



Smithers & District Transit System Service Performance Check In

May 2015

Town of
Smithers



1.0 Introduction

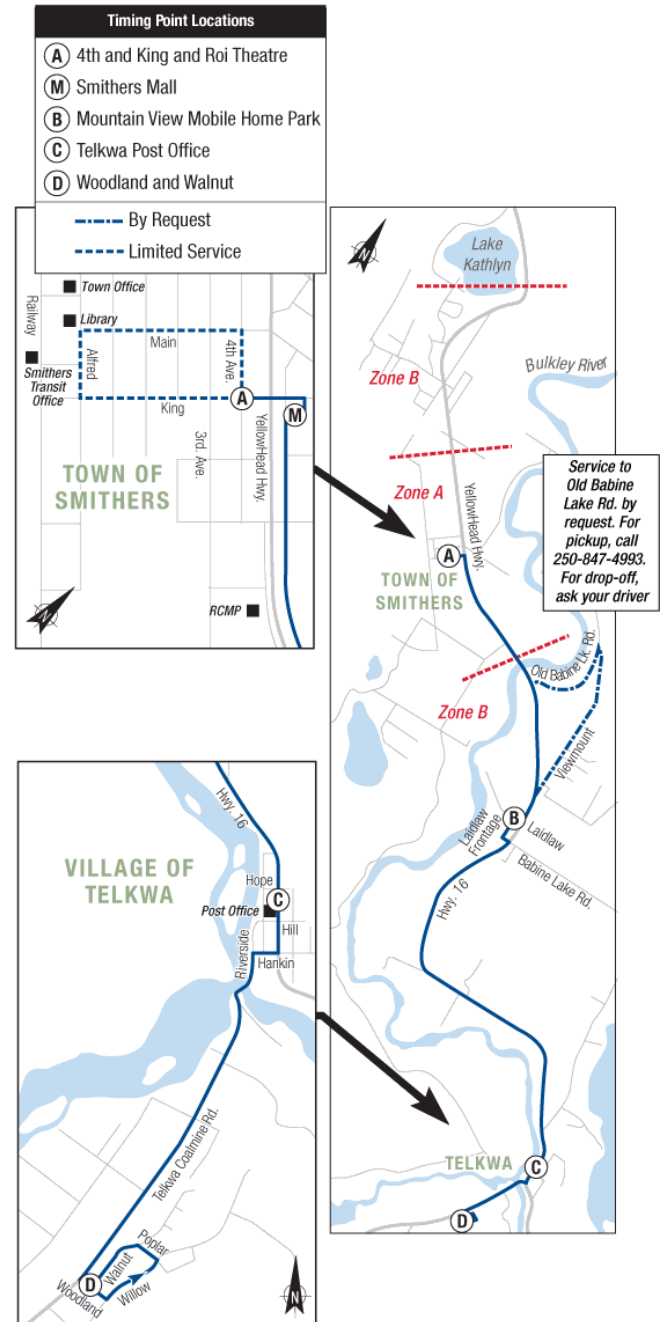
The purpose of this Service Performance Check-In is to provide an immediate assessment of the Smithers & District Transit System and recommend shorter-term and longer term actions to improve its effectiveness and efficiency. The report examines ridership and service levels, community requests for service changes, infrastructure, transit system marketing and fare structure. An update on the funding outlook for 2015 – 2018 is also included.

2.0 Transit System Background

Implemented in May 1991, the Smithers & District Transit System provides service within B.C.'s Bulkley Valley to the Town of Smithers, the Village of Telkwa and Area A of the Regional District of Bulkley-Nechako (RDBN). The system operates through a funding partnership between BC Transit and the Town of Smithers, with the Village of Telkwa and the Regional District also contributing to the service through a local funding agreement with the Town. The service is delivered by the transit system's operating company partner, the Smithers Community Services Association (SCSA).

Smithers & District Transit operates Monday – Saturday and includes two types of service:

- **Fixed-Route Service** operates scheduled service between Smithers, the RDBN and Telkwa. These trips serve a designated route and stops, but are also able to deviate off route to provide curb-to-curb pick up and drop off for people with disabilities, as well as service on request to the Old Babine Lake Rd. and Viewmount Rd. area. On-request service to the Tower Road subdivision is provided on Tuesdays. Buses will also serve “flag stops” along the route, pulling over at safe locations upon passenger request for this type of the service.
 - On Weekdays, service operates from 7:30am to 5:11pm and includes five trips in each direction, with an additional trip in each direction operated Tuesday through Thursday (plus one trip on Friday). These additional trips are used to make



most effective use of a second bus when it comes into service on these days since the system vehicle storage location is in Telkwa and the bus is travelling to begin By Request service in Smithers.

