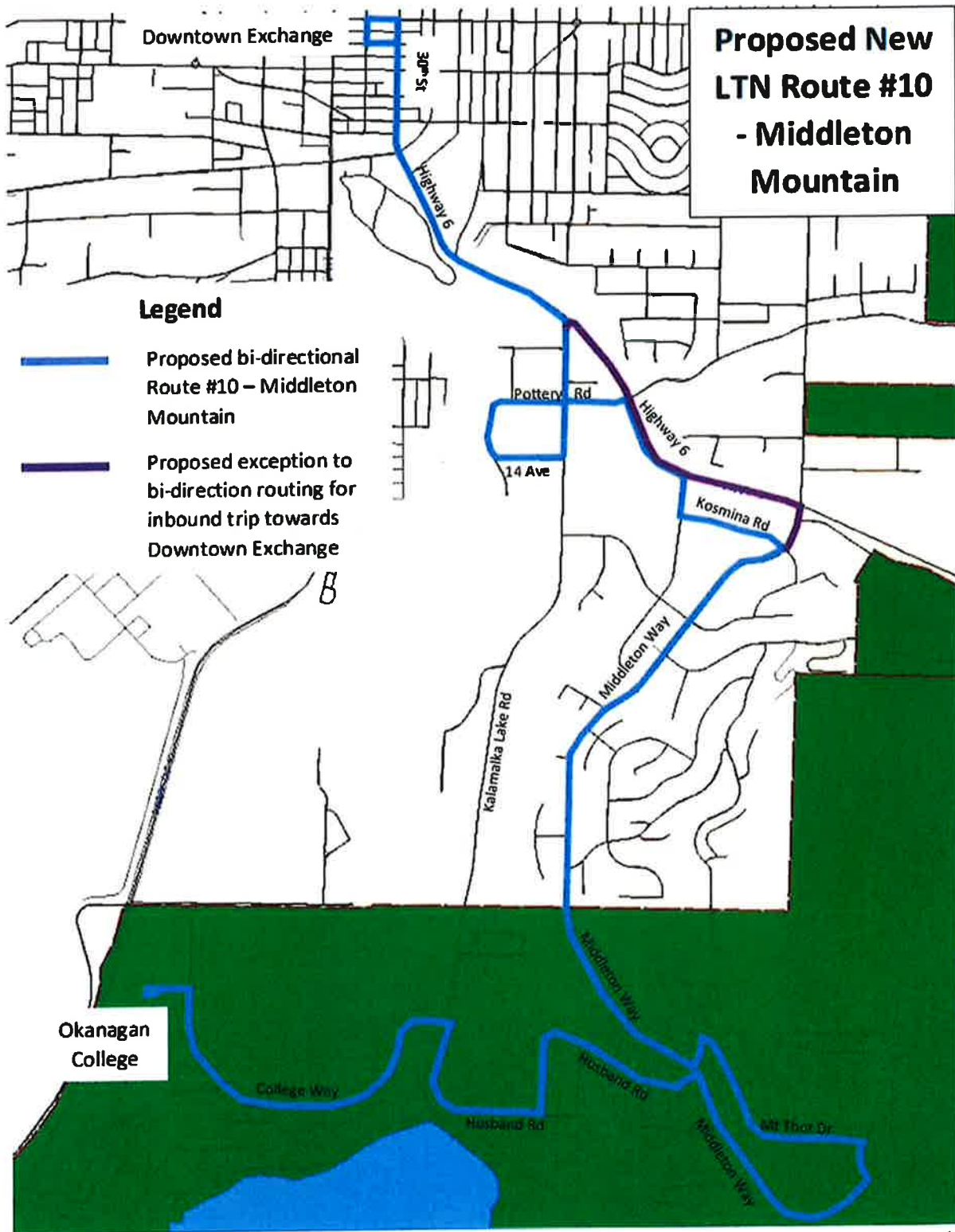


Figure 1



Table 1.

