

# Report to Council



**Date:** March 21, 2022  
**To:** Council  
**From:** City Manager  
**Subject:** Transit 2021/2022 Amended Annual Operating Agreement  
**Department:** Financial Services, Revenue

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## **Recommendation:**

THAT Council approve Amendment #1 to the 2021/2022 Annual Operating Agreement for Kelowna Regional Transit.

## **Purpose:**

To receive Council approval for the amendment to the transit 2021/22 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>).

Each Local Government Partner within the Kelowna Regional Transit System submits the AOA to their Councils for approval. The impacts of the 2021/2022 AOA were included in the City of Kelowna's 2021 Provisional Budget that Council approved in December 2020. The current year's projected budget includes impacts of the upcoming Annual Operating Agreement that will be presented later this year. However, changes to transit service throughout the year within the Kelowna Regional Transit System may require an amendment to the original AOA.

This is a request for the approval of an amendment to the 2021/22 Transit Annual Operating Agreement. These changes are accounted for in the City of Kelowna's current 2022 operating budget.

Conventional Transit

The amended agreement for Conventional transit has no change in ticket and Farebox revenues and a decrease in expenditures of \$359,336. The significant decreases consist of Hourly Costs of \$246,310, Fuel of \$77,898, and Management services of \$26,617. The local Government share of the decrease in expenditure is \$191,562. The City of Kelowna share of the decrease in expenses is \$158,435.

Community Transit

The amended agreement for Community Transit includes a \$25,352 increase in operating costs for Community transit. The significant increases consist of Hourly costs of \$18,751, Fuel of \$2,398 and Management services of \$2,559. The Local Governments pay for \$13,515 of the increase. The City of Kelowna's share is \$5,334.

Custom Transit

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

**Internal Circulation:**

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

**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:**

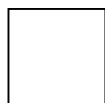
**Communications Comments:**

**Alternate Recommendation:**

Submitted by:

P. Gramiak, Revenue Supervisor

Approved for inclusion:



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