

Report to Council



Date: March 16, 2020
To: Council
From: City Manager
Subject: Transit 2019/2020 Amended Annual Operating Agreement
Department: Financial Services

Recommendation:

THAT Council approves Amendment #1 to the 2019/2020 Annual Operating Agreement for conventional and community transit as outlined in the report of the Revenue Supervisor dated March 16, 2020;

AND THAT Mayor and City Clerk be authorized to execute Amendment #1 to the 2019/2020 Annual Operating Agreement for transit.

Purpose:

To receive Council approval for Amendment #1 to the 2019/2020 Transit Annual Operating Agreement.

Background:

The Annual Operating Agreement (AOA) is submitted annually by BC Transit to the City of Kelowna 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 ending March 31st.

Each Local Government Partner within the Kelowna Regional Transit System submits the AOA to their respective Council for approval. The impacts of the 2019/2020 AOA were included in the City of Kelowna's 2019 Provisional Budget that Council approved in December 2018. However, changes to transit service throughout the year within the Kelowna Regional Transit System require an amendment to the original AOA.

Discussion:

The improved service and expansion initiatives for conventional and community transit were approved by council on August 13, 2018. The increase of 1,800 service hours of conventional transit was effective September 1, 2019. Appendix 1 outlines the changes in budgeted costs for conventional and community transit as a result of the amended AOA.

Conventional Transit

The amendment for Conventional transit includes a \$60,000 increase in ticket and farebox revenues and an increase in expenditures of \$430,321. The overall impact to the City of Kelowna for its share is an increase in revenues of \$49,440 and an increase in expenses of \$205,522 with a total net cost increase of \$156,082.

Community Transit

The amendment for Community Transit includes a \$51,267 increase in operating costs for community transit. BC Transit funds \$23,937 of the increase and the Local Governments pay for \$27,330 of the increase. The City of Kelowna's share is \$10,714.

Custom Transit

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

Conclusion:

The amendment was received at the City of Kelowna in January 2020 and the 2019 impacts were covered by the 2019 budget.

This is a request for the approval of an amendment to the 2019/2020 Annual Operating Agreement for conventional and community transit. The amendment reflects increased service hours and related operating costs for Conventional Transit and Community Transit.

Internal Circulation:

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

Considerations applicable to this report:**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 Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

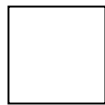
External Agency/Public Comments:

Communications Comments:

Submitted by:

Angie Schumacher, Revenue Supervisor

Approved for inclusion:



Genelle Davidson, Divisional Director, Financial Services

Appendix 1 - Amended Annual Operating Agreement

Effective September 1, 2019

CONVENTIONAL TRANSIT	2019/2020 AOA	2019/2020 Amended AOA	Variance	Percentage Change	Local Gov't Portion 53.31%	City of Kelowna Portion 82.40% of Local Gov't Portion
Revenue Farebox and ticket	\$7,098,608	\$7,158,608	\$60,000	0.90%	\$0	\$49,440
Expenditures						82.69% of Local Gov't Portion
Total Operating Costs	\$19,852,355	\$20,241,680	\$389,325		\$207,549	\$171,622
Total Lease Fees - Local Share	\$2,642,566	\$2,683,562	\$40,996		\$40,996	\$33,900
TOTAL COSTS	\$22,494,921	\$22,925,242	\$430,321	1.92%	\$248,545	\$205,522
TOTAL NET COSTS						\$156,082

COMMUNITY TRANSIT	2019/2020 AOA	2019/2020 Amended AOA	Total Difference	Percentage Change	Local Gov't Portion 53.31%	City of Kelowna Portion 39.20% of Local Gov't Portion
Expenditures						
Total Operating Costs	\$2,721,308	\$2,772,575	\$51,267		\$27,330	\$10,714
TOTAL COSTS	\$2,869,504	\$3,115,787	\$51,267	1.79%	\$27,330	\$10,714
Total Net Costs						\$166,796