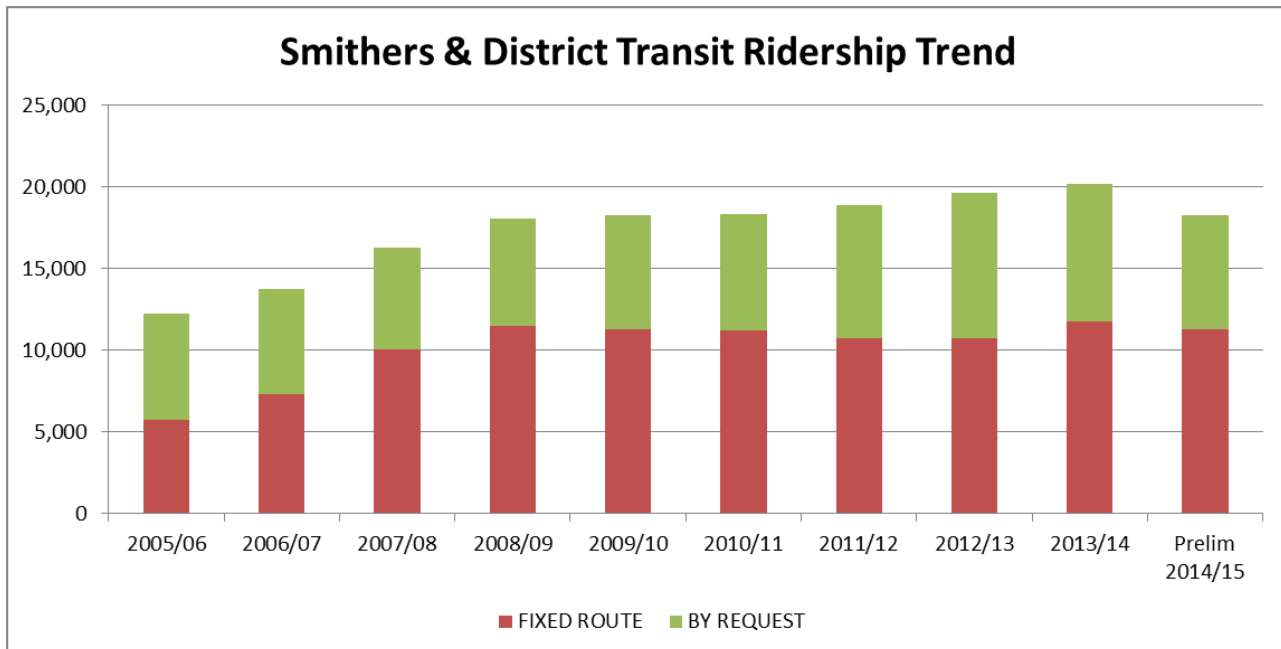
- On Saturdays, service operates from 9:00am to 4:41pm and offers four round trips.
- **By-Request Service** provides curb-to-curb transit within the Town of Smithers and is available to ALL citizens, including seniors and people with a disability. Trips operate as a shared ride service, with the system’s dispatcher and drivers working to group trips, as much as possible, by time and destination. Passengers call the SCSA to arrange travel.
 - The By-Request Service operates Monday to Saturday from 9:00am to 4:00pm and often uses the intervals between the scheduled Telkwa trips to provide this type of service.

Service is operated by two low floor 20-passengers ARBOC vehicles, which are fully accessible to passengers using wheelchairs and scooters, while also offering ease of boarding to other passengers with mobility aids and families using strollers.

The system was last significantly changed in August 2013 when Saturday service was added.

3.0 Existing System Performance

Based on preliminary ridership figures, the system carried over 18,246 passengers in 2014/15¹, a decrease of 9 per cent from the previous year but relatively in line with other prior years. The chart below shows how the system’s overall ridership has changed over the past ten years, as well as the respective Fixed Route and By-Request portions of service.



¹ Ridership figures for 2014/15 are in the process of being audited and finalized and will be confirmed as part of the Annual Performance Summary to be provided by summer 2015.

In general, the ridership trend shows:

- An overall increase over the past 10 years of 49 per cent.
- A steady increase in ridership between 2005/06 and 2008/09, mainly driven by expanded service and ridership on the Fixed Route trips to Telkwa.
- Slower growth and a leveling off of ridership between 2008/09 and 2014/15.
 - One key factor impacting the By-Request ridership over this period has been changes to Bulkley Lodge's day program (which has impacted the number of passengers travelling to the Lodge) and its acquisition of a van for its facility (which has impacted the number of Bulkley Lodge residents using transit to travel elsewhere, particularly ambulatory residents).
 - Ridership on the Fixed Route portion of service is heavily influenced by individual commuters since one passenger commuting each work day may represent 400-500 annual rides. It is thought that a portion of the drop in ridership in 2014/15 from the previous year was due to several previous commuters moving from Telkwa into Smithers, out of the area or making other arrangements.

In 2014/15, approximately 11,300 people used the Fixed Route service. This is an average of about 61 people, per day across all operating days, with higher ridership on weekdays.

About 7,000 passengers (about 23 passengers per day) used the By-Request service, with 44 per cent of these people with a disability, 9 per cent attendants travelling with those passengers and the remaining 47 per cent made up of other Smithers residents. Of the people with a disability using transit, approximately one-third used a wheelchair or scooter as part of their travel.

Within Smithers, some of the most frequent destinations visited during a sample period analyzed in January 2015 were:

- Bulkley Lodge residential care and day program
- Silver King Court senior's residences, plus a number of other destinations in the Silver King subdivision area, including an Alpine Court family housing, a group home and private residences
- Pioneer Place senior's housing and activity centre
- Commercial destinations and services within the downtown and highway commercial areas, including the Town Hall, government offices, Safeway, McDonalds and Extra Foods
- Housing and residences in the southern part of the Town, including The Meadows seniors residences and The Sparrows housing for people with a disability
- Housing and residences along Main Street, including a group home and the Riverside Mobile Home Park

Demographic Changes

In 2011, the Town of Smithers had a population of 5,404, an increase of 3.6 per cent from 2006 (StatsCanada Census Community Profiles). Seniors aged 65+ were the fastest growing segment of the population (up 22 per cent from 2006), with people aged 15-64 increasing 3 per cent and youth 14 and under declining by 5 per cent.

4.0 Challenges, Opportunities and Recommended Actions

Based on a review of information and feedback from passengers and local transit partners, a number of challenges and opportunities have been identified, each with a recommended action to improve transit system ridership and reliability. They are organized around the themes of marketing, service, infrastructure and fares.