PROPOSED NEW LTN ROUTE #10 – MIDDLETON MOUNTAIN				
Annual Hours	# of New Vehicles	Estimated Annual Revenue	Estimated Annual Total Costs (excluding vehicle lease fees)	Estimated Annual Net Municipal Share (excluding BC Transit share of costs but including vehicle lease fees)
2,600	1	\$30,569	\$364,992	\$178,270
Vernon share	48.92%	\$14,955	\$178,554	\$87,211
Coldstream share	51.08%	\$15,614	\$186,438	\$91,059

- Transit systems across the province select which statutory holidays they wish to provide service on. Typically, it is a reduced service as the number of riders is typically lower. Most choose to operate reduced hours using the Sunday schedule. When a route is wholly within one jurisdiction, that jurisdiction signs the BC Transit Expansion MOU. When a route travels through more than one, all the local government funding partners are required to support the expansion.
- In 2012, the City of Vernon and District of Coldstream began a jointly approved holiday expansion by operating Sunday service on two holidays (Canada Day and Remembrance Day) on all the conventional routes operating at that time (i.e. Routes #1 to #7). Since that time, the City has expanded the number of routes and the number of holidays when a holiday service operates (Table 2).

Table 2.

Statutory Holidays	Conventional Routes Operating Sunday Service			
	Effective April 29, 2012	Effective May 4, 2014	Effective April 1, 2018	Proposed for September 2022
New Years Day				#1 to #10
Family Day	N/A			#1 to #10
Good Friday				#1 to #10
Easter Monday		#2 to #8 only	#2 to #9 only	#1 to #10
Victoria Day		#2 to #8 only	#2 to #9 only	#1 to #10
Canada Day	#1 to #7	#1 to #8	#1 to #9	#1 to #10
BC Day		#2 to #8 only	#2 to #9 only	#1 to #10
Labour Day		#2 to #8 only	#2 to #9 only	#1 to #10
Truth & Reconciliation Day	N/A	N/A	N/A	#1 to #10
Thanksgiving				#1 to #10
Remembrance Day	#1 to #7	#1 to #8	#1 to #9	#1 to #10
Christmas Day				#1 to #10
Boxing Day				#1 to #10

- In the 2014 TFP, Short Term Service Improvements, priority #6 is to "increase the span and frequency of weekend and holiday services". In line with this, BC Transit's expansion MOU (Attachment 3) proposes introducing consistent statutory holiday service on all conventional routes, including the new Route #10. As the funding of Route #1 is split (Vernon 50.01%/Coldstream 49.99%) and the proposed Route #10 would be split (Vernon 48.92%/Coldstream 51.08%), BC Transit is requiring both jurisdictions to support this proposed expansion for implementation on those two routes.

8. Tables 3 to 5 show how the cost of this proposed expansion would be split if it were a stand alone invoice for all the holidays in 2022. As an example, if one extra holiday was added to all ten routes, this would roughly approximate to one "day" for Coldstream (two "half days" for the #1 and #10), but it would equate to nine "days" for Vernon (two "half days" for #1 and #10 and 8 "full days" for #2 to #9).

Table 3.

Sunday service currently operates on 50 "days"		Sunday service proposed to operate on 110 "days"		
#1	#2 to #9	#1	#2 to #9	#10
2	48	11	88	11

Table 4.

	#1	#2 to #9	#10	Total "days"	Percentage of "days"	Municipal Share of Expansion Costs (\$52,646)
Vernon share	5.51	88	5.38	98.88	89.89%	\$47,376.14*
Coldstream Share	5.49	0	5.62	11.12	10.11%	\$5,322.51

\* Note: The cost sharing percentage noted in the MOU (Attachment 3) of "92.37% Vernon and 7.63% Coldstream" is the percentage that would be applied to the monthly invoices for the whole conventional system after the expansions for Route #10 and the holiday service have been implemented. When considered on their own, the holiday expansions would be split 89.99% Vernon and 10.11% Coldstream.

Table 5.

PROPOSED CONVENTIONAL HOLIDAY SERVICE EXPANSION INITIATIVE				
Annual Hours	# of New Vehicles	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
560	0	\$6,670	\$111,265	\$52,646
Vernon share	89.99%	\$6,002	\$100,127	\$47,376
Coldstream share	10.11%	\$674	\$11,249	\$5,323

9. The total annual cost to the City of both expansions is \$134,587 (\$44,862 for September to December 2022). The Transit Expansion Reserve is typically used to partially fund large service expansions for two or three years to offset taxation increases. The proposed increase for the additional holidays alone would not trigger a multi year draw on reserves. The reserve currently has a balance of \$1,402,488. Administration has submitted the draft Conventional Transit Budget drawing \$108,371 from the reserve, which is sufficient to cause the overall (Conventional and Custom) 2022 Transit budget to be a 2% increase on the combined 2021 Transit budget. Administration proposes to draw \$100,000 from the reserve in 2023 and \$75,000 in 2024. However, these amounts would be refined each year based upon BC Transit's future Annual Operating Agreements and Three Year Base Budgets that inform the City's Transit Budgets.
10. It should be noted that the Transit Future Plan review is in progress and this will, when complete, alter the timeframes to reflect what has been accomplished to date and any other reprioritizations identified during the review. Once the updated Transit Future Plan has been presented to the City of Vernon and District of Coldstream Councils and the Regional District of North Okanagan Board for endorsement in early 2022, Administration would take the endorsed expansion priorities and draft a multi year planned use of the Transit Reserve.

