

# Report to Council



**Date:** October 2, 2017  
**File:** 1405-01  
**To:** City Manager  
**From:** Matt Friesen, Financial Analyst  
**Subject:** Transit Service Agreement

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## **Recommendation:**

THAT Council approve the Transit Service Agreement between BC Transit and City of Kelowna;

AND THAT the Mayor and City Clerk be authorized to execute the Transit Service Agreement between BC Transit and the City of Kelowna

## **Purpose:**

To receive Council approval for the Transit Service Agreement and receive Council authorization to sign the Transit Service Agreement.

## **Background:**

In 2014 Council approved and executed the Master Operating Agreement (MOA) between the City of Kelowna (Municipality), BC Transit (Authority) and FirstCanada ULC (Operator) which outlined the responsibilities of each for the Kelowna Regional Transit System. This was effective from June 1, 2014 to March 31, 2023.

In response to recommendations by a provincially commissioned independent review panel, a new Transit Service Agreement (TSA) will serve as the principal overarching agreement, replacing the MOA.

The TSA outlines the responsibilities of the City of Kelowna and BC Transit for the Kelowna Regional Transit System. The TSA removes the portion related to the Operator, providing clarity that BC Transit has a transit service agreement with the City of Kelowna and a separate agreement with an operating company (FirstCanada ULC) to deliver the service.

The TSA replaces and integrates relevant language from the previous MOA and requires annual execution by council.

As detailed in the Transit Service Agreement, some of the Municipalities' main responsibilities include:

- Participating in the development of, and where in agreement, approving plans and amendments to the Kelowna Regional Transit System within their jurisdiction
- Infrastructure and strategic planning
- Establishing necessary traffic control bylaws and transit priority measures on their streets.  
This includes:
  - Supply and maintenance of bus stop/shelter amenities
  - Signage
- Fare rates and management
- Paying Authority for transit costs
- Supporting the sustainability of the Kelowna Regional Transit System

On behalf of the local government partners, the City of Kelowna is specifically responsible for administration of:

- Revenue and Cost Analysis
- Revenue Reporting
- Inventory distribution to outlets (i.e. Bus passes, tickets, etc.)
- Revenue/Cost sharing structure

As detailed in the Transit Service Agreement, some of BC Transit's main responsibilities include:

- Administering and managing the operating company's overall delivery of transit services
- Developing policies and procedures for the delivery of the transit services
- Instituting marketing programs for transit service
- Service planning, preparing and implementing the transit services
- Determining need and providing vehicles and equipment to the operating company
- Providing reporting to the Municipality on actual and budgeted costs as well as performance summaries on an annual basis

**Legal/Statutory Authority:**

A Transit Service Agreement is required to authorize transit services within the transit service area.

**Considerations not applicable to this report:**

**Financial/Budgetary Considerations:**

**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**