MARKETING IDEAS AND OPPORTUNITIES

1. Continue and expand system outreach

- Challenge/Opportunity: A key way to continue to build ridership on the system is to undertake outreach activities to promote it. SCSA already undertakes a number of initiatives to promote the service and have suggested several more for the year ahead. It is probably most helpful to think of outreach and promotion for the transit system in two streams in order to be most effective:
 - **Outreach to core users** (seniors, people with a disability, etc.) who may be newly connected to some of the most-frequently served organizations, but not yet aware of the service.
 - **Promotion of the system to the wider population** that emphasizes the fact that it is available for all area residents to use.
- Recommended Actions: The following lists a number of outreach actions suggested primarily by SCSA staff, with additions from BC Transit staff. More ideas are welcomed from other transit partners.
 - **Outreach to core users**
 - Christmas Lights tour for Bulkley Lodge and The Meadows seniors residents (done in 2014/15 and planned again for this year)
 - Transit presentations to the Smithers and Telkwa Seniors groups (Smithers recently completed, Telkwa pending)
 - Transit presentation to the English as a Second Language group
 - Transit presentation at the Child Development Centre to area families
 - **Promotion of the system to the wider population**
 - Stuff the Bus in support of the Christmas Hamper program (held in 2014/15 and planned again for this year)
 - Music on the Bus (Music that Moves You) that would provide live musicians on bus trips in connection with the Midsummer Music Festival weekend July 3-5, 2015
 - Fall Fair Promotions that would consider providing a family rate and advertising of transit to/from the Fair August 27-29. (The bus does not operate Sundays and so service would need to be during Thursday to Saturday).
 - Social Media: links to the Smithers Transit page on the websites of the Town, Village, Chamber of Commerce and other community organizations.
 - Free transit and promotions during Car Free Day.
 - Superhero Day where drivers dress up as Superheroes
 - 25th Anniversary Celebration: May 15, 2016 marks the 25th anniversary of transit in Smithers and a large celebration should be planned.

- Use of existing SCSA promotional space on local media, such as radio ads underway this month.

2. Promote Service to Bulkley Valley Farmers' Market

- Challenge/Opportunity: The Bulkley Valley Farmers' Market takes place outdoors at Central Park (Hwy. 16 at Main) from 9:00am to 1:00pm from May to September. (During other months it shifts indoors to the Curling Club and operates from 9:00am to noon). The Market times align quite well with the existing Saturday service provided within the Town and from Telkwa, providing a great opportunity to promote the service to the wider public.
- Recommended Action: In addition to the outreach activities listed above, it is recommended that a rack card brochure be created describing how to get to the Farmers' Market by bus--as well as more info on the Smithers & District Transit System. This could potentially be distributed at the Market (by the organizers and/or by several of the vendors), as well as on the bus and other key locations around Town. This would be accompanied by a poster advertising travel to the Market on the bus. The rack card could also potentially list and advertise some of the other outreach event and dates shown under Item #1 above.

3. Undertake Annual Customer Satisfaction Survey

- Challenge/Opportunity: SCSA is beginning a process by which it administers an annual survey of participants in its various programs. There is an opportunity to merge the proposed SCSA survey format with BC Transit's standard transit system survey format to create a survey specifically for Smithers & District transit passengers.
- Recommended Action: Developing this survey and undertaking it on an annual basis would be a valuable way of monitoring the transit system and prioritizing future improvements. It could also be coupled with an online survey posted on the BC Transit and Town websites to gather information from residents who may not currently use the transit system.

SERVICE-RELATED IDEAS AND OPPORTUNITIES

4. Consider Trial Evening Service on Select Nights with Smithers Merchants

- Challenge/Opportunity: Occasionally there are requests for evening service from residents of Telkwa and within the Town. Evening service can offer tremendous community benefit in terms of access to part time jobs, travel from school extra-curricular activities, social activities and overall safety. However, it can also be very expensive to provide such service, since there needs to be enough service to enable transit to and from evening activities and since ridership tends to be much lower than that which occurs during the day.

In general, evening service is not common within smaller B.C. communities of population below 10,000, with only a single system (Port Edward, population 500) offering evening service in the less than 5,000 population range and a handful of communities offering it in the 5,000-10,000 range. In the smaller communities that do have it, the most common way of introducing night service is to provide it on Friday nights only and then add further evenings as ridership grows.

If Smithers & District Transit were to consider offering evening service on one night per week (i.e. on Friday nights), it could be implemented through reallocation or expansion:

- **Reallocation** would shorten the timing of the existing second driver shift that operates Tuesday to Friday by one hour per day and use that time to offer service on Friday nights. The benefit to this option is that it does not require additional resources, however the challenge is that it may disrupt existing day time users in order to transfer resources to what may be a limited amount of ridership.
- **Expansion** would add four hours per week to the schedule at a total cost of \$13,000 or a projected local share of costs of \$4,700 once provincial cost-sharing and expected passenger revenue was factored in (see summary box below). The benefit to the expansion option is that it does not disrupt existing daytime travel patterns, however the challenge is that it is very expensive given expected number of passengers to be carried (\$25 per passenger ride). Also, currently the Three Year Provincial Service Plan for transit has no funding for expansion.

Initial High Level Estimate – Additional Annual Impacts			
Evening Service Through Expansion: Friday Night Service (One Night per Week)			
Service Hours:	210	Passenger Revenue:	\$900
Annual Ridership:	500	Total Cost*:	\$13,000
Vehicles Required:	0	Net Local Share of Costs:	\$4,700
		Provincial Share of Costs*:	\$7,400
* Costs shown do not include Provincial contribution to Lease fees.			

- **Recommended Action:** In order to test out the appetite for evening service and further promote the Smithers & District Transit System, it is suggested that the system could partner with the Smithers Merchants Association to provide evening service in concert with shopping nights that occur at Christmas or in the summer.

Service would be provided through reallocation within the budget by either making adjustments to shift schedules within the summer months (when there is typically less demand for transit) or by using the small number of extra hours already within the system. If the shopping night service was viable, it could potentially be advertised as part of the brochure rack card for the Farmer’s Market suggested under Item #2.

