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CITY OF KELOWNA

MEMORANDUM

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**Date:** June 13, 2007  
**File No.:** 8501-03  
**To:** City Manager  
**From:** Financial Planning Manager  
**Subject:** Transit Fare Changes

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**RECOMMENDATION:**

THAT Council support a fare increase for Conventional and Custom Transit, effective September 1, 2007, as per Schedule's A & B, attached to the June 13, 2007, report of the Financial Planning Manager.

**BACKGROUND:**

The last change to conventional transit fares was September 1, 2003. At that time the cash fares were increased by \$0.25 and monthly passes by \$5.00 (except no change to the Senior's pass). The current recommendation is to increase the cash fares and tickets by \$0.25 and increase the monthly passes by approximately 12.5%. Increases of \$0.25 increments and corresponding larger percentage increases on the passes are purposefully done for customer convenience recognizing the impacts of requiring exact change. As part of this change the complete Kelowna Regional Transit service area would become one zone rather than the current multi zone pricing arrangement. That means that someone travelling from the Westside could go to the South Mission area or to Lake Country without paying an additional rate. There is currently a \$0.25 premium to travel between zones and the cost to provide a simplified, integrated single zone fare to convenience customers and reduce disputes with the bus drivers is approximately \$13,800 in reduced revenue.

Further changes to benefit customers will be to increase the time that a transfer ticket is good for by an additional 45 minutes (to 90 minutes in total) and to make the transfer multi-directional. The current transfers are good for one-way travel, valid for the first connecting bus at transfer points only. This change will reduce the confusion with transit customers and conflicts with the bus drivers.

The Weekend Travel Program for families has also been changed. The current program allows an adult passenger to bring two children (14 years of age and younger) on board for free between 6:00 pm Friday and end of service on Sunday. The new program will allow an adult pass holder to bring four children (12 years of age and younger) on board for free at any time the transit service is operating. The children must board and alight at the same stops as the fare paying passenger. The Adult must be 19 years of age or older and be paying with a regular monthly pass, regular day pass, Employer pass, UPass or BC Bus Pass. This will provide parents with an affordable way to accompany their children on transit. The revenue loss from this program is expected to be approximately \$2,600 based on the experience of other transit systems.

Custom transit rates were last changed on July 1, 2003. The recommendation is to increase the current one zone rate by \$0.25 and do away with the multi zone rate of \$2.25. This will mean a reduction of \$0.25 for multi zone tickets (\$800 financial impact). The monthly pass is to increase from \$55 to \$60.

The rate changes are supported by the Regional Transportation Committee and recommended to take effect on September 1, 2007. This will coincide with service improvements, including the new Bus Rapid Transit service, that are scheduled for that time.

**INTERNAL CIRCULATION TO:**

Previous discussion with the Transportation Directions Committee.

**FINANCIAL/BUDGETARY CONSIDERATIONS:**

The financial impact of the proposed fare change for Conventional Transit is an annual revenue increase of approximately \$337,000 based on 2006 passenger levels. This will increase our recovery level and put our monthly pass rates at the high end of the Tier 1 Municipal Transit Systems. Without a change in fares the taxpayer will be contributing additional funding especially considering the flex funding requirements on recent expansions. Attached is a comparison with other conventional transit rates in the province with the current Kelowna Regional System rates.

For Custom Transit the financial impact of these changes will be \$14,000 and this will increase our recovery rate to 12.5% from the current estimate of 11.7%.

Considerations that were not applicable to this report:

**LEGAL/STATUTORY AUTHORITY:**

**LEGAL/STATUTORY PROCEDURAL REQUIREMENTS:**

**EXISTING POLICY:**

**PERSONNEL IMPLICATIONS:**

**TECHNICAL REQUIREMENTS:**

**EXTERNAL AGENCY/PUBLIC COMMENTS:**

**ALTERNATE RECOMMENDATION:**

Submitted by:

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*K. Grayston, Financial Planning Manager*

Approved for Inclusion:



*Director of Financial Services*

Attach.

Cc: Transportation Demand Supervisor  
A/Revenue Manager  
BC Transit - Planner

**Schedule A**

Kelowna Regional Transit System  
Fare Increase - September 1, 2007

	<i>New Fares</i>	<i>Current Fares</i>	
	<b>One Zone</b>	<b>One Zone</b>	<b>Multi Zone</b>
<b><i>Cash Fares</i></b>			
Adult / College Students	\$2.00	\$1.75	\$2.00
Seniors & Students (to gr 12)	\$1.75	\$1.50	\$1.75
Child (4 and under)	Free	Free	Free
<b><i>Tickets - Sheet of 10</i></b>			
Adult / College Students	\$18.00	\$16.00	\$18.50
Seniors & Students (to gr 12)	\$15.25	\$13.50	\$16.00
<b><i>Day Pass</i></b>			
	<b>All Zones</b>	<b>All Zones</b>	
Adult	\$5.50	\$5.00	
Seniors & Students	\$5.00	\$4.50	
<b><i>Monthly Pass</i></b>			
	<b>All Zones</b>	<b>All Zones</b>	
Adult	\$53.00	\$47.00	
Senior	\$37.00	\$33.00	
College*	\$43.00	\$38.00	
Student	\$34.00	\$30.00	
Semester Pass*	\$138.00	\$122.00	
Family Max. for Student Passes	\$85.00	\$75.00	

\*Fully registered College Students

**Schedule B**

Kelowna handyDART System  
Fare Increase - Sept. 1, 2007

	<i>New Fares</i>	<i>Current Fares</i>	
	<b>One Zone</b>	<b>One Zone</b>	<b>Multi Zone</b>
<b><i>Cash Fares</i></b>	\$2.00	\$1.75	\$2.25
<b><i>Monthly Pass</i></b>	\$60.00	\$55.00	

Municipal Systems Program, Conventional Transit									
2006 Fare Structures									
Teir 1 Systems & Okanagan Valley									
	CASH FARE			MONTHLY PASSES					
	Adult	Senior	Student	Adult	Senior	Student	College	Semester	Last Chg
Central Fraser Valley	1.50	1.25	1.25	42.00	34.00	28.00	34.00	105.00	Mar, 04
Kamloops	2.00	1.50	1.50	48.00	33.00	28.00	40.00		Jan, 05
Nanaimo Regional	2.25	2.00	2.00	58.00	35.00	35.00	47.00	150.00	Jan, 06
Penticton	1.75	1.50	1.50	40.00	30.00	25.00	35.00	110.00	Mar, 04
Prince George	2.00	1.50	1.50	48.00	32.00	32.00	32.00	105.00	Mar, 04
Vernon **	2.00	1.75	1.75	50.00	40.00	40.00			Mar, 04
Whistler	1.50	1.25	1.25	50.00	35.00	35.00			
Average	1.86	1.54	1.54	48.00	34.14	31.86	37.60	117.50	
Kelowna Regional *	1.75	1.50	1.50	47.00	33.00	30.00	38.00	122.00	Sep, 03
KRS Variance from Avg.	(0.11)	(0.04)	(0.04)	(1.00)	(1.14)	(1.86)	0.40	4.50	
Kelowna * - additional \$0.25 for multi-zone fare (CURRENT RATES)									
Vernon ** - additional \$0.50 for multi-zone fare									