

REGIONAL DISTRICT OF NANAIMO

REGULAR BOARD MEETING

TUESDAY, MAY 27, 2014

7:00 PM

(RDN Board Chambers)

A D D E N D U M

PAGES

- 2. LATE DELEGATIONS** (requires motion – All Directors – One Vote)
- 3 **Luke Sales, Director of Planning, Town of Qualicum Beach**, re RGS Amendment Request.
- 4 **Scott Tanner, Councillor, Town of Qualicum Beach**, re RGS Amendment Request.
- 5. COMMUNICATIONS/CORRESPONDENCE** (All Directors – One Vote)
- 5 **Jeff Lott, Nanaimo 2014 BC Summer Games**, re Let's Green the Games Together.
- 6 **Lynette Kershaw, School District 69**, re Rubberized Track Upgrade Project – Ballenas Secondary School.
- 7-10 **Michael Scott**, re Development Permit with Variance Application No. PL2013-126 – Mohan – Admiral Tryon Boulevard, Electoral Area 'G'.
- 11 **J.F. Boshier**, re Town of Qualicum Beach - Growth Containment Boundary.
- 12 **Arthur N. Skipsey**, re Town of Qualicum Beach - Growth Containment Boundary.
- 13 **Janet Raines**, re Town of Qualicum Beach - Growth Containment Boundary.
- 14 **Margaret Porter**, re Town of Qualicum Beach - Growth Containment Boundary.
- 15-16 **Ian Lindsay**, re Urban Containment Boundary, Qualicum Beach.
- 7.5 SCHEDULED STANDING, ADVISORY, AND SELECT COMMITTEES**
- Transit Select Committee**
- 17-20 **Minutes of the Transit Select Committee meeting, held Thursday, May 22, 2014**
(All Directors – One Vote).
- 21-37 **2014/2015 Conventional and Custom Annual Operating Agreement - Regional District of Nanaimo / BC Transit** (All Directors – Weighted Vote).

That the 2014/2015 Conventional and Custom Annual Operating Agreement (AOA) with BC Transit be approved.

38-43 **CNG Bus Exterior Advertising Cost Benefit Analysis** (All Directors, except Electoral Areas 'B' and 'F' – Weighted Vote).

That the Board authorize staff to advise BC Transit that the RDN will not be allowing exterior bus advertisements on the 25 CNG buses but will continue to allow exterior bus advertising on the 21 diesel buses in the RDN Transit fleet.

44-45 **Preliminary Transit Discussions with School District #68** (All Directors, except Electoral Areas 'B' and 'F' – Weighted Vote).

That staff be directed to work with School District 68, Vancouver Island University, the Town of Ladysmith and BC Transit to work toward options for providing transit service to students travelling between Nanaimo and Ladysmith Secondary schools.

NEW BUSINESS

Jeff Lott, Nanaimo 2014 BC Summer Games Society (All Directors, except Electoral Areas 'B' and 'F' – Weighted Vote).

That staff be directed to provide transportation service for the BC Summer Games on July 17, 18 and 20 and to encourage the Nanaimo Summer Games Society to forward a request for sponsorship to BC Transit