5. Consider Other Approach to Spare Vehicle

- **Challenge/Opportunity:** At present, the transit system operates using its two vehicles on the road Tuesday through Friday, with only one vehicle on the road Mondays and Saturdays. This means that Tuesday through Friday, there is no spare vehicle for the system.

The benefit to this vehicle allocation is that the system is getting maximum use out of the two vehicles and is not paying for the third spare that would typically be required with this type of service. The significant challenge is that the lack of a spare impacts the reliability of service. If a vehicle breaks down, the system must either borrow a contingency vehicle housed in Prince Rupert (which involves substantial time and travel costs) or must rent a van within Smithers (which is smaller and not low floor and impacts the ability to easily board and alight passengers and provide a consistent “look and feel” for the service).

Recommended Action: Over the long term, it is strongly recommended that the system invest in a third vehicle for an appropriate spare. Local share of costs for an additional low floor ARBOC would be \$25,000. There may be some ability to reduce this cost through federal capital funding initiatives or by partnering with another agency in some regard to share or purchase a vehicle. For instance, a vehicle used in the Prince George handyDART system have been purchased through fundraising activities and contributions from local service clubs and its use is shared with the Society that operates the service.

There may also be an ability to access federal funding through the Federal Gas Tax Agreement to offset the costs of a third vehicle. More information on this program—which is administered in B.C. through the Union of B.C. Municipalities can be found here: <http://www.ubcm.ca/EN/main/funding/renewed-gas-tax-agreement.html>. BC Transit staff can also work with the Town to provide more information on this program and the application process.

It is recommended that further discussion on a system spare take place with transit partners to determine what the long term outlook and approach might be.

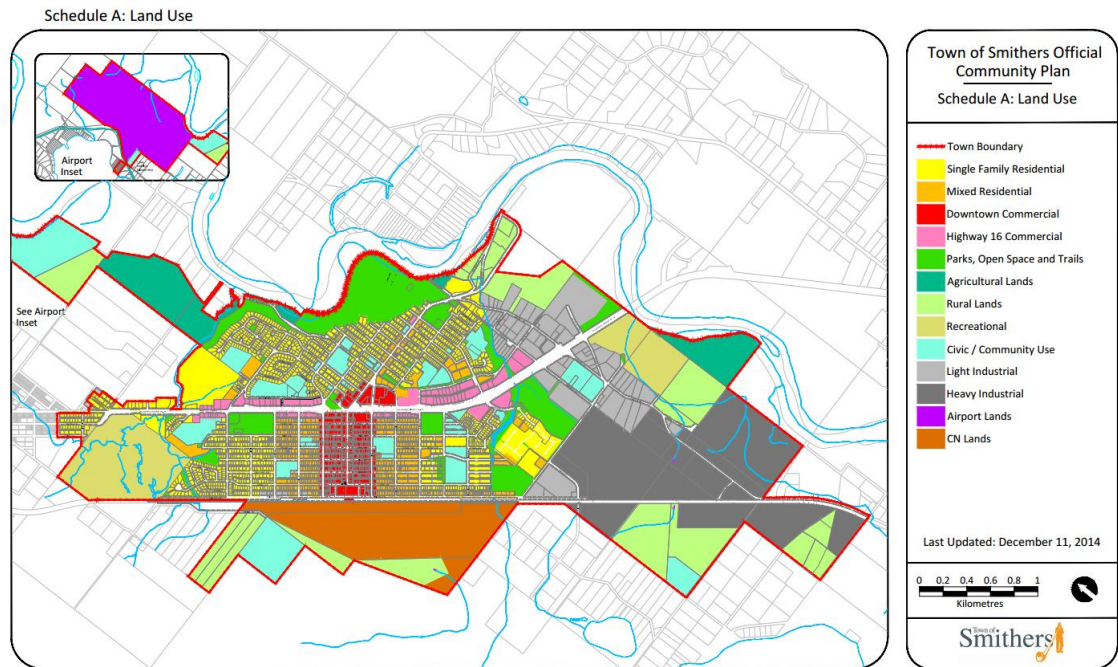
6. Consider Reallocating a Portion of Existing Local Service to Create Fixed Routes

- Challenge/Opportunity: As described in Sections 2 and 3, local service within the Town of Smithers operates as a by-request service. On demand service was historically a typical means of introducing transit in smaller communities. This worked well in particular with communities that are fairly compact like Smithers, as it enables service to be tailored to demand and ensures that the bus is not operating unless there is someone riding it.

As communities grow and evolve however, there comes a point where providing local routes and schedules at certain times of the day can help to grow ridership. This is because a scheduled transit service enables passengers to plan their outings around the system (rather than the system trying to plan its service around pre-existing passenger trips). This in turn makes the system easier for passengers to ride for spontaneous travel and makes the system more effective in service delivery by better grouping passengers around trips.

The community of Summerland (population 11,300) recently converted a portion of its on-demand local service to some scheduled service and Princeton (population 2,700) is looking at converting a portion of its on-demand service to scheduled service in the near future. If Smithers looked at converting a portion of its local service to fixed-route scheduled service, it would still retain windows of on-demand time to continue to enable curb-to-curb service for seniors and people with a disability during certain periods of the day. It would also be possible to make the entrances of key destinations, such as Bulkley Lodge and other larger facilities, into “bus stops”, in order to enable the system to access them as closely as possible.

100 Mile House Transit (serving the communities of 100 Mile House and Electoral Area “G” of the Cariboo Regional District with a combined population of 5,000) provides an example of a BC system successfully using the mixed model of scheduled regional, scheduled local and on-demand services described above.



With two new seniors housing developments planned or underway in the vicinity of Main Street and emerging single family housing in the south part of the Town (see map above), it may be helpful to look at scheduling a portion of the existing on-demand service to scheduled service operating on routes. Routing and schedules would be developed collaboratively with transit system users and stakeholders (typically including both open houses and a stakeholder workshop). These routes would be based on planned land use and system ridership so far, routes within the system would likely include the south end of town, Main Street as far as Riverside Mobile Home Park, the Silver King subdivision area, along with the downtown and core commercial areas of the Town.