11. Administration recommends supporting both expansions as they further Council's strategic objectives and will enhance residents' ability to access alternative transportation and lower their personal GHG emissions.

**C. Attachments:**

Attachment 1 – Map of 2038 Transit Network from 2014 25 Year Transit Future Plan  
Attachment 2 – Map of Proposed Route #10 – Middleton Mountain and Route #1 – Coldstream  
Attachment 3 – BC Transit Three Year Transit Expansion Initiatives MOU

**D. Council's Strategic Plan 2019 – 2022 Goals and Actions:**

The subject of the proposed transit service expansion involves the following goals/action items in Council's Strategic Plan 2019 – 2022:

- Vibrant Downtown
  - Increase the vibrancy of Downtown, including the provision of new amenities and events
- Sustainability Priorities
  - Promote transit oriented housing and mixed use development
  - Work towards a sustainable Vernon – environmentally, economically and socially
  - Encourage sustainable infrastructure, agriculture and landscaping

**E. Relevant Policy/Bylaws/Resolutions:**

1. Within the Transportation section of the Official Community Plan, the implementation of transit service improvements and expansion is consistent with the following policies:
  - 11.9 Ensure that transit takes a high priority in transportation planning and the routes and transit facilities be implemented as described and prioritised in the Transit Strategy in the 2013-2038 Master Transportation Plan, including:

- a. Aim to increase the mode share of transit trips to 2.5% by 2038.
- b. Implement the routes and transit facilities identified and prioritised in the 2014 Transit Future Plan.
- c. Complete the BC Transit Custom Transit Registration Process Pilot Project. Following BC Transit's publication of the findings and recommendations of that project, undertake a Service Review of the Custom Transit Service in a joint project with BC Transit.
- d. Implement an annual Bus Stop Improvement Program to improve transit facilities at bus stops, including constructing sidewalks enabling access to bus stops as identified and prioritised in the Pedestrian and Bike Master Plan.
- e. Review fare products, pricing and structures every five years to provide a cost effective service.

2. At its Regular Meeting of May 9, 2016, Council passed the following resolution:

*THAT Council authorize in principle, the addition of 7,000 transit hours for the initial stage of the Core Transit Network (CTN) implementation in March 2018;*

*AND FURTHER, that Council authorize in principle, the addition of 3,500 transit hours for the second stage of the Core Transit Network (CTN) implementation in September 2018;*

AND FURTHER, that Council authorize in principle, Administration to revise transit fares to coincide with the March, 2018 implementation of the Core Transit Network (CTN) transit expansion to reflect the current costs of operating the transit service;

AND FURTHER, that Council authorize in principle, Administration to redefine the cost percentage participation with the District of Coldstream to coincide with the new system proportions based on revenue hours upon implementation of the various transit expansions;

AND FURTHER, that Council authorize in principle, the increase in operating expenditures beyond the standard 1.8% operating increase for transit services in 2018;

AND FURTHER, that Council authorize Administration to execute the Expansion Memorandum of Understanding dated April 18, 2016, from BC Transit as attached to the report titled "3 Year Expansion Initiatives – Vernon Transit System", dated April 25, 2016 as submitted by the Director of Financial Services.

**BUDGET/RESOURCE IMPLICATIONS:**

The implementation of the service expansion and new route as set out in the Memorandum of Understanding would require staff time. The new Route #10 – Middleton Mountain and the additional holiday service hours are proposed to be funded using a draw on the Transit Expansion Reserves of \$108,371 in 2022, \$100,000 in 2023 and \$75,000 in 2024. It should be noted that after the completion of the update to the 25 Year Transit Future Plan, a multi year plan for the use of the Transit Reserve will be presented to Council in 2022 for its consideration.

