



RESORT MUNICIPALITY OF WHISTLER

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STAFF REPORT TO COUNCIL

PRESENTED: July 19, 2022 **REPORT:** 22-104
FROM: Transportation Demand Management **FILE:** 534
SUBJECT: WHISTLER TRANSIT SYSTEM 2022-2023 ANNUAL OPERATING AGREEMENT

RECOMMENDATION FROM THE CHIEF ADMINISTRATIVE OFFICER

That the recommendation of the General Manager of Infrastructure Services be endorsed.

RECOMMENDATION(S)

That Council authorize the execution of the “2022-2023 Whistler Transit System Annual Operating Agreement – Effective April 1, 2022” between British Columbia Transit and the Resort Municipality of Whistler for the provision of Transit services, attached as Appendix A to Administrative Report 22-104; and further

That Council direct staff to work with BC Transit to develop a non-performance clause for the Annual Operating Agreement that will help to protect both parties in the case of future job action.

PURPOSE OF REPORT

The purpose of this report is to seek Council approval for the attached 2022-2023 Annual Operating Agreement (AOA) between BC Transit, and the Resort Municipality of Whistler (RMOW) for the provision of the Whistler Transit System from April 1, 2022 to March 31, 2023 (Appendix A).

Information Report Administrative Report (Decision or Direction)

DISCUSSION

Background

The Whistler Transit System is operated in partnership between BC Transit, the RMOW, and the contracted operating company, Whistler Transit Ltd. (a wholly owned subsidiary of Pacific Western Transportation) through the Regional Transit Systems program.

This Whistler Transit System Annual Operating Agreement (AOA) formalizes the contractual relationship between BC Transit and the RMOW from April 1, 2022 through March 31, 2023. The 2022-2023 AOA is attached as Appendix A. It establishes the projected budget for the Whistler Transit system and defines hours of operation, revenues, costs, leasing payments, and BC Transit's financial contribution for the defined term.

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BC Transit has a separate contractual relation with the operating company known as the SPOA – Service Provider Operating Agreement.

Normally the AOA is sent by BC Transit in late winter and it is expected to be executed by June 30. This year, due to Unifor Local 114 job action, which ended with both PWT and the Union accepting Special Mediator Vince Ready's recommendations, the RMOW has been given an extension.

Pacific Western Transportation, the service provider in Whistler, recently announced a merger with Student Transportation of America/Student Transportation of Canada (STA/STC) as outlined in Appendix B. This merger should not be expected to affect the delivery of transit services in Whistler during the 2022-2023 AOA.

Requested update to AOA Contract Language:

As a result of the Unifor Local 114 job action earlier in 2022, RMOW staff have met with corridor partner communities and BC Transit requesting that wording for a non-performance clause be added to the AOA. This language would protect both BC Transit and the local municipal partners from on-going costs if no transit service is provided.

BC Transit has indicated that they are currently in the process of updating language in the Service Provider Operating Agreement between BC Transit and their operating companies. Those updates (anticipated to include a non-performance clause) are expected to initiate revisions to the AOA language for the 2023-2024 AOA. BC Transit has indicated they will work with the Sea to Sky local government partners to incorporate new language into the 2023-2024 AOA.

COVID-19 and Safe Restart Funding

In 2020, BC Transit, the RMOW, and Whistler Transit Ltd staff all worked together to continue providing essential transportation services. In late 2020, the "Safe Restart" program was announced by the provincial and federal governments which provided \$86 million in funding across the Province. Local government partners were initially allocated a share of the Safe Restart funding to address fare losses and other COVID-related expenses. The Whistler Transit System was allocated \$3,647,254.

The Safe Restart Contributions are being tracked in the AOA in the line item "Local Transit Fund".

In March 2022, the Federal Government and the Province of BC committed to providing an additional joint contribution to support continued recovery of transit services during the pandemic recovery period. BC Transit was allocated an additional contribution of \$28.08 million to provide relief to Local Government partners and help maintain affordable base service levels. BC Transit estimated the local partner contribution based on forecasted fare revenue losses and COVID-related expense to March 31, 2025 using the most current ridership and fare-recovery information. The RMOW was allocated an additional \$2,192,630 toward the Whistler Conventional Transit System (for a total of \$5,839,884) to help offset revenue loss related to decreased ridership and extra expenses due to COVID-19. This new contribution has been added to the Local Transit Fund which is managed by BC Transit on behalf of the local government partners.

In accepting these Safe Restart Funds, it is requested that the RMOW will continue to support BC Transit to maintain transit service at or above the pre-pandemic service level of 74,800 annual service hours, and maintain affordability by limiting average annual fare increases to 2.3% through March 31, 2025.

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In the 2022-2023 AOA, \$1,000,000 of the RMOW Local Transit Fund has been allocated to partially offset the local government share of costs. To date, \$2,900,000 of Whistler's \$5.8 million Safe Restart fund has been allocated with \$1.9 million used in 2021 and \$1 million allocated in 2022.

