

# Report to Council



**Date:** September 18, 2017  
**File:** 0610-01  
**To:** City Manager  
**From:** Ian Wilson, Infrastructure Operations Manager  
**Subject:** City of Kelowna / Okanagan Car Share Co-op (OGO)/ MODO Co-operative  
Memorandum of Understanding

Report Prepared by Alf Soros, Fleet Service Manager

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## **Recommendation:**

THAT Council receives for information the September 18, 2017 report of the Infrastructure Operations Manager regarding a Memorandum of Understanding between Modo Co-operative and the City of Kelowna with respect to the amalgamation of the Okanagan Car Share Co-op with Modo Co-operative;

AND THAT Council authorizes the Mayor and City Clerk to sign the aforementioned Memorandum of Understanding (Appendix I), supporting the continuation of the City's partnership with Modo Co-operative and the Okanagan Car Share Co-op.

## **Purpose:**

To describe and provide support for the continued relationship between the City of Kelowna and Modo, a membership owned Co-operative ("Modo"), should the Okanagan Car Share Co-op ("OGO") transition to Modo.

## **Background:**

In early 2014 the City's Fleet Services Branch entered into a pilot partnership program with the Okanagan Car Share, a non-profit carshare co-operative. The purpose of the pilot was to understand if it was feasible for City Hall employees to use an alternate mode of transportation other than the traditional City-owned vehicle pool system. At the time, it was also recognized that there may be mutual benefits for the City as well as the growing car share initiative.

The City currently provides six vehicles to OGO for use by OGO members and City staff. Another three City vehicles (2015 Ford Hybrids) are provided to OGO for \$250 per month. The City also provides free designated OGO parking spaces. In exchange, OGO pays for all insurance, fuel, maintenance and repair costs, and City staff are able to use the shared vehicles for City business, and utilize the OGO car booking system.

Since the start of the pilot, 147 City employees have signed up as co-op members, making 1,633 trips at an average of 11 kilometers per trip. Approximately one-third of the total utilization for the City-supplied vehicles has been for City business.

The pilot program has proven to be successful and has provided a number of benefits:

- Direct savings to the City in terms of vehicle insurance and maintenance costs, estimated to be nearly \$31,000 annually (Appendix II);
- By utilizing OGO's car booking software, the City avoided the need to invest in a new vehicle booking system, estimated at \$84,630 (Appendix II);
- A reduced need to replace vehicles as the vehicles reach the end of their lifecycle;
- Improved vehicle utilization rates. The vehicles that have been provided to OGO were previously used as City hall pool vehicles or vehicles for staff to use for out of town travel, and both types of vehicles were under-utilized during portions of the year (Appendix III);
- City staff are able to join the carshare for a nominal onetime fee (\$25) and utilize vehicles for City business;
- Reduced parking lot demand in the downtown core; and
- The City's support has helped OGO to develop their business and become financially stable, while providing alternative transportation for Kelowna citizens.

Originating in Vancouver, Modo Co-operative is a much larger carsharing program, with 18,000 members in British Columbia. OGO has modeled much of their business on the same model as Modo. Recently there have been preliminary discussion between the OGO Carshare, Modo Co-operative and the City to see if there is an appetite to change the carshare structure where OGO would be amalgamated with the more commonly known Modo Co-operative. The OGO Board of Directors believe that amalgamation would prove beneficial by providing a broader depth of resources such as marketing, vehicle purchasing, administration and general operations resulting in increased sustainable growth within the City.

If the City agrees in principle with the Memorandum of Understanding the Okanagan Car Share Co-op would need to go back to their memberships for a vote of approval for amalgamation. Assuming that the membership agrees to proceed with amalgamation, staff would then draft a formal agreement with Modo that outlines how the partnership would move forward. It is expected that the terms of the current partnership between OGO and the City of Kelowna would essentially stay the same under a new agreement with MODO.

**Internal Circulation:**

Communications Advisor

City Clerk

Deputy City Manager

Purchasing Manager

Parking Services Manager

Sustainability Coordinator

Financial Planning Manager

**Existing Policy:** Official Community Plan, Objective 7.11: Implement parking management programs that promote reduced car ownership, reduced car trips and increased use of active modes of transportation.

*OCP Policy 6.2.1 - GHG Reduction Target and Actions.* The City of Kelowna will, in partnership with: senior governments; local residents and businesses; NGOs; external agencies; and utility providers, work towards reducing community greenhouse gas emissions by 33% (from 2007 levels) by 2020.

Community Climate Action Plan, Right Sizing Vehicle Action: Support the formation of Cooperative Auto Networks (car/truck share).

The Downtown Parking Management Plan supports the use of car sharing as an option to reduce overall demand for parking spaces. Car sharing reduces the need to add more parking capacity, as multiple users can access the same vehicle thus reducing demand for extra spaces.

Official Community Plan, Objective 6.2.1: Improve energy efficiency and reduce community greenhouse gas emissions.

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

Following are the current terms of the partnership with OGO, which are expected to continue under a new model with MODO:

- \$500 refundable one-time membership share
- \$25 per employee carshare one-time registration cost
- \$3 per booking administration fee
- \$5 per hour usage fee (max \$65 per day)
- \$.40 per kilometer
- \$.25 per kilometer after 50 kilometer
- \*No kilometer fee for City out of town travel with the exception of fuel costs
- \$250 per month (x3) credit fees for the 2015 Ford Hybrid Fusions

### **Considerations not applicable to this report:**

**Personnel Implications:**

**Legal/Statutory Authority: N/A**

**Legal/Statutory Procedural Requirements: N/A**

**External Agency/Public Comments:**

**Communications Comments:**

**Alternate Recommendation:**

**Submitted by:**



I. Wilson, Infrastructure Operations Manager

**Approved for inclusion:**



**Joe Creron, Deputy City Manager, Operations**

cc: L. Ruether, Communications Advisor  
J. Creron, Deputy City Manager, Operations  
D. Tompkins, Purchasing Manager  
D. Duncan, Parking Manager  
M. Kam, Sustainability Coordinator  
G. King, Financial Planning Manager