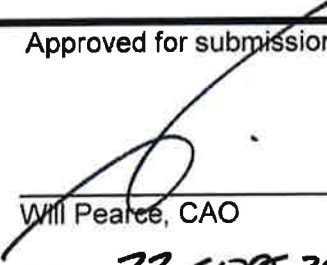
Prepared by:

Sep 22 2021 9:20 AM

Approved for submission to Council:

X  ✓  
Amanda Watson  
DocuSign

Amanda Watson  
Manager, Transportation

  
Will Pearce, CAO

Date: 22. SEPT. 2021

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Signer 2

Kim Flick  
Director, Community Infrastructure and Development



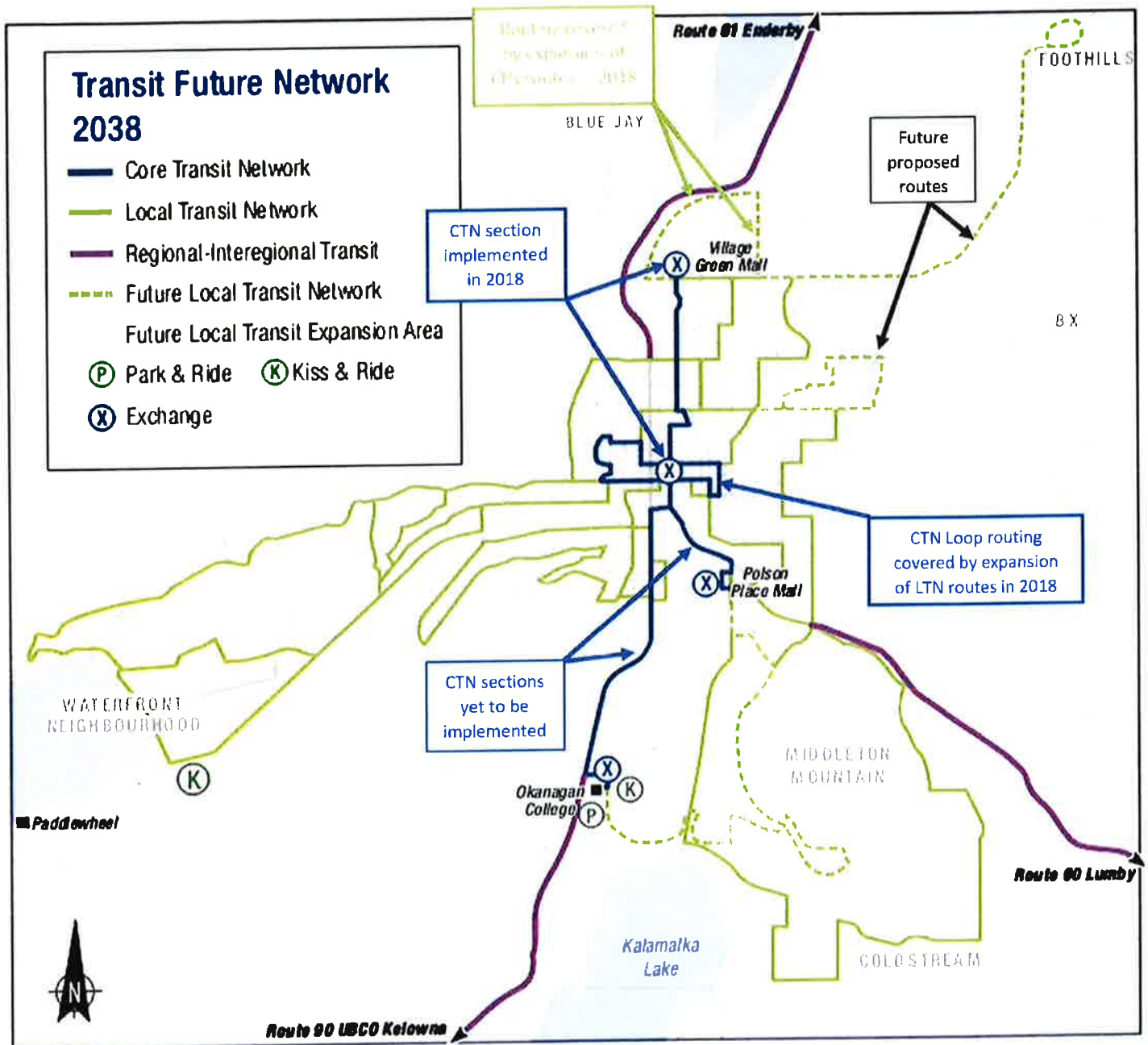
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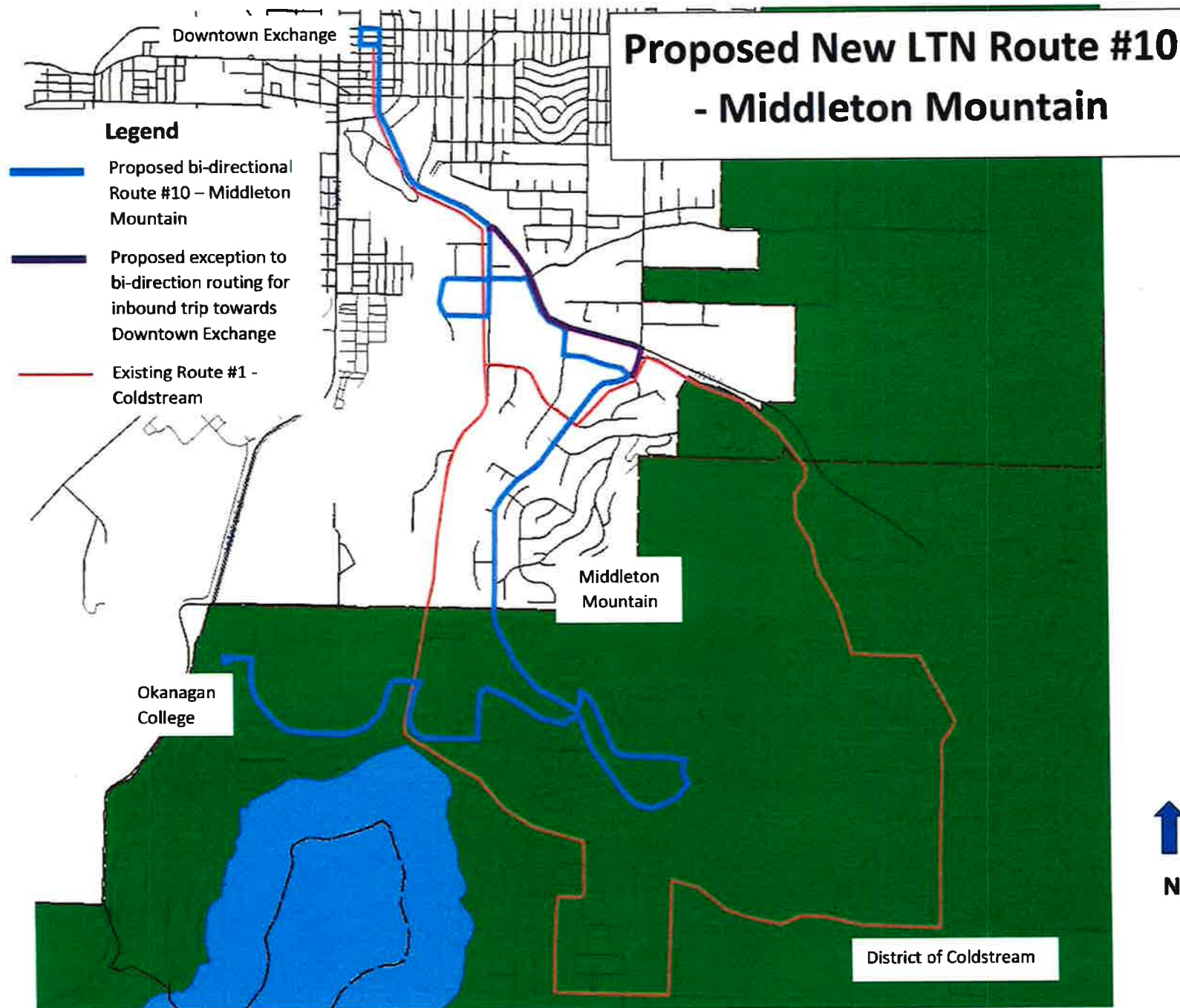
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| <input type="checkbox"/> Fire & Rescue Services        | <input type="checkbox"/> Recreation Services  | <input type="checkbox"/> Infrastructure Management            |
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## Attachment 1

### Annotated Future Network contained in the endorsed 2014 Transit Future Plan







September 20, 2021

Attn: Amanda Watson  
Manager, Transportation  
City of Vernon  
3001 – 32 Avenue  
Vernon, BC V1T 2L8

**Re: 3 Year Transit Expansion Initiatives – 2022/23 to 2024/25**

Dear Amanda,

Each year, BC Transit confirms service expansion plans for the coming year with local government partners, and also confirms service expansion priorities for the subsequent two years. This process ensures that 3-year expansion initiatives are consistent with the expectations of local governments, and allows BC Transit to proceed with securing the funding and resources to implement service expansions.