Allocation of Safe Restart funding
(by RMOW operational budget year)

2020	\$ 0
2021	\$ 1.9 million
2022	\$ 1.0 million
2023 (planned)	\$ 1.0 million

2022-2023 Annual Operating Agreement Highlights:

System Service Hours and Transit Service Optimization:

Even though Council approved an expansion of 5,000 service hours in September 2021, the 2022-2023 AOA is based on 74,850 annual service hours, the same as the 2021-2022 AOA. This is due to the fact that there was no new transit expansion funding included in the 2022-2023 Provincial budget. As a result, BC Transit initiated a transit system optimization review for all systems across BC. In Whistler, BC Transit has analyzed current ridership and system performance. They found that the Whistler Transit System is already very well optimized and there are limited opportunities to improve allocation of resources. BC Transit is working toward implementing a pilot project to test alternative routing for the Route 10-Valley Express in September. Service hours will also be reallocated from the summer extra service layer (Lost Lake Shuttle and weekend extra service) that typically operates from Canada Day through Labour Day to "Returning to pre-pandemic seasonality", the highest priority item in the draft Transit Future Action Plan.

This reallocation does not have an affect on the AOA Schedule C Budget.

Ridership Recovery:

BC Transit is focused on the goal of recovering ridership to 2019 levels by 2024-2025 across the province by delivering on several projects including key initiatives as part of the Smart Bus Program. In Whistler, these initiatives include upgrading the NextRide program and launching "Umo", BC Transit's new electronic fare collection system. In January 2022, BC Transit announced that it had selected the new electronic fare payment system vendor, Cubic Transportation Systems, Inc., and "Umo" (pronounced "you-mo") as the brand (Appendix C). The new electronic fare collection system will be implemented in two phases, initially enabling mobile app and reloadable smart card payment methods before payment by credit card, debit card, and mobile wallet will be enabled. The system will first be installed on the Victoria Regional Transit System in the fall. Currently, Whistler is scheduled for phase one implementation in early 2023.

This will result in an increase in costs for information systems and these costs have been included in the 2022-2023 AOA Schedule C Budget.

AOA Cost Changes:

The Free Transit 12 and Under (FT12U) program is continuing in 2022-2023 and the fare revenue provided for this is included in the Schedule C of the AOA. BC Transit has also adjusted costs to reflect increases in the cost of CNG fuel, vehicle maintenance, and insurance, as well as a new bus wash at the Whistler Transit Facility. This AOA also includes a 2.5% increase related to labour, however, the actual costs related to the job action settlement will not flow through to the RMOW until the 2023-2024 AOA.

When preparing the RMOW 2022 municipal budget in late 2021, staff estimated the various costs that would be included within this annual agreement. The RMOW's funding obligation contained within this AOA is accommodated within the approved 2022 municipal transit budget. No amendments to municipal budgets are required.

Contract Language Updates for 2022-2023:

Finally, language contained in the AOA is periodically updated to reflect any material changes to the funding model or other special circumstances. The 2022-2023 agreement involves the removal of language related to the Operating Reserve in Section 8 of the AOA. This change is included to shift from billing on budget, to billing on actuals that was initiated on April 1, 2021. Staff are supportive of this change.

POLICY CONSIDERATIONS

Relevant Council Authority/Previous Decisions

The Whistler Transit System is provided through a partnership between BC Transit and the RMOW, and Whistler Transit Ltd is contracted to operate the system. The three partners manage the system through the Transit Management Advisory Committee (TMAC) appointed by Council. Whistler Transit System service levels and budgets are approved each year by the RMOW, who also set fares and local property taxes to fund their contribution to transit costs. This partnership is formalized through a series of agreements including the AOA.

Corporate Plan

The RMOW Corporate Plan is updated annually and articulates strategic direction for the organization. This section identifies how this report links to the plan.

Council Focus Areas

Community Balance

*Effectively **balance resort and community needs** through deliberate planning, partnerships and investment*

The Whistler Transit System serves the needs of both our visitors and residents. It is comprised of 13 routes: three routes which are funded through the Resort Municipality Initiative are focused on serving the resort visitors, and the other ten routes service the areas where our residents live, work, and play.

Climate Action

*Provide leadership to **accelerate climate action and environmental performance** across the community*

Investing in the Whistler Transit System is guided by Big Move 1: Moving Beyond the Car, with the goal that by 2030 50% of all trips in Whistler are by transit or active transportation.

Pandemic Recovery

*Leadership and support for **community and tourism recovery and sustainability** – priority focuses are where recovery needs intersect with other Council focus areas*

Providing an affordable and convenient way to move around Whistler is needed for residents, employees and guests in Whistler.

Community Vision and Official Community Plan

The Official Community Plan (OCP) is the RMOW's most important guiding document, and sets the community vision and long-term community direction. This section identifies how this report applies to the OCP.

