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CITY OF KELOWNA

MEMORANDUM

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**Date:** April 18, 2007  
**File No.:** 8501-01  
**To:** City Manager  
**From:** Financial Planning Manager  
**Subject:** Transit - 2007/08 Annual Operating Agreements

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**RECOMMENDATION:**

THAT Council approve the 2007/2008 Annual Operating Agreements for conventional and custom transit services for the City of Kelowna;

And Further That the Mayor and City Clerk be authorized to execute the Operating Agreements between BC Transit, the City of Kelowna and Farwest Transportation Services Inc. covering the period April 1, 2007 to March 31, 2008.

**BACKGROUND:**

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

**Conventional Transit Service**

The total costs under this agreement for the 2007 fiscal year are estimated to be \$11,108,800, a 7.9% increase compared to the 2006 amended Annual Operating Agreement. This provides for an additional 3,232 service hours over the 2006 level. The main areas of cost increase are in relation to the expanded service hours and for vehicle maintenance costs.

Transit ridership for the period is forecast at 3,231,000 passengers (increase of 1.4%) with revenues projected to increase by \$18,100. Overall there is a \$477,400 increase in local cost requirements and a \$307,800 increase in BC Transit's cost share. Cost recovery is estimated at 33.1% for 2007 down from 35.5% in the 2006 amended budget.

This agreement does not cover the Bus Rapid transit service that is scheduled for the end of August. An AOA amendment will be required for this improvement in service levels.

**The City of Kelowna is responsible for \$1.9 million of the estimated \$3.0 million net Municipal Share of the regional Conventional Transit program.**

### **Custom Transit Service**

The total costs under this agreement for the 2007 fiscal year are estimated to be \$1,788,300 (excluding Peachland Paratransit), which is a 12.2% increase from the 2006 operating budget. The main cost adjustment is primarily due to the expansion of service hours, the Taxi programs and travel training all of which were flex funded with no Provincial share provided.

Passengers for the period are forecast at 155,000 (increase of 3.7%) with revenues increasing by \$9,400. Cost recovery is estimated at 11.7%, down from the 12.5% level estimated for 2006.

**The City of Kelowna is responsible for \$390,000 of the estimated \$477,100 net Municipal Share of the Custom Transit program.**

INTERNAL CIRCULATION TO: Transportation Manager for his information.

Considerations that were not applicable to this report:

LEGAL/STATUTORY AUTHORITY: N/A

LEGAL/STATUTORY PROCEDURAL REQUIREMENTS: N/A

EXISTING POLICY: N/A

FINANCIAL/BUDGETARY CONSIDERATIONS: Included above

PERSONNEL IMPLICATIONS: N/A

TECHNICAL REQUIREMENTS: N/A

EXTERNAL AGENCY/PUBLIC COMMENTS: N/A

ALTERNATE RECOMMENDATION: N/A

Submitted by:

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*K. Grayston, Financial Planning Manager*

Approved for Inclusion:



*Director of Financial Services*

Attach.

Cc: Transportation Manager

## Information & Performance Summary

### Kelowna Conventional & Community Bus Transit

	Official AOA Amendment # 1 2006/2007	Official AOA 2007/2008	Variance \$ / #	%
<b>ANNUAL OPERATING AGREEMENT</b>				
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<b>BUDGET SUMMARY</b>				
Total Costs	\$10,291,122	\$11,108,840	\$817,719	7.9%
Total Revenue	\$3,656,320	\$3,674,410	\$18,090	0.5%
BCT Share of Costs	\$3,991,860	\$4,299,613	\$307,753	7.7%
Net Municipal Share	\$2,479,963	\$2,957,383	\$477,419	19.3%
City of Kelowna	\$1,462,061	\$1,856,670	\$394,609	27.0%
Reg'l District of Central Okanagan	\$902,882	\$983,865	\$80,983	9.0%
District of Lake Country	\$115,021	\$116,848	\$1,827	1.6%
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<b>PERFORMANCE SUMMARY</b>				
<b>Level of Service</b>				
Population Served	112,100	115,100	3,000	2.7%
Number of Vehicles in Service	50	50	0	0.0%
Revenue Hours of Service	121,474	124,707	3,232	2.7%
<b>Effectiveness</b>				
Annual Revenue Passengers	3,186,000	3,231,000	45,000	1.4%
Conventional	3,186,000	3,231,000	45,000	1.4%
Total Revenue Passengers per Capita	28.4	28.1	-0.3	-1.2%
Total Passengers per Hour	26.2	25.9	-0.3	-1.2%
Total Cost per Passenger	\$3.23	\$3.44	\$0.21	6.4%
Cost Recovery	35.53%	33.08%	-0.02	-6.9%
<b>Efficiency</b>				
Total Operating Cost per Revenue Hour	\$74.12	\$78.68	\$4.56	6.1%
Total Cost of Service per Revenue Hour	\$84.72	\$89.08	\$4.36	5.1%

## Information & Performance Summary

### Kelowna Regional Custom Transit

	Official AOA Amendment # 1 2006/2007	Official AOA 2007/2008 \$ / #	Variance %
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#### ANNUAL OPERATING AGREEMENT

##### BUDGET SUMMARY

Total Costs	\$1,594,363	\$1,788,286	\$193,923	12.2%
Total Revenue	\$199,750	\$209,100	\$9,350	4.7%
BCT Share of Costs	\$943,308	\$1,070,723	\$127,415	13.5%
Net Municipal Share	\$423,439	\$477,051	\$53,612	12.7%

##### PERFORMANCE SUMMARY

###### Level of Service

Population Served	173,300	176,800	3,500	2.0%
Registered Users	1,475	1,750	275	18.6%
Number of Vehicles in Service	15	16	1	6.7%
Revenue Hours of Service	27,207.96	28,272.00	1,064.04	3.9%

###### Effectiveness

Annual Revenue Passengers	149,500	155,000	5,500	3.7%
Custom/Para - Vans	105,000	107,500	2,500	2.4%
Custom/Para - Taxi Supplement	12,500	15,500	3,000	24.0%
Taxi Saver	32,000	32,000	0	0.0%
Custom Rides per Registered User	101	89	-12	-12.2%
Van Passengers per Revenue Hour	3.9	3.8	-0.1	-1.5%
Total Cost per Passenger	\$10.66	\$11.54	\$0.87	8.2%
Van Cost per Van Passenger	\$13.02	\$14.06	\$1.04	8.0%
Taxi Cost per Taxi Passenger	\$5.10	\$5.83	\$0.73	14.3%
Cost Recovery	12.53%	11.69%	-0.01	-6.7%

###### Efficiency

Total Operating Cost of Service per Reve	\$47.34	\$50.55	\$3.21	6.8%
Total Cost of Service per Revenue Hour	\$50.26	\$53.46	\$3.20	6.4%