



# Transit 2018/2019 Annual Operating Agreement



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- ▶ Effective April 1<sup>st</sup> to March 31<sup>st</sup> 2019
- ▶ Largest Tier 1 system among municipal systems
  - ▶ Provides 235,000 hours of service annually
  - ▶ BC Transit covers 46.7% of costs
  - ▶ Municipal partners cover 53.3% of costs

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- ▶ Municipal partners pay based on number of services hours
- ▶ Revenues are 100% retained by the municipal partners
  - ▶ Based on 75% passenger counts and 25% services hours
  - ▶ City of Kelowna receives 82.7% of total revenues

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- ▶ Cost impacts were included in the 2018 budget
- ▶ Main areas of increased costs:
  - ▶ Operating company's fixed costs
  - ▶ Increased hourly costs due to rate increases
  - ▶ Increases in fleet maintenance
  - ▶ Increased lease fees

# Appendix 1

	2017/2018 Amended AOA	2018/2019 AOA	Total Difference	Percentage Change	Local Gov't Portion 53.31%	City of Kelowna Portion
<b>CONVENTIONAL TRANSIT</b>						
<b>REVENUE</b>	\$5,978,554	\$6,376,826	\$398,272	6.70%	\$398,272	\$329,530
<b>Expenditures</b>						
Total Operating Costs	\$18,541,601	\$18,903,364	\$361,763		\$192,856	\$161,035
Total Lease Fees - Local Share	\$2,871,014	\$2,864,103	-\$6,911		-\$6,911	-\$5,771
<b>TOTAL COSTS</b>	\$21,412,615	\$21,767,467	\$354,852	1.66%	\$185,945	\$155,264
<b>TOTAL NET COSTS</b>						-\$174,266

	2017/2018 Amended AOA	2018/2019 AOA	Total Difference	Percentage Change	Local Gov't Portion 53.31%	City of Kelowna Portion
<b>COMMUNITY TRANSIT</b>						
<b>Expenditures</b>						
Total Operating Costs	\$2,456,076	\$2,526,292	\$70,216		\$37,432	\$14,718
Total Lease Fees - Local Share	\$105,675	\$343,212	\$237,537		\$237,537	\$93,400
<b>TOTAL COSTS</b>	\$2,561,751	\$2,869,504	\$307,753	12.02%	\$274,969	\$108,118

	2017/2018 Amended AOA	2018/2019 AOA	Total Difference	Percentage Change	Local Gov't Portion 33.31%	City of Kelowna Portion
<b>CUSTOM TRANSIT</b>						
<b>Expenditures</b>						
Total Operating Costs	\$3,235,558	\$3,409,495	\$173,937		\$57,938	\$42,701
Total Lease Fees - Local Share	\$126,808	\$172,977	\$46,169		\$46,169	\$34,027
<b>TOTAL COSTS</b>	\$3,362,366	\$3,582,472	\$220,106	6.55%	\$104,107	\$76,727

**Total Net Costs** \$10,579



*Questions?*