It should be noted that while implementing some level of fixed-route local service, which could be accomplished through reallocation, some additional hours may be required and the system would at that point require a third vehicle to act as a spare, or risk losing service with a mechanical breakdown.

- **Recommended Action:** Conduct open houses and a stakeholder workshop to examine the feasibility of some scheduled local service and the next evolution of the transit system. This could potentially take place in conjunction with celebrations and timing of the system's 25th anniversary.

In terms of linking transit to future development in the Town of Smithers and Village of Telkwa, it should also be noted that BC Transit's Planning Department offers a Development Referral service to provide comment on proposed larger developments (such as housing projects) from a transit perspective. Proposed developments, with a response deadline identified, can be sent to developmentreferrals@bctransit.com and BC Transit planners will provide comment on ways that the development can best be integrated with local transit. BC

Transit's planning staff are also available to provide comment on Official Community Plans, Regional Growth Strategies, transportation plans and other local planning endeavours. Should you wish to have BC Transit input, please contact your system's Senior Regional Transit Manager.

INFRASTRUCTURE IDEAS AND OPPORTUNITIES

7. Continue to Improve Infrastructure Through MoTI Minor Betterments Fund

- Challenge/Opportunity: Considering the size of the communities it serves, Smithers & District Transit already does a very commendable job in terms of providing transit shelters with good signage and schedule information for waiting passengers. In recent years, the system has added to its transit system infrastructure through partnering with the Ministry of Transportation and Infrastructure's (MoTI's) Minor Betterment Fund, which provided a bus pull-out and harsh weather shelter on Hwy 16 along Frontage Rd, across from the mall last year.
- Recommended Action: Continue to make use of the MoTI Minor Betterments Fund to improve transit system infrastructure. The next priority improvements for consideration are:
 - The creation of a pull out on Hwy. 16 at Tatlow Road to better enable transit buses to access passengers travelling to/from this intersection.
 - A bus shelter on Coalmine Rd. (between Dogwood and Cottonwood streets) to act as an additional collection point for Telkwa residents using the bus to travel to Smithers.

FARE IDEAS AND OPPORTUNITIES

8. Fare Structure Review

- Challenge/Opportunity: Smithers & District transit fares were last changed in March 2012. BC Transit recommends that transit fares be reviewed on a regular basis, typically every three years.

Appendix A presents a Fare Structure Review of the transit system undertaken by BC Transit's Sales and Revenue Staff. Key findings from the Fare Structure Review are as follows:

- The system compares favourably against its peers, garnering a higher average fare per passenger carried and covering more of its system costs through revenue than communities of a similar size.
- Revenue statistics have been trending positively over the past 5-year period.
- When the Smithers fare structure is compared to BC Transit's guidelines, it differs in three ways: (1) age based discount on cash fares (2) 10% off the discount monthly pass and (3) multiple zones.
- BC Transit recommends changes to the fare structure that would address the differences noted above plus would offer simplification through the reduction of fare products and providing value and discount opportunities with the pre-purchase of fare products.

The Fare Structure Review presents two fare structure options for consideration:

- A one-zone option that would consolidate the system's existing two zones into a single zone to simplify the fare structure.
- A two-zone option that maintains the existing two zone system but which simplifies and consolidates the number of fare products and brings them more into line with BC Transit's guidelines.

The Appendix provides full details on each of the two options and the tradeoffs between each.

- Recommended Action: That the Town receive and discuss the attached Fare Structure Review and approve a fare structure that best matches the goals and concerns of the region.

9. Family Travel Program

- Challenge/Opportunity: In tandem with a number of the promotional activities listed under ideas #1 and #2, it may be helpful to consider implementing a Family Travel Program to make it more attractive to introduce the service to Smithers residents.

Implemented in a number of B.C. systems—and described further in the attached Fare Structure Review--such a program enables adults over the age of 19 and seniors paying for their trip with a monthly pass to bring up to four children under the age of 12 on board for free. This provides an additional incentive for individuals to purchase pre-paid fare products and the revenue impact can be minimized by allowing Family Travel for weekend service. In the case of Smithers, the program could operate on Saturdays and potentially on any specially-designated community event day.

- Recommended Action: That in concert with any other fare recommendations, the Town of Smithers consider approving the implementation of a Family Travel Program.

4.1 Summary of Recommended Actions and Suggested Next Steps

The following summarizes each of the recommended actions described in Section 4.0 and suggests the logical next steps to move each item forward for implementation.

Item #	Recommended Actions	Suggested Next Steps
Marketing Ideas and Opportunities		
1	Continue and expand system outreach	<ul style="list-style-type: none"> • Discuss and confirm the priority outreach activities to be undertaken.
2	Promote service to Bulkley Valley Farmer's Market	<ul style="list-style-type: none"> • Direct staff to work with BC Transit and Smithers Community Services to develop the brochure, bus poster and other materials to promote the service.
3	Undertake annual customer satisfaction summary	<ul style="list-style-type: none"> • Direct staff to work with BC Transit and Smithers Community Services to finalize and undertake an annual on-board survey, as well as add a link to an online survey from the Town's website in conjunction with any public engagement conducted in spring 2016.
Service-Related Ideas and Opportunities		
4	Consider trial evening service on select nights with Smithers Merchants	<ul style="list-style-type: none"> • Request that Smithers Community Services staff liaise with Smithers Merchants to see if evening shopping nights will be held in 2015.
5	Consider other approach to spare vehicle	<ul style="list-style-type: none"> • That the Town work with BC Transit to determine other funding opportunities for a spare vehicle and consider budget planning to accommodate a third vehicle in future.
6	Consider reallocating a portion of existing local service to create fixed routes	<ul style="list-style-type: none"> • That the feasibility of introducing local fixed route service potentially be examined as part of public engagement activities to be held in conjunction with 25th anniversary celebrations in spring 2016.
Infrastructure Ideas and Opportunities		
7	Continue to improve infrastructure through MoTI Minor Betterments Fund	<ul style="list-style-type: none"> • That BC Transit staff continue to liaise between MoTI and local transit partners to prioritize and implement infrastructure investment.
Fare Ideas and Opportunities		
8	Fare Structure Review	<ul style="list-style-type: none"> • That the Town receive and discuss the attached Fare Structure Review and approve a fare structure that best matches the goals and concerns of the region.
9	Family Travel Program	<ul style="list-style-type: none"> • The Town approve the implementation of a Family Travel Program as described under option #9 in this report.

