



REQUEST FOR DECISION

To: Mayor & Members of Council

Title: Chief Financial Officer – BC Transit Annual Operating Agreement 2025-2026

Date: June 23, 2025

Motion for Consideration:

THAT: the Mayor and Corporate Officer be authorized to execute the 2025-2026 Annual Operating Agreement for Transit Services between the City of Salmon Arm and BC Transit.

Background:

The Salmon Arm transit system is operated through agreements with BC Transit. The overarching agreement is a Transit Service Agreement (TSA) between the City and BC Transit. This agreement has no expiry date and will only be altered and re-signed when major changes to the transit service occur. The current TSA was signed in 2017.

The Annual Operating Agreement (AOA) is a sub-agreement between the City and BC Transit which specifies the overall annual funding commitments to reflect the yearly changes to operating costs. AOA's also set fares, service area, service hours and holiday service hours for the transit system and when executed is considered to be part of the TSA.

The Salmon Arm 2025/2026 BC Transit AOA for the Shuswap Regional Transit system covers conventional transit service (i.e. within the boundaries of the City of Salmon Arm, Electoral Area "C" and portions of Electoral Area "D" of the Columbia Shuswap Regional District and the Adams Lake Indian Band) and the custom transit/paratransit service (handyDART) as follows:

- **Conventional Transit Service:**
 - For the City of Salmon Arm conventional transit includes Route #21 West Loop, Route #22 College/Hillcrest, Route #23 Salmon Arm/Canoe, and Route #25 Shoppers Shuttle.
 - The conventional service area extends outside the City (i.e. Columbia Shuswap Regional District and Adams Lake Indian Band), however there is only one AOA between the City and BC Transit. For the CSRD transit services include Route #41 Enderby, Route #42 Eagle Bay/White Lake and Route #43 Sorrento. The CSRD funds their service areas as per their Service Establishment Bylaw No. 5091 and a Transit Service Agreement with the City (2023-2028). As a result, the CSRD is

invoiced monthly by the City of Salmon Arm for their portion of the service costs. The Adams Lake Indian Band transit services include Route #24 Pierre's Point in accordance with the Municipal Services Agreement (1999-2029). The Adams Lake Indian Band is also invoiced monthly by the City for their portion of the service costs.

- Custom/Paratransit Service:
 - handyDART is an accessible, door-to-door shared transit service for people with permanent or temporary disabilities that prevent them from using fixed-route transit service without assistance from another person. This service is provided within the City of Salmon Arm boundaries.

Legislative authority / plans / reports:

	Official Community Plan		Master Plan (list actual plan)
	Community Charter/LGA		Other
	Bylaw/Policy		Corporate Strategic Plan
	Zoning Bylaw	X	2024-2028 Financial Plan
			Long Term Financial Plan

As required by the Provincial Operating Agreement, the AOA must be signed and returned to BC Transit no later than June 30, 2025.

Financial Considerations:

Staff have reviewed the agreement along with the projected revenues and expenses associated with the 2025/2026 AOA and determined that the City's 2025 budget does not require an amendment at this time. Should actual costs exceed the approved 2025 budget, funds will be transferred from the Transit Services Reserve which currently has approximately \$239,500 (2024 YE).

Year-Over-Year (YOY) comparison (Table 1 below):

Notable Changes

1. (15.2%) decline in Bus Pass revenue
2. 12.4% increase in Variable Hourly Costs
3. 10.2% increase in Lease Fees – Vehicles
4. 28.7% increase in Ridership Stats
5. Net Municipal Share of Operating Costs up 8.5%

Table 1: YOY comparison (2024/25 vs. 2025/26)

SHUSWAP PARA TRANSIT				
	OFFICIAL AOA 2024/25	OFFICIAL AOA 2025/26	\$Amt CHANGE	% Percentage CHANGE
TRANSIT REVENUE				
FAREBOX - CASH	64,370	66,400	2,030	3.2%
TICKETS & PASSES	30,648	32,940	2,292	7.5%
YOUTH 12 & UNDER	5,385	5,752	367	6.8%
BC BUS PASS REVENUE MSS PASSES	64,843	55,000	-9,843	-15.2%
ADVERTISING / MISC. OTHER REVENUE	1,173	2,169	996	84.9%
TOTAL REVENUE	166,419	162,260	-4,159	-2.5%
EXPENDITURES				
FIXED COSTS	388,243	412,425	24,182	6.2%
VARIABLE HOURLY COSTS - SCHEDULED	595,145	668,911	73,766	12.4%
FUEL DIRECT	160,572	142,411	-18,161	-11.3%
TIRES	21,885	22,476	591	2.7%
VEHICLE MAINTENANCE	201,895	194,806	-7,089	-3.5%
TAXI SUPPLEMENT	19,570	20,157	587	3.0%
CUSTOM REGISTRATION PROGRAM	11,000	11,297	297	2.7%
ICBC INSURANCE	15,145	12,360	-2,785	-18.4%
EXCESS INSURANCE	13,272	16,031	2,759	20.8%
INFORMATION SYSTEMS	54,326	59,678	5,352	9.9%
TOTAL DIRECT OPERATING COSTS	1,481,054	1,560,552	79,498	5.4%
FACILITY MAINTENANCE	1,000	6,230	5,230	523.0%
TRAINING	3,026	4,264	1,238	40.9%
MARKETING	4,882	4,600	-282	-5.8%
MUNICIPAL ADMIN EXPENSE	23,086	23,547	461	2.0%
BCT MANAGEMENT SERVICES	120,706	125,932	5,226	4.3%
TOTAL OPERATING COSTS	1,633,753	1,725,124	91,371	5.6%
LEASE FEES - BUILDINGS	888	885	-3	-0.3%
LEASE FEES - VEHICLES	133,332	146,910	13,578	10.2%
LEASE FEES - EQUIPMENT	5,400	6,128	728	13.5%
LEASE FEES (LOCAL SHARE)	139,621	153,922	14,301	10.2%
TOTAL COSTS	1,773,374	1,879,046	105,672	6.0%
STATISTICS				
HOURS	12,989	13,165	176	1.4%
RIDERSHIP	104,258	134,147	29,889	28.7%
FUNDING				
TOTAL SHAREABLE OPERATING COSTS	1,633,753	1,725,124	91,371	5.6%
LOCAL SHARE OPERATING COSTS	756,591	798,905	42,314	5.6%
LOCAL SHARE LEASE FEES	139,621	153,922	14,301	10.2%
Less: REVENUE	166,419	162,260	-4,159	-2.5%
Less: MUNICIPAL ADMINISTRATION	23,086	23,547	461	2.0%
NET MUNICIPAL SHARE OF COSTS	706,707	767,020	60,313	8.5%
PROVINCIAL SHARE OF OPERATING COSTS	877,162	926,219	49,057	5.6%

Alternatives & Implications:

Should Council choose not to support the motion for consideration, continuation of transit services to the community would be at risk.

Communication:

Should Council support the motion for consideration, the agreement will be signed and forwarded to BC Transit as required.

Prepared by: Chief Financial Officer
Reviewed by: Director of Engineering and Public Works
Approved by: Chief Administrative Officer

Attachments:

- Annual Operating Agreement – April 1, 2025 – March 31, 2026