
City of Kelowna

MEMORANDUM

DATE: May 24, 2006
FILE: 8501-01
TO: City Manager
FROM: Financial Planning Manager
RE: **Transit - 2005/06 Annual Operating Agreement Amendments**

RECOMMENDATION:

THAT Council approve the 2005/2006 Annual Operating Agreement Amendments for conventional and custom transit services for the City of Kelowna;

AND THAT the Mayor and City Clerk be authorized to execute the Operating Agreement Amendments between BC Transit, the City of Kelowna and Farwest Transit Services Inc. covering the period April 1, 2005 to March 31, 2006.

Background & Comments

Attached are copies of letters from BC Transit outlining some of the changes to the operating agreements for both conventional and custom transit.

Conventional Transit Service

There are two amendments for conventional transit costs. The first covers the cost increase due to rising fuel costs and this increase has been cost shared with BC Transit providing their normal funding share. Amendment number 2 covers cost increases due to the expanded service implemented on February 19, 2006. This expansion covered increased service to UBCO and schedule reliability on other routes. It also involved the conversion of the #3 Dilworth route to a smaller community bus style vehicle. An update was made to the revenue budget to reflect actual and forecasted revenues.

The total cost increase for the amendments is \$465,700 and the revenue change is \$208,200. This provided an additional 648 service hours over the 2005 base level.

Transit ridership for the period was increased to 3,002,000 passengers and overall there is a \$61,500 increase in local cost requirements.

Custom Transit Service

The custom transit amendment is an increase of \$36,000 to provide for the rising fuel costs. Once again the fuel cost increase was cost shared by BC Transit and the local partner's impact was \$11,300. There was no change to revenues or passenger estimates.

The impacts of these amendments were included in the City's 2005 and 2006 budgets.

Keith Grayston, CGA
Financial Planning Manager

Approved for inclusion

Paul Macklem, CMA
Director of Financial Services

KG
Encl.

cc: Transportation Manager