5.0 Conclusions & Recommendations

This report presents a broad variety of considerations in the areas of service, infrastructure, and marketing. BC Transit staff would be pleased to further discuss and develop any of the ideas presented in this report with local transit partners in order to assist in determining how the Smithers & District Transit System can continue to evolve.

It is recommended that the Town of Smithers:

- **Receive this report for review and comment;**
- **Provide direction on whether it would like to pursue any of the recommended actions presented;**
- **Approve a fare structure that best matches the goals and concerns of the region.**

Appendix A: Fare Structure Review

Smithers & District Transit System



May 4, 2015

**Town of
Smithers**



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OVERVIEW

The development of any fare structure or the decision to change it will depend on the objectives of local government. Many governments set revenue targets designed to share the costs between property taxpayers and users of the system at a set percentage. Other goals might include increasing or retaining ridership, maintaining or improving public image, improving operational efficiency and reducing on-board fare disputes.

With the goals of local government in mind, many factors should be considered in establishing a fare structure: the history and trends of revenue and ridership over time, the composition of revenue and ridership by fare type, the fares of comparable transit systems and the fare guidelines recommended by BC Transit.

BC Transit has prepared this report for the Town of Smithers in order to encourage discussion about fare strategy and to provide the relevant information to support a fare decision that reinforces the goals of the local governments.

CURRENT FARES

The table below outlines the fare structure within the transit service area, defined in the Annual Operating Agreement as the corporate boundaries of the Town of Smithers, the Village of Telkwa, and Electoral Area "A" of the (Regional District of Bulkley-Nechako).

TABLE 1: CURRENT FARES

	Cash Fares		Tickets (Sheet of 10)		Monthly Pass
Zone	Zone 1	Zone 2	Zone 1	Zone 2	All Zones
Regular	2.25	2.75	20.00	25.00	50.00
Discount*	2.00	2.50	17.00	22.00	45.00
Child**	Free	Free	NA	NA	NA

*Discount: Students to Grade 12 and Senior over 65.

**Child: Defined as 4 and under accompanied by fare paying adult.

Additionally, a by-request service is available within Smithers and the regional district areas of Zone 1 and 2.

Another relevant fare program is the Ministry of Social Development BC Bus Program (BCBP): an annual bus pass for low-income seniors and persons with disabilities. A BC bus pass allows for eligible persons unlimited access on scheduled BC Transit service.

The last time BC Transit reviewed fares for the Town of Smithers was on March 1, 2012. BC Transit recommends reviewing fares every three years.

RIDERSHIP AND REVENUE HISTORY

This table outlines important performance statistics for the Smithers & District Transit System as of 2013/14.

TABLE 2: KEY FACTS AND FIGURES

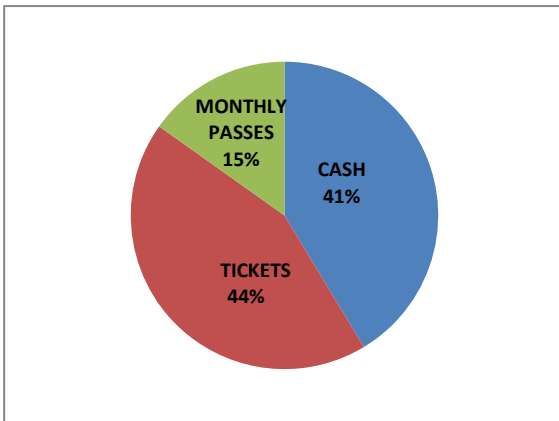
Ridership Growth Rate (5-Year)	2.02%
Revenue Growth Rate (5-Year)*	1.59%
Total Ridership	20,152
Total Revenue	\$40,379
2013/14 Revenue from Fare Sources**	\$35,720
Average Fare	\$2.00
Cost Recovery	18%
Date of Last Fare Adjustment	March 1, 2012

*Includes revenue from all fare sources

**Excludes BCBP revenue

From a ridership perspective, the Smithers & District transit system is performing well. Smithers has experienced a small increase in ridership on both systems: para-transit service leads with a 5-year growth rate of 3.88%, while the fixed route service is trending at .79%. Both services are showing signs of growth.

From a revenue perspective, the growth trend continues over the same 5 year period, both with and without BCBP, 1.59% and 1.17% respectively.



REVENUE COMPOSITION

The chart below shows the balance of sale between fare product types.

CHART 1: REVENUE BY FARE TYPE

BC Transit recommends and supports initiatives that increase the sales of pre-paid fare products.

Cash, albeit convenient for many passengers, as they do not have to pre-purchase their transit fares, is expensive to handle, is prone to leakage and poses a security risk to operators. Additionally, cash usage comes with a transfer benefit that can lead to unnecessary fare disputes.

Smithers' revenue balance is positive from a pre-paid perspective having 59% of all fares paid with either a ticket or pass product while the remaining 41% comes from Cash.

PERFORMANCE EVALUATION

The next two sections of the report outlines how the Smithers & District Transit System's performance indicators compare to those of its peers transit systems and how its fares compare to general guidelines recommended by BC Transit.

