

ALTERNATIVES

1. That the 2018 – 2019 Conventional Transit Annual Operating Agreement Amendment No. 1 be approved.
2. Do not approve the 2018 – 2019 Conventional Transit Annual Operating Agreement Amendment No. 1, removing BC Transit’s obligation to cost-share in the Regional District of Nanaimo Transit Service, and that alternative direction be provided.

FINANCIAL IMPLICATIONS

Conventional Transit:

The main changes in the AOA that should be noted include:

Conventional	2018/2019 Base AOA	2018/2019 Amendment #1 AOA	\$ Change	% Change
Fixed Costs (overhead, admin wages)	\$1,002,735	\$1,002,735	\$0	0%
Variable Hourly (drivers’ wages & benefits)	\$6,744,395	\$6,811,693	\$67,298	1.0%
ICBC Insurance	\$208,233	\$210,295	\$2,062	1.0%
Variable Distance (fuel and tires)	\$630,284	\$643,646	\$13,362	2.1%
Maintenance (running repairs)	\$1,326,864	\$1,338,726	\$11,862	0.9%
Lease Fees (local share, mainly buses)	\$1,943,515	\$1,961,197	\$17,682	0.9%

The amendment AOA is based on BC Transit’s April 2018 to March 2019 year.

The costs above reflect a new schedule that was expanded by an additional 5000 hours on January 6, 2019. The changes noted above are the line items that make up the majority of the overall costs outlined in the AOA. Transit service increases are invoiced to Municipalities and Regional Areas the following year of implementation, based on a percentage of revenue hours and kilometers attributed to a participating area, as per RDN Bylaw No.1230. The expansion included two additional buses.

These costs correspond with the approved RDN 2019 budget for transit services.

The major increases to the Amendment #1 AOA budget of \$13,858,264 will be cost shared at a current rate of 53.31% RDN and 46.69% BC Transit. This represents a \$119,650 (0.9%) increase to the RDN from the 2018/19 original AOA budget and is in the Board’s approved 2019 financial plan. Further, the Board will receive the 2019/20 AOA after April 1, 2019 for review and approval.

STRATEGIC PLAN IMPLICATIONS

Focus On Service And Organizational Excellence - We Will Advocate For Transit Improvements And Active Transportation



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Reviewed by:

- D. Pearce, Director, Transportation and Emergency Services
- P. Carlyle, Chief Administrative Officer

Attachments

1. 2018 19-Jan RDN AOA Amendment No. 1
2. 2018 19 RDN AOA Amendment No.1 BCT Letter