BC Transit is actively working towards the goal of achieving a 100% zero emission fleet by 2040. Our CNG transition is nearing the tail end of its investment activity, and planning for the next phase of battery electric bus deployments is well underway. 2022 will see the first 10 heavy duty battery electric buses deployed in Victoria, with plans to begin purchasing only electric buses in all fleet classification by 2028. Electrification transition planning is also underway to identify the opportunities and constraints associated with a rollout across the province. A change of this magnitude to our provincial fleet will have a significant impact on our business, and in particular our 3 year expansion planning process.

One of the key challenges that we will face through this process in the coming years will be a higher probability that demand for expansion vehicles will exceed the availability in select fleet categories. More advanced lead times will be required for procurement and delivery of buses, and bus orders will need to be strategically timed to align with our deployment plans. While every effort will be made to align bus orders with demand, some expansion initiatives may be impacted by the limited availability of certain vehicle types. Despite these challenges, we will continue to work with our local government partners to identify and develop expansion priorities, and to align our expansion initiatives with our overall fleet procurement plans.

With increasing demand for transit expansion across the Province, BC Transit is often faced with municipal requests for expansion that exceed the availability of either matching Provincial funds or available buses. As a result, our Expansion Evaluation Process will be initiated to determine which projects are prioritized and will proceed. An overview of our Expansion Evaluation Process has been attached to this letter for your reference. It outlines the process that BC Transit will follow to prioritize expansion requests, address value for investment, and ensure alignment with funding availability. It considers a variety of factors through a performance based multiple account evaluation, using a



### Three-Year Transit Expansion Plan

#### Proposed Transit Service Expansion Initiatives

The following outlines the expansion initiatives identified for your transit system along with a high level annual costing based on the hourly rates of your system. Please ensure that these initiatives are consistent with the expectations of your local government. Upon confirmation of your local government's intent to commit to the expansion and budget, we will proceed with the request to secure funding from the Province on your behalf.

PROPOSED CONVENTIONAL EXPANSION INITIATIVES						
AOA Period	In Service	Annual Hours	Vehicle Requirements	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
2022/23	September	560	0	\$6,670	\$111,265	\$52,646
		Description	Introduce consistent statutory holiday service on all local routes.			
The costs for this expansion initiative are to be split, based on kilometers: 92.37% City of Vernon and 7.63% District of Coldstream.						
2022/23	September	2,600	1	\$30,569	\$364,992	\$178,270
		Description	New service to Middleton Mountain			
The costs for this expansion initiative are to be split, based on kilometres: 48.92% City of Vernon and 51.08% District of Coldstream.						

mixture of qualitative and quantitative criteria. The evaluation would occur following the deadline for receipt of approved expansion MOUs from local governments, and the outcome shared in early Fall.

We ask that a signed copy of this letter be returned to BC Transit by October 8, 2021. If you are unable to meet this deadline, please contact me at your earliest convenience to discuss further. Following confirmation of the provincial budget in February, we will confirm with you that supporting provincial funding has been secured and initiate a transit service implementation plan. I look forward to working with you on the continued improvement of your transit service and encourage you to contact me if you have any questions regarding these proposed initiatives.

Yours truly,

A handwritten signature in black ink, appearing to read "Chelsea Mossey". The signature is fluid and cursive, with a large loop at the end.

Chelsea Mossey  
Senior Manager, Government Relations  
BC Transit

## Approval

On behalf of the City of Vernon, I/we are confirming to BC Transit to proceed with the request for funding to the Province on our behalf for the 2022/23 fiscal year. Furthermore, I/we confirm that the expansion priorities identified for 2023/24 and 2024/25 align with our expectations, and that we will review and confirm these initiatives on an annual basis as per the advice provided and with the knowledge that a more detailed budget will follow as service details are confirmed.