Comparison to Peer Systems

The table below compare Smithers & District Transit System to a sampling of other Paratransit systems within BC Transits' service area. These systems are used to benchmark the performance of the Smithers system.

TABLE 3: COMPARISON TO PEER SYSTEMS

	Smithers & District Transit System	Average of Para-Transit Systems*	Variance	Average of Regional Systems**	Variance
Regular Cash Fare	\$2.00	\$2.55	(\$0.55)	2.14	(\$0.14)
Regular Monthly Pass Price	\$50.00	\$55.40	(\$5.40)	\$41.29	\$8.71
Average Fare	\$2.00	\$1.32	\$0.68	\$1.64	\$0.36
Cost Recovery	18%	8%	10%	14%	4%

*Average of 5 para-transit systems: Bella Coola, Skeena, Columbia Valley, Sunshine Coast and Summerland.

**Average of 7 regional para-transit systems: Quesnel, Williams Lake, Bella Coola, Hazelton, 100 Mile House, Port Edward and Skeena.

Comparing the regular cash and regular monthly pass price, Smithers' fare products are priced below the average of the para-transit systems, however Smithers performs better in the average fare and cost recovery measures. Focusing on the regional comparisons, Smithers' regular cash fare is below that of its peers, while its regular monthly pass is priced above. Again, the other two indicators, average fare and cost recovery are trending positively for Smithers.

Average fare is calculated by the collected total of fare revenue divided by the total ridership for the system. Cost recovery is calculated by dividing the total collected fare revenue by the total operating costs for the Smithers system. These indicators provide a useful comparison to peer systems but can also provide insight to the performance of the system when assessed over time. For example, the past 5 years, the cost recovery measure has remained rather steady, with minor fluctuation between a low of 18% in fiscal 2012/13 to a high of 21% in fiscal 2010/11. This indicates the revenue and costs are moving in unison, as one is not outpacing the other. However, the costs to supply transit are funded by local taxes and fare revenue, if the percentage of fare revenue increases, the burden of local taxes are reduced. It is common practice for local governments to reach for higher cost recovery percentages.

Comparison to BC Transit Fare Guidelines

BC Transit has compiled fare guidelines based on experience and industry best practices. The table below compares the present transit fare structure in Smithers to BC Transits' recommended fare guidelines. The regular cash fare is the base unit of measure utilized to calculate all other fare products.

TABLE 4: COMPARISON TO BC TRANSIT FARE GUIDELINES

	BC Transit Guidelines	Smithers Zone 1	- Discount/Factor	Smithers - Zone 2	Discount/Factor
Cash Fares					
Regular	Base fare	2.25		2.75	
Discount	Equal to base fare	2.00	-11%	2.50	-9%
Tickets (10)					
Regular	Base fare times 9	20.00	8.9	25.00	9.1
Discount	15% discount	17.00	-15%	22.00	-12%
Monthly Passes					
Regular	20-30 times base fare	50.00	22.2	NA	NA
Discount	15% discount	45.00	-10%	NA	NA

It should be noted, BC Transit no longer recommends age based discounts on cash fares and instead promotes the use of single cash fares with age-based discounts on pre-paid fare products, such as, tickets and passes. The single cash fare (SCF) is a popular choice for numerous transit systems across Canada and within British Columbia – Victoria, Whistler, Port Alberni, West Kootenay's, Salt Spring Island are among some of the systems that have implemented a SCF for its simplicity, from a user and operational perspective and for its potential to reduce age related disputes between driver and passenger.

Regular tickets are priced using a simple method to entice customers to convert from the more expensive cash fare – the customer, by pre-purchasing 10 rides, gets the benefit of 1 free ride. The cost per ride for the ticket purchasing customer is reduced from \$2.25 to \$2.03, if the regular cash fare was priced similarly to Smithers in zone 1. Benefits for pre-payment are extended beyond the regular tickets to the discount ticket product, specific to students up to grade twelve and seniors who are over the age of 65. In addition to the free ride, the discount customers get an additional 15% off, equating to 2.35 free rides with the pre-purchase of 10 rides. Both regular and discounted tickets provide a tremendous price per ride value opportunity.

With monthly passes, variability is built into the guideline to scale up or down depending on the size and service levels of the transit system. The guideline recommends a scale between 20 to 30 times the base fare. For example, using Smithers \$2.25 regular cash fare, on the lower side, the price would be \$45 (20 times base fare), \$56.25 (25 times base fare) or \$67.50 (30 times base fare). This pricing

model provides variability to price monthly passes correctly regardless of service frequency. The discount monthly pass, again provides the benefit of a 15% discount for students and seniors.

BC Transit also recommends reducing the number of fare products that are available to the buying public, as this can lead to cost reductions in all areas of fare revenue collection. One way to easily reduce the number of fare products is to limit the use of different fare zones. This can be challenging in systems that cover large geographic areas, but should be considered from a fare enforcement and ease of use for the passenger perspective.

With respect to handyDART or Para-Transit/by request service, BC Transit recommends equitable pricing which means, regular fares apply. Despite the increased cost of the service, this service should not be priced beyond the level of regular fares.

CONCLUSIONS

The information presented herein illustrates the Smithers & District Transit System as a well-run system with positive performance indicators beyond that of its peer systems. Further, both revenue and ridership statistics have been trending positively over the past 5-year period. When the Smithers fare structure is compared to BC Transit’s guidelines, it differs in three ways: (1) age based discount on cash fares (2) 10% off the discount monthly pass and (3) multiple zones. Together with the differences mentioned above, BC Transit recommends simplification through the reduction of fare products and providing value and discount opportunities with the pre-purchase of fare products. Further, additional policy changes can be used to promote the sale of pre-paid products

The next section of this report will provide two fare structure options for the local of government of the Town of Smithers to consider.

