

Report to Council



Date: March 18, 2019
File: 1405-01
To: City Manager
From: Revenue Supervisor
Subject: Transit 2018/2019 Amended Annual Operating Agreement
Report Prepared by: Lyndsay Regnier, Accountant

Recommendation:

THAT Council approves Amendment #1 to the 2018/2019 Annual Operating Agreement for conventional, community and custom transit as outlined in the report of the Revenue Supervisor dated March 18, 2019;

AND THAT Mayor and Clerk be authorized to execute the Annual Operating Agreement, Amendment #1 as attached to the report of the Revenue Supervisor dated March 18, 2019.

Purpose:

To receive Council approval for Amendment #1 to the Transit 2018/2019 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 1st to March 31st 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 31st 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 2018/2019 AOA were included in the City of Kelowna's 2018 Provisional Budget that Council approved in December 2017. 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 2018/19 Annual Operating Agreement for conventional and community transit. The amendment reflects increased service hours and related operating costs for Conventional Transit and Community Transit.

The improved service and expansion initiatives for conventional and community transit were approved by council on August 13, 2018. The increase of 3,400 service hours of conventional transit and 300 hours of Community transit service was effective September 2, 2018 and received Council approval July 2017. 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 agreement for Conventional transit includes an \$83,049 increase in ticket and Farebox revenues and an increase in expenditures of \$440,284. The overall impact to the City of Kelowna is an increase in revenues of \$68,706 and an increase in expenses of \$202,148 with a total net cost increase of \$133,442.

Community Transit

The amended agreement for Community Transit includes a \$34,922 increase in operating costs for community transit. BC Transit funds \$16,305 of the increase and the Local Governments pay for \$18,617 of the increase. The City of Kelowna's share is \$7,320.

Custom Transit

The Custom Transit business unit was unaffected in the amended agreement.

The amendment was received at the City of Kelowna in October 2018 and the 2018 impacts were covered by the existing budget. 2019 impacts were built into the 2019 Provisional Budget Operating Requests that Council approved in December 2018.

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:

Angie Schumacher, Revenue Supervisor

Approved for inclusion:



Genelle Davidson, Divisional Director, Financial Services