Community Vision

The part of the OCP Community Vision that stands out when thinking about the delivery of the Whistler Transit System, is the statement “We value our relationships and work together as partners and community members.” As noted, the Whistler Transit System is delivered through a partnership with BC Transit and Whistler Transit Ltd. The RMOW values the relationship with its partners and passengers, as has been demonstrated over the past 30 years since the first day of service on November 27, 1991.

Goals, Objectives and Policies

There are many goals, objectives, and policies in Whistler's OCP that guide the development of the Whistler Transit System. One overarching statement in the OCP that guides transit's role in the transportation system is included in Objective 11.4.2 “Make public transit affordable, convenient, safe and enjoyable throughout the year”.

Other Relevant Policies

The Sea-to-Sky Transit Future Plan outlines transit service levels for Whistler and the neighbourhoods throughout the community. The service levels in the 2022-2023 AOA reflect the Whistler Transit System as outlined in that plan.

BUDGET CONSIDERATIONS

The Whistler Transit System AOA costs from April 1, 2022 to March 31, 2023 are summarized in Schedule C, page 10 of the AOA (attached as Appendix A), and are accounted for in the 2022 RMOW budget for transit service. January, February, and March 2023 costs will be included in the 2023 annual municipal transit budget.

BC Transit's fiscal year starts on April 1, while the RMOW's is January 1, so there is a difference between the municipal annual budget and the AOA budget summarized in Schedule C.

As outlined in Schedule C of the 2022-2023 AOA attached as Appendix A, the total maximum annual cost of the Whistler Transit System will be \$12,682,270, an increase of \$856,139 from the 2021-2022 AOA. The BC Transit contribution will be \$5,212,694 (this amount does not include the BC Transit share of Lease Fees).

The total anticipated system revenues are \$1,781,745 based on 65% of 2019-2020 ridership. It also includes a provincial contribution of \$111,372 to offset the FT12U program in 2022-2023.

\$1 million of the RMOW Local Transit Fund has been allocated in the 2022-2023 Schedule C budget bringing the RMOW's net funding obligation for the 2022-2023 AOA to \$4,522,370. This amount is accounted for within the approved 2022 Five Year Financial Plan.

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It is important to note that at the beginning of the term of this AOA, there was no transit service (April 1 through June 22, 2022) due to the Unifor Local 114 job action. On June 21 Council authorized free transit in Whistler through September 5, 2022 as well as a Return to Transit Loyalty Program offering deeply discounted transit pass purchases until October 31, 2022. Therefore, now that BC Transit invoices the RMOW on actual costs rather than budgeted costs, both the actual revenue and actual total share of costs will be less than what appears in the AOA Schedule C budget.

LIL'WAT NATION & SQUAMISH NATION CONSIDERATIONS

The RMOW is committed to working with the Lil'wat People, known in their language as *L'il'wat7úl* and the Squamish People, known in their language as the *Skwxwú7mesh Úxwumixw* to: create an enduring relationship; establish collaborative processes for Crown land planning; achieve mutual objectives; and enable participation in Whistler's resort economy. This section identifies areas where RMOW activities intersect with these relationships.

There are no specific considerations for the recommendation in this report.

COMMUNITY ENGAGEMENT

Level of community engagement commitment for this project:

Inform Consult Involve Collaborate Empower

The Whistler Transit System Annual Operating Agreement budgets for a service level that is guided by the Transit Future Plan from 2015 and more recently from the draft Transit Future Action Plan (TFAP) as well as comments received from passengers throughout the year. The development of both plans included extensive community engagement.

REFERENCES

Appendix A – 2022-23 Whistler Transit System Annual Operating Agreement, Effective April 1, 2022
 Appendix B – PWT Media Release, June 16, 2022
 Appendix C – BC Transit Press Release – electronic fare system

SUMMARY

The Whistler Transit System Annual Operating Agreement (AOA) between the RMOW and BC Transit establishes the projected budget for the local Whistler Transit System, as well as defines hours of operation, revenues, costs, leasing costs, use of the Local Transit Fund and BC Transit's financial contribution for the defined term. There are no expansion hours associated with this AOA as there were no new expansion hours for transit included within the 2022-2023 Provincial budget announced in February 2022. The 2022-2023 AOA includes an allocation of \$1,000,000 of Safe Restart funds to help offset the RMOW's share of costs. The Whistler Transit System has also received an additional one-time Safe Restart contribution of \$2,192,630 announced by the Federal Government in March 2022 to continue to help offset revenue loss related to decreased ridership and extra expenses due to COVID-19.

The RMOW's funding obligation contained within this AOA is accommodated within the approved 2022 municipal budget. Council is requested to authorize the execution of the 2022-2023 Whistler Transit System AOA, effective April 1, 2022.

SIGN-OFFS

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