

To: Regional and Corporate Services Committee
From: Alison Stewart, Manager of Strategic Planning

Date: 2025-05-15

Subject: BC Transit 2025-26 Expansion Funding

Reviewed by: David Urban, Deputy Director of Regional Services
Stacey Barker, Director of Regional Services/Deputy CAO
Kelly Lownsbrough, Director of Corporate Services & CFO
Jennifer Kinneman, Chief Administrative Officer

RECOMMENDATION

This report is being brought forward for the Board's information and there is no staff recommendation.

BACKGROUND

The Fraser Valley Regional District (FVRD) has received a letter from BC Transit outlining the status of transit expansions requested through the 2025-26 Transit Improvement Program (TIP) endorsed by the FVRD Board on October 24, 2024.

BC Transit confirms transit service expansion plans each year to outline priorities and coordinate budgets through its three-year TIPs. The annual TIPs ensure that service expansions are consistent with the FVRD's expectations and allow BC Transit to secure the necessary funding to implement expansion plans and procure additional buses. The FVRD has been notified that two expansions related to the Fraser Valley Express (FVX) (9,500 hours) have been approved while the North of Fraser initiative (2,500 hours) has not been approved for funding this cycle. If approved in the 2026-27 funding cycle this will delay the implementation of the North of Fraser service until this time.

DISCUSSION

According to BC Transit, all expansion requests go through an expansion prioritization process that **takes into consideration** "...strategic priorities including ridership productivity, critical fixes (such as chronic pass-ups and capacity issues), alignment with existing land uses and greenhouse gas mitigation, and functional capacity." **Local governments across the province requested transit** expansions at a level exceeding the availability of funding and resources provided through the recently announced provincial budget. As a result, not all funding requests were approved. The approved expansion requests are generally those that have a high potential for ridership growth, and/or are addressing acute operational challenges that can only be solved with an investment of service hours/vehicles. The FVX clearly meets these standards, and funding has been allocated for 7,100 service hours for weekday service span and frequency improvements, and 2,400 service hours

have been allocated to improve Saturday and Sunday service. These expansion hours will be implemented in January 2026.

Unfortunately, the North of Fraser initiative has not been funded for the 2025-26 cycle and will be resubmitted for 2026-27 TIPs. While this is disappointing, it does provide additional time for engagement, more detailed costing and allows for further collaborative planning with the Ministry of Transportation and Transit (MOTT) to ensure that safe and efficient transportation infrastructure e.g. bus pullouts and stops along the Highway 7 corridor is in place once the service is operational.

While the implementation date has been pushed back, planned public engagement and other planning activities for the North of Fraser service will continue as this information is needed to finalize the service design.

COST

Under BC Transit's funding formula, the province funds 46.69% of conventional transit systems, and local governments fund 53.31%. Revenues collected from the transit systems are used to reduce the local property tax share of the costs. For the FVX expansion, the estimated year one (2025-2026) net municipal share for the proposed 9,500 hour expansion will be \$738,300 assuming revenues of \$305,000. The additional costs for this year will be in part offset by the FVX appropriated surplus which is at \$2.4 million (year end 2024). **BC Transit's revenue estimates are conservative in comparison to actual revenues, which may offset costs further.** The 2025-2029 financial plan for the FVX takes the 9,500 hour expansion into account and is at a level that can be accommodated within the existing service area bylaw requisition parameters.

FVX CONVENTIONAL EXPANSION INITIATIVES – Year 1 (2025/2026)						
AOA period	Estimated In Service	Annual Hours	Vehicle Requirements	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
2025/26	Jan 2026	2,400	0	\$77,106	\$387,343	\$129,387
		Description	Span and frequency improvements to Saturday and Sunday service.			
2025/26	Jan 2026	7,100	3	\$228,104	\$1,478,254	\$608,913
		Description	Increased peak frequency in mornings and afternoon and expansion of total service span length based on ridership data.			

CONCLUSION

BC Transit has notified the FVRD that the 9,500 hour expansion proposed for the FVX in the 2025-26 TIPs has been approved and will be implemented in January 2026. Unfortunately, the proposed North of Fraser transit service has not been approved and will be resubmitted in the next TIPs funding cycle (2026-27).