

---

CITY OF KELOWNA

MEMORANDUM

---

**Date:** February 4, 2008  
**File No.:** 8501-01  
**To:** City Manager  
**From:** Financial Planning Manager  
**Subject:** Transit - 2007/08 Annual Operating Agreement Amendments

---

**RECOMMENDATION:**

THAT Council approve the 2007/2008 Annual Operating Agreement Amendments 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 Agreement Amendments between BC Transit, the City of Kelowna and Farwest Transportation Services Inc. covering the period April 1, 2007 to March 31, 2008.

**BACKGROUND:**

This amendment to the Annual Operating Agreements reflects service expansions that occurred in August of 2007. For conventional transit service the change reflects the new Bus Rapid Transit system from Downtown Kelowna to UBC-Okanagan and some modifications to the Rutland routes along with McCulloch and Glenmore routes. There were also a number of improvements to service on the Westside that are detailed on the B.C. Transit memo and covered through the Regional District's Annual Operating Agreement.

The total cost increase for the conventional amendment is \$2,178,500 and the revenue change is \$579,900. This provided an additional 23,605 service hours over the 2007 base level. Transit ridership for the period is expected to increase to 3,753,400 passengers and overall there is a \$911,300 increase in local cost requirements. The Kelowna portion of the net cost increase is \$341,500 and is included in the 2007 and 2008 budgets, including \$73,400 in flex funding.

For custom transit service the change is for an increase in service hours by eight hours per day (Monday to Friday) in September and a further 8 hours per day in January. There is also an increase for the Taxi Saver and Taxi Supplement programs to improve service levels.

The total cost increase for the custom amendment is \$105,500 and the revenue change is \$12,100. This provided an additional 1,648 service hours over the 2007 base level. Overall there is a \$24,700 increase in local cost requirements. The Kelowna portion of the net cost increase is \$15,300 and is included in the 2007 and 2008 budgets.

**INTERNAL CIRCULATION TO:** Transportation Manager



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**

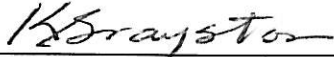
**PERSONNEL IMPLICATIONS: N/A**

**TECHNICAL REQUIREMENTS: N/A**

**EXTERNAL AGENCY/PUBLIC COMMENTS: N/A**

**ALTERNATE RECOMMENDATION: N/A**

Submitted by:



*K. Grayston, Financial Planning Manager*

Approved for Inclusion:



*Director of Financial Services*

Attach.

Cc: Transportation Manager

570 Gorge Road East,  
PO Box 610  
Victoria, British Columbia  
Canada V8W 2P3  
Phone (250) 385-2551  
Fax (250) 995-5639  
www.bctransit.com



October 12, 2007  
File: KEL.23

Ron Westlake Transportation Manager City of Kelowna 1435 Water Street Kelowna, BC V1Y 1J4	Harold Reay Treasurer Regional District of Central Okanagan 1450 KLO Road Kelowna, BC V1Y 3Z4
--	--

Dear Sirs:

**SUBJECT: Kelowna Regional Conventional 2007/08 Annual Operating Agreement Amendment**

Further to our discussions, please find enclosed the 2007/08 Annual Operating Agreement (AOA) Amendment for the Kelowna Regional Conventional transit system for approval.

An AOA Summary and an Information & Performance Summary is attached.

Once the agreements have received signature/seal from Council, please forward to Farwest Transit Services Inc. for approval with a request to return all originals to the undersigned for execution by BC Transit.

Please call if you have any questions on the attached material.

Yours truly,

Steve Segal  
Custom Program Coordinator  
Municipal Systems Program

Copy; Farwest Transit Services Inc.  
Attachments: AOA Amendments  
AOA Amendment Summary  
Information and Performance Summary

**SYSTEM:** KELOWNA REGIONAL

**TYPE OF SERVICE:** CONVENTIONAL & COMMUNITY BUS

**MUNICIPALITIES:** CITY OF KELOWNA,  
REGIONAL DISTRICT OF CENTRAL OKANAGAN  
DISTRICT OF LAKE COUNTRY

**OPERATING COMPANY:** FARWEST TRANSIT SERVICES INC.

### **BACKGROUND**

The Kelowna Regional Transit System is the largest Tier 1 system within the Municipal Systems Program, providing 118,000 revenue hours of service and carrying 3 million passengers annually. By fall 2007 it will have a total fleet of 60 buses, with up to 55 buses in peak service during school days. Three of these vehicles are low-floor hybrid buses. Community buses currently operate on three routes.