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Position:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Position:** \_\_\_\_\_

On behalf of BC Transit

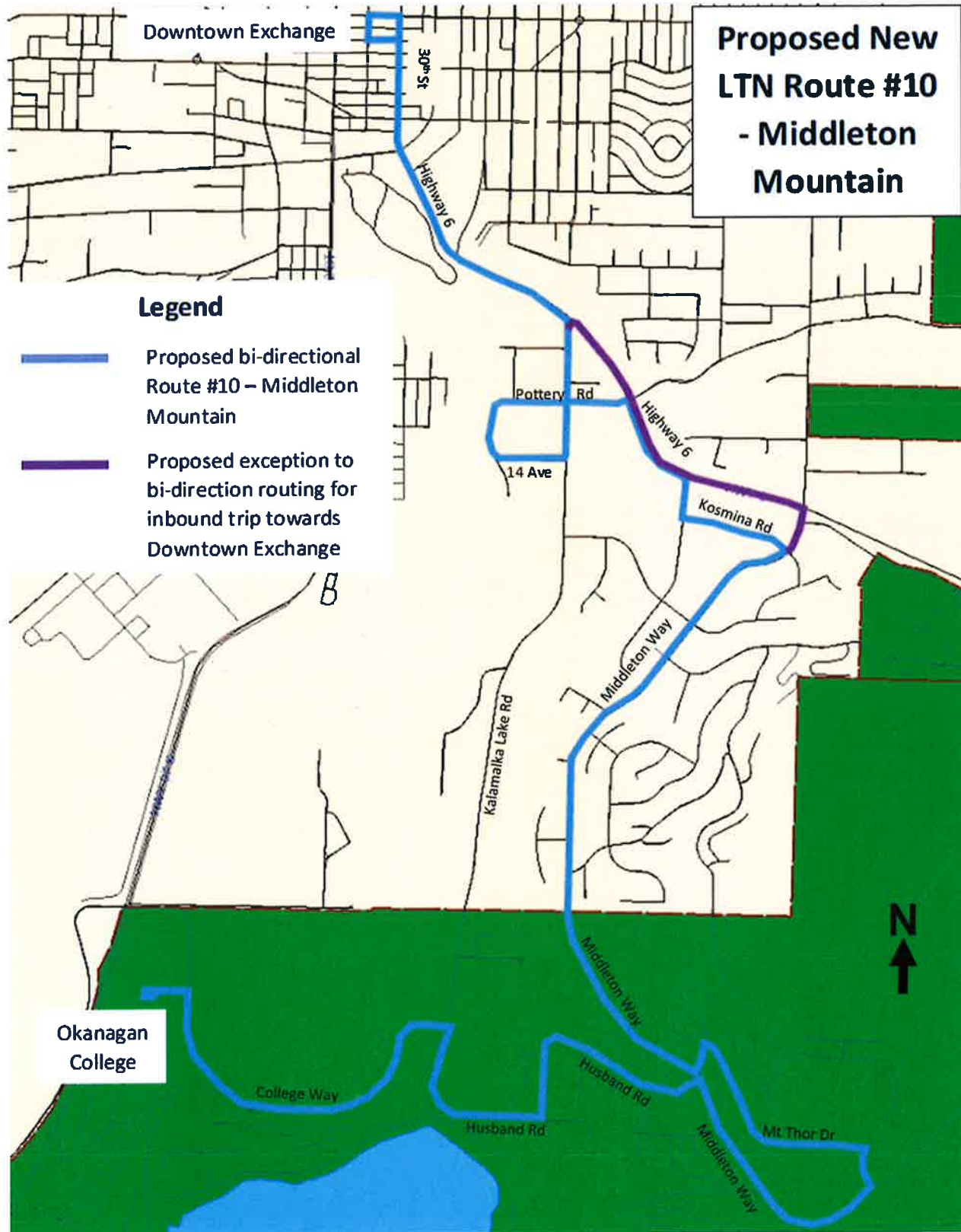


**Signature:**

**Date:** September 20, 2021

**Name:** Chelsea Mossey

**Position:** Senior Manager, Government Relations







June 30, 2022

Attn: Ellen Croy  
Manager, Transportation  
City of Vernon  
3400-30th Street  
Vernon, BC V1T 5E6

**Re: Transit Improvement Program - 3 Year Transit Expansion Initiatives**

Dear Ellen,

The purpose of this letter is to confirm transit service expansion plans for 2023/24 and approve transit expansion priorities for the subsequent two years.