RECOMMENDATIONS

Based on the findings from our fare review, we will build two fare structures that focus on the differences between BC Transit’s guidelines and the existing fare structure for the Town of Smithers Transit System.

Option 1: One Zone

TABLE 5: ONE ZONE FARE STRUCTURE

All Zone	Present	Suggested	Discount
Regular Cash	2.25	2.50	Base
Discount Cash	2.00	2.50	0%
Regular Tickets	20.00	22.50	15%
Discount Tickets	17.00	19.13	
Regular Monthly	50.00	50.00	10%
Discount Monthly	45.00	45.00	

When comparing this structure to the objectives we have identified, we have introduced the SCF, reduced the number of fare zones and fare products and provided incentives with our pre-paid fare products.

Starting with the regular cash or base fare, it is increased to \$2.50 from \$2.25. The \$0.25 increase to regular fare is to offset the removal of the second zone. The expected impact of higher fares will be felt by approximately 22% of the ridership base in the former zone 1 area while 18% of the ridership will be paying less in the former zone 2 area. The decision to move to a SCF is attractive for a variety of reasons: reduces driver-customer conflict of enforcing age-based discounts, increases the simplicity and usability of the system and is an easy denomination to remember.

For both ticket products, fare prices increase due to their relationship to the base fare - regular tickets increase from \$20.00 to \$22.50 and discount tickets increase from \$17.00 to \$19.13. Both products offer an attractive discount to the single ride cost for the customer:

TABLE 6: PRICE PER RIDE FOR TICKET CUSTOMERS

Fare Product	Fare Price	Price per ride	Discount
Cash	\$ 2.50	\$ 2.50	0%
Regular Tickets	\$ 22.50	\$ 2.25	10%
Discount Tickets	\$ 19.13	\$ 1.91	23%

Approximately 27% of the ridership base (ticket users in zone 1) will be impacted by higher tickets prices, while 21% (ticket users in zone 2) will be paying less for their transit usage. Assuming behaviour does not change and customers do not switch to another fare product, we estimate the change to a one zone system for existing tickets users will be close to neutral in terms of revenue and ridership impact.

Finally, monthly passes, we recommend keeping the monthly pass prices static to offset the impact the increased fares in the other categories, thus making them even more attractive when compared to our base fare.

TABLE 7: MONTHLY PASS COMPARISON WITH NEW BASE FARE

Fare Product	Present Fares	Factor	Suggested Fares	Factor
Regular Cash	\$ 2.25	Base	\$ 2.50	Base
Regular Monthly	\$ 50.00	22	\$ 50.00	20
Discount Monthly	\$ 45.00	20	\$ 45.00	18

When all the fare changes are assessed for their ridership and revenue impacts, we estimate a modest decline in ridership (-1%) and a modest increase in revenue (1.14%). This comes with all the benefits of a simplified system with minimal fare products, zones and driver-passenger disputes.

A potential solution to minimize the ridership impact is to implement a Family Travel Program. With the purchase of the monthly pass, adults and seniors over the age of 19 can bring up to 4 children under the age of 12 onboard for free. This provides an additional incentive for individuals to purchase pre-paid fare products and the revenue impact can be minimized by allowing Family Travel for weekend service.

Option 2: Simplified 2 Zones

Two zone systems are challenging, they are difficult from an enforcement perspective and also confusing from the customer's and administrator's perspective. To illustrate this point, in Smithers two zone system, there are 10 different possible fare options that include cash, tickets and monthly passes and both passengers and drivers need to understand where the fare boundaries are – leading to more potential for disputes. Further, the system continues to be more administratively burdensome than it needs to be, as more fare product types need to be ordered annual, which requires more products to be distributed, administered and reported.

The structure presented below is a simplified fare structure for a 2 zone system.

To meet some of our objectives, the potential simplified two zone system would include: SCF, single ticket fares and two monthly passes with a larger than before discount to offset the increased fares in the other categories.

TABLE : SIMPLIFIED 2 ZONE

Zone 1	Present	Suggested	Zone 2	Present	Suggested
Regular Cash	2.25	2.25	Regular Cash	2.75	2.75
Discount Cash	2.00	2.25	Discount Cash	2.50	2.75
Regular Tickets	20.00	20.00	Regular Tickets	25.00	25.00
Discount Tickets	17.00	20.00	Discount Tickets	22.00	25.00
Regular Monthly*	50.00	50.00	Regular Monthly	50.00	50.00
Discount Monthly*	45.00	42.00	Discount Monthly	45.00	42.00

*Monthly passes are only valid on fixed route service.

This option keeps a two zone system, but reduces the number of fare products available for sale. This strategy has the potential to increase the usability of the system and move toward a fare strategy with pricing based on discount product type rather than demographics.

Both zones convert to a SCF and single ticket fare (STF), this means, despite the age of a customer, all customer would pay the same cash and ticket fare. From a simplicity perspective, this approach reduces the number of fare options with cash and tickets from the original 8 to 4. The downside to this approach is that the burden of the increased fares is felt largely on student and seniors.

To compensate the burden on student and seniors, it is recommended to offer a more substantial discount on the associated monthly pass – the price would be reduced from the original \$45 to \$42. This offers an incentive to move more students and seniors to a longer term pre-paid pass.

If this approach was implemented, we expect a -1.88 decline in overall ridership and an increase in revenue by 3.57%. This fare structure offers some advantages of a simplification of the fare structure and reducing the total number of fare products available, but places the majority of the burden onto student and seniors.

RECOMMENDATIONS

It is recommended that the Town of Smithers:

- (1) receive this report as information**
- (2) approve a fare structure that best matches the goals and concerns of the region**

Please note that fare changes should be scheduled for the 1st of a given month. BC Transit requires at least twelve weeks' notice after Board approval to implement a fare change.