The system was last expanded in August 2006 to introduce new service to the residential neighbourhoods of Crawford Estates and Southwest Mission and improve service to the Black Mountain area.

This Amendment is for the period of August 26, 2007 to March 31, 2008.

### **SERVICE EXPANSION PROPOSAL**

#### **Service Description**

The following service expansions are proposed:

- 1. Introductory Bus Rapid Transit (BRT) Phase I & II: Downtown Kelowna to UBC-Okanagan**
  - Frequent, limited-stop service between Downtown Kelowna to Orchard Park, Rutland and UBC-Okanagan.
  - The 97 Townline service will operate from 6:00am to 6:00pm, with 15 minute frequency during weekday commuter periods, and 30 minute frequencies every half-hour outside peak periods and on Saturdays and Sundays. A limited introductory evening service Monday through Saturday will be provided.
  - When BRT trips are combined with the existing routes (University, North Rutland, South Rutland) service frequencies improve dramatically.
- 2. Introduction of #9 Shopper Shuttle**
  - Reallocation of the duplicate service between Downtown and Orchard Park to create a new #9 Shopper Shuttle.
  - Will operate seven days a week, improving frequency of service to senior residential complexes and providing access to Downtown, the Recreation Centre as well as various shopping centres.
- 3. Combining #11 South Rutland and #9 Central Rutland routes**
  - The combined route (#11 Rutland) together with minor adjustments will provide 15 minute frequencies during commuter periods between Downtown and the Central Rutland area.
  - It will provide better commuter flexibility and service reliability by improving accessibility to residential areas, reducing walking distances, providing access to more destinations (educational, recreational, etc.), and improving transfer connections.

**4. #12 McCulloch and #10 North Rutland Route Adjustments**

- Extend the #12 McCulloch route to provide improved accessibility and new transit options to certain residential areas.
- Adjust the local area routing of #10 North Rutland to streamline service into a single large loop, making service more consistent, reducing travel times and serving increased destinations.

**5. #7 Glenmore Service Reliability Improvements**

- Provide additional hours to improve schedule reliability.

**6. Westside Community Bus Conversion and Expansion**

- Operate 20-passenger community buses on the 27 Horizon and 28 Smith Creek routes as well as the introduction of limited Sunday service (3-4 trips).
- Introduction of new service to West Lake, Bear Creek and Westside roads by extending the existing 27 Horizon routing.
- Implement a new #25 East Boundary community bus route to provide service to the Sensisyusten community and residential and business destinations with 30-45 minutes service frequency during weekday peak commuter times, 60-120 minutes during weekday middays and Saturdays, and 3-4 trips on Sundays.

**7. #20 Lakeview and #24 Shannon Lake Improvements**

- Increase the schedule reliability and improve transfer connections on these routes by providing direct services to various destinations for residents in the Lakeview and Boucherie Road areas.
- Extend weekday afternoon service by 30 minutes to provide better options for commuters leaving work after 6:00pm.

**8. #21 Glenrosa Routing and Reliability Improvements**

- Implement improvements to this route to relating to providing new service to major destinations, improved service reliability and connections during weekdays and Saturdays, and adding an early evening trip to offer better flexibility for commuters traveling after 6:30pm.

**9. Introduce Interim Shuttle**

- Introduce an additional shuttle service between Westbank, Stevens Exchange and Downtown Kelowna during peak times on weekdays to improve connections for commuters traveling between the Westside and Kelowna.
- The shuttle would only be required until the completion of the Bennett Bridge and implementation of Bus Rapid Transit between Westbank and Kelowna.

**10. Westside & Peachland Extended Evening Service, Phase I**

- Address the circuitous nature of evening services by splitting the #26 Westside Night Route into two routes.
- Improve the service frequency by providing hourly service on these routes, increasing the number of trips and provide improved linkages to major destinations.

The service expansion requires 11 buses and 3 community buses.

### Market Served

The proposed expansion will benefit the following markets:

- **students** and **commuters**,
- **shoppers**,
- **seniors**,
- persons with **disabilities** in Kelowna.