BC Transit confirms service expansion plans with local government partners on an annual basis to coordinate the development of three-year budgets and capital plans with the Provincial Service Plan. Confirmation of next year's desired level of transit service expansion is also required to support the procurement of buses.

As your transit system has service initiatives requiring expansion funding, we have attached a Memorandum of Understanding (MOU) to formalize the process of securing provincial funding on your behalf. This MOU summarizes specific transit expansion initiatives for the next three operating years from 2023-2024 through to 2025-2026. These initiatives are derived from recommendations outlined in the most recent service plan(s) received by your Council and validated in collaboration with local government staff.

There are a few key considerations when reviewing your initiatives. If your expansion requires additional vehicles, this is identified and factored into estimated total costs. Should vehicles be procured following MOU signoff and a decision is made to not pursue service expansion, the lease fees for the new vehicles will still be added to your operating budget for a minimum of one year. If expansion requests exceed available provincial funding, BC Transit's service prioritization process will be used to determine which projects receive funding.

One of the key challenges we continue to face through this process is the higher probability that demand for expansion vehicles will exceed the availability in each fleet category. More advanced lead times are required for procurement and delivery of buses, and bus orders need to be strategically timed to align with our deployment plans. While every effort is made to align bus orders with demand, some expansion initiatives will likely be impacted by the limited availability of certain vehicle types. Despite these challenges, we continue to work with our local government partners to identify and develop expansion priorities, and to align our expansion initiatives with our overall fleet procurement plans.

By conveying proposed transit service expansion and capital initiatives as far in advance as possible, we are seeking to achieve three important goals:

1. Ensure 3-year expansion initiatives are consistent with the expectations of local governments.
2. Provide local government partners with enhanced 3-year forecasts that identify longer term funding requirements.
3. Attain a commitment from local governments that allow BC Transit to proceed with the procurement and management of resources necessary to implement transit service expansions.

Upon confirmation of your Council's commitment to the expansion initiatives, we will include your request in BC Transit's draft Service Plan funding request to the Province. Following confirmation of the provincial budget, I will confirm with you if supporting provincial funding was secured and initiate a transit service implementation plan. I look forward to working with you on the continued improvement of your transit service and encourage you to contact me if you have any questions regarding these proposed initiatives.

We ask that a signed copy of this letter be returned to BC Transit by August 31, 2022. If you are unable to meet this deadline, please contact me at your earliest convenience.

Yours truly,



Senior Manager, Government Relations  
BC Transit

## Three-Year Transit Expansion Plan and Capital Initiatives for Information

<b>Date</b>	June 30, 2022
<b>Expiry</b>	August 31, 2022
<b>System</b>	Vernon Regional (Vernon)

### Proposed Transit Service Expansion Initiatives

The table below outlines expansion initiatives for the 2023/24 fiscal year with an estimated costing based on the hourly rates of your existing system. Confirmation of next year's transit service expansion is required for provincial budgeting and the procurement of buses. Please ensure that these initiatives are consistent with your local government expectations. Upon receipt of this MOU, we will confirm funding from the Province on your behalf. Please keep in mind that should vehicles be procured to support your expansion following agreement to the MOU and a determination is made that an expansion is no longer desired by the local government, the lease fees related to the new vehicles will still be added to your operating budget for a minimum of one-year.

PROPOSED CONVENTIONAL EXPANSION INITIATIVES						
AOA Period	In Service	Annual Hours	Vehicle Requirements	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
2023/24	January	2,600	1	\$35,877	\$406,876	\$194,577
		Description	New service to Middleton Mountain			
The costs for this expansion initiative are to be split, based on kilometres: 48.92% City of Vernon and 51.08% District of Coldstream.						
2023/24	January	560	0	\$7,727	\$63,615	\$26,186
		Description	Introduce consistent statutory holiday service on all local routes.			
The costs for this expansion initiative are to be split, based on kilometers: 92.37% City of Vernon and 7.63% District of Coldstream.						

## Approval

On behalf of the City of Vernon, I/we are confirming to BC Transit to proceed with the request for funding to the Province on our behalf for the 2023/24 Fiscal year, and that we will budget accordingly for the initiatives identified above and will review and confirm on an annual basis as per the advice provided and with the knowledge a more detailed budget will follow as service details and capital initiatives are confirmed.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

On behalf of BC Transit



Signature: \_\_\_\_\_

Date: **June 30, 2022**

Name: Chelsea Mossey

Senior Manager, Government  
Position: Relations