

# Report to Council



**Date:** January 15, 2018  
**File:** 1405-01  
**To:** City Manager  
**From:** Matt Friesen, Financial Analyst  
**Subject:** Transit 2017/2018 Amended Annual Operating Agreement

---

## **Recommendation:**

THAT Council approves Amendment #1 to the 2017/2018 Annual Operating Agreement for conventional, community and custom transit.

## **Purpose:**

To receive Council approval for amendment #1 to the transit 2017/18 Annual Operating Agreement.

## **Background:**

The Annual Operating Agreement (AOA) is submitted annually by BC Transit to the City of Kelowna in March, and is effective for the period of April 1<sup>st</sup> to March 31<sup>st</sup> of the following year. The AOA is a summary of budgeted revenues and costs within the Kelowna Regional Transit System for BC Transit's fiscal year (March 31<sup>st</sup> year-end).

Each Local Government Partner within the Kelowna Regional Transit System submits the AOA to their respective Council for approval. The impacts of the 2017/2018 AOA were included in the City of Kelowna's 2017 Provisional Budget that Council approved in December 2016. However, significant changes to transit service throughout the year within the Kelowna Regional Transit System require an amendment to the original AOA.

This is a request for the approval of an amendment to the 2017/18 Annual Operating Agreement for conventional, community and custom transit. The amendment reflects increased service hours and related operating costs for improvement and expansion of services which include:

- Improved on-time performance
- Increased Saturday service on Route 1 and Route 8

- Improved service optimization on Route 13
- Introduction of expanded and improved UBCO transit exchange
- Expanded handyDART service

The improved service and expansion initiatives for conventional and community transit were approved by council on July 10, 2017. The increase of 2,500 hours of conventional transit and 500 hours of handyDART service beginning in September 2017 was approved by Council in June 2016. Appendix 1 outlines the changes in budgeted costs for conventional, community and custom transit as a result of the amended AOA.

#### Conventional Transit

The amended budget for conventional transit includes a \$93,642 increase in operating costs. BC Transit funds \$43,721 of the increase and the Local Governments pays for \$49,921 of the increase. The City of Kelowna's share is \$41,769.

#### Community Transit

The amendment includes a \$24,522 increase in operating costs for community transit. BC Transit funds \$11,449 of the increase and the Local Governments pay for \$13,073 of the increase. The City of Kelowna's share is \$5,021.

#### Custom Transit

Fleet operating costs for custom transit increased due to the expanded handyDART service but there was a larger decrease in the taxi saver program resulting in an overall decrease of \$27,366 in operating costs. BC Transit funds decreased by \$18,250 and the Local Government portion of costs reduced by \$9,116. The City of Kelowna's share of the reduction is \$6,718.

The amendment was received at the City of Kelowna in October 2017 and the 2017 impacts were covered by the existing budget. 2018 impacts were built into the 2018 Provisional Budget Operating Requests that council approved in December 2017.

#### **Internal Circulation:**

Manager, Integrated Transportation Department  
 Manager, Transit and Programs  
 Divisional Director, Financial Services  
 Divisional Director, Infrastructure  
 Revenue Supervisor, Financial Services

#### **Legal/Statutory Authority:**

Annual Operating Agreement is required to authorize funding for payment of transit contractor.

#### **Financial/Budgetary Considerations:**

Existing budget provides for these Annual Operating requirements.

Considerations not applicable to this report:

Legal/Statutory Procedural Requirements:

Existing Policy:

Personnel Implications:

External Agency/Public Comments:

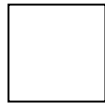
Communications Comments:

Alternate Recommendation:

Submitted by:

M. Friesen, Financial Analyst

Approved for inclusion:



**Genelle Davidson**, *Divisional Director, Financial Services*

cc: Revenue Supervisor, Financial Services