The improvements address service reliability, transfer connections and improved routing.

### FINANCIAL AND PERFORMANCE SUMMARY

The summary on the following page provides the key changes in financial and performance indicators resulting from the proposed service expansion.

- This Amendment is for the period of August 26, 2007 to March 31, 2008.
- The expansion represents a 32% increase in annual service hours, and is forecast to carry an additional 896,000 passengers annually.
- The BC Transit share of costs for the new service will be \$650,000 in 2007/08 (\$1,114,000 annualized). The net local share of costs for 2007/08 is forecast to be \$911,000 (\$1,562,000 annualized) based on an expected revenue increase of \$580,000 (\$994,000 annualized). A total of \$1.0 million in expanded service is flex funded under this 2007/08 agreement amendment.

#### ANNUAL OPERATING AGREEMENT Information & Performance Summary

Kelowna Regional 2007/2008 Amendment #1 Conventional and Community Bus	2007/2008 Official Budget	Part Year Expansion	2007/2008 Amendment # 1 Budget	Variance %	Annualized Expansion	Annualized Total Budget	Variance %
<b>BUDGET SUMMARY</b>							
Total Costs	\$11,108,841	\$2,178,475	\$13,287,316	19.6%	\$3,734,529	\$14,843,370	33.6%
Total Revenue	\$3,674,410	\$579,864	\$4,254,274	15.8%	\$994,053	\$4,668,463	27.1%
BCT Share of Costs	\$4,299,613	\$650,000	\$4,949,613	15.1%	\$1,114,286	\$5,413,899	25.9%
Net Municipal Share	\$2,957,382	\$911,291	\$3,868,673	30.8%	\$1,562,213	\$4,519,595	52.8%
<b>PERFORMANCE SUMMARY</b>							
<b>Level of Service</b>							
Population Served	115,100	0	115,100	0	0	115,100	0
Number of Vehicles in Service	50	13	63	13	13	63	13
Revenue Hours of Service	124,707	23,605	148,312	23,605	40,466	165,173	32.4%
<b>Effectiveness</b>							
Annual Revenue Passengers	3,231,000	522,400	3,753,400	16.2%	895,540	4,126,540	27.7%
Conventional	3,231,000	522,400	3,753,400	16.2%	895,540	4,126,540	27.7%
Total Passengers per Hour	25.9	22.1	25.3	-2.3%	22.1	25.0	-3.6%
Total Cost per Passenger	\$3.44	\$4.17	\$3.54	3.0%	\$4.17	\$3.60	4.6%
Cost Recovery	33.08%	26.62%	32.02%	-3.2%	26.62%	31.45%	-4.9%

October 11, 2007  
File: kel.23

Ron Westlake  
Transportation  
Manager  
City of Kelowna  
1435 Water Street  
Kelowna, BC V1Y 1J4

Dear Mr. Westlake:

**SUBJECT: Kelowna Custom 2007/08 Annual Operating Agreement Amendment**

Further to our discussions, please find enclosed the 2007/08 Annual Operating Agreement (AOA) Amendment for the Kelowna Custom transit system for approval.

An AOA Summary and an Information & Performance Summary is attached.

Once the agreements have received signature/seal from Council, please forward to Farwest Transit Services Inc. for approval with a request to return all originals to the undersigned for execution by BC Transit.

Please call if you have any questions on the attached material.

Yours truly,



Steve Segal  
Custom Program Coordinator  
Municipal Systems Program

Copy; Farwest Transit Services Inc.  
Attachments: AOA Amendments  
AOA Amendment Summary  
Information and Performance Summary

**SYSTEM:** KELOWNA REGIONAL  
**TYPE OF SERVICE:** CUSTOM  
**MUNICIPALITY:** CITY OF KELOWNA  
**OPERATING COMPANY:** FARWEST TRANSIT SERVICES INC.

### **BACKGROUND**

The Kelowna Regional Custom Transit System provides custom transit service in the City of Kelowna, as well as in the Regional District of Central Okanagan in the areas of Westside and Peachland.

The system operates Monday through Saturday with 16 vehicles in-service (15 for custom & 1 for community bus). The service also includes Taxi Supplement and Taxi Saver programs as well as a travel training program. This is the largest custom transit operation in the Municipal Systems Program.

This custom service expansion is one of the service improvements recommended in the Kelowna Regional Transit System Review in 2007 as the demand for handyDART service in this area continues to grow.

### **Service Expansion Proposal**

#### **Service description**

- The custom service will be increased by 16 hours per day Monday to Friday, 8 in September and another 8 in January.
- An increase in funding of Taxi Saver and Taxi Supplement programs is proposed, to further improve levels of service.
- A total of 2 additional vehicles will provide this service. One of these will be allocated specifically to the Westside for increased handyDART service.

#### **Market Served**

The proposed expansion will benefit the following markets:

- People with a disability as well as eligible seniors providing access to medical trips, shopping, and social/recreational destinations.
- Better flexibility and access to trips for registered handyDART users.

### **Financial Forecast**

The service plan reflects a total expansion budget to the Custom Transit System of \$181,000 annually. This includes \$20,000 for Taxi Saver and \$12,000 for Taxi Supplement services.

The summary on the following page provides the key changes in financial and performance indicators resulting from the proposed service expansion.

- This Amendment is for the period of September 4, 2007 to March 31, 2008.
- The expansion represents a 10% increase in annual service hours, and is forecast to carry an additional 15,300 passengers annually.



- The BC Transit share of costs for the new service will be \$67,000 in 2007/08 (\$114,500 annualized). The net local share of costs for 2007/08 is forecast to be \$24,700 (\$42,300 annualized) based on an expected revenue increase of \$12,100 (\$21,000 annualized).

**ANNUAL OPERATING AGREEMENT  
Information & Performance Summary**

Kelowna Regional 2007/2008 Amendment #1 Custom Transit	2007/2008 Official Budget	Part Year Expansion	2007/2008 Amendment # 1 Budget	Variance %	Annualized Expansion	Annualized Total Budget	Variance %
<b>BUDGET SUMMARY</b>							
Total Costs	\$1,788,286	\$105,467	\$1,893,753	5.9%	\$180,801	\$1,969,087	10.1%
Total Revenue	\$209,100	\$12,128	\$221,228	5.8%	\$20,791	\$229,891	9.9%
BCT Share of Costs	\$1,070,723	\$68,762	\$1,137,505	6.2%	\$114,483	\$1,185,207	10.7%
Net Municipal Share	\$477,051	\$24,694	\$501,744	5.2%	\$42,332	\$519,383	8.9%
<b>PERFORMANCE SUMMARY</b>							
<b>Level of Service</b>							
Population Served	176,800	0	176,800	0	0	176,800	0
Registered Users	1,750	0	1,750	0	0	1,750	0
Number of Vehicles in Service	16	0	16	0	0	16	0
Revenue Hours of Service	28,272	1,648	29,920	1,648	2,825	31,097	10.0%
<b>Effectiveness</b>							
Annual Revenue Passengers	155,000	8,935	163,935	5.8%	15,320	170,320	9.9%
Custom/Para - Vans	107,500	6,235	113,735	5.8%	10,689	118,189	9.9%
Custom/Para - Taxi Supplement	15,500	700	16,200	4.5%	1,200	16,700	7.7%
Taxi Saver	32,000	2,000	34,000	6.3%	3,429	35,429	10.7%
Custom Rides per Registered User	89	5.1	94	5.8%	8.8	97.3	9.9%
Van Passengers per Revenue Hour	3.8	3.8	3.8	0.0%	3.8	3.80	0.0%
Total Cost per Passenger	\$11.54	\$11.80	\$11.55	0.1%	\$11.80	\$11.56	0.2%
Van Cost per Van Passenger	\$14.06	\$14.43	\$14.08	0.1%	\$14.43	\$14.19	0.9%
Taxi Cost per Taxi Passenger	\$5.83	\$5.74	\$5.83	-0.1%	\$5.74	\$5.61	-3.8%
Cost Recovery	11.69%	11.50%	11.68%	-0.1%	11.50%	11.67%	-0.2%
<b>Efficiency</b>							
Total Operating Cost of Service per Revenue Hour	\$50.55	\$51.36	\$50.59	0.1%	\$51.36	\$60.38	19.5%
Total Cost of Service per Revenue Hour	\$53.46	\$64.00	\$53.52	0.1%	\$64.00	\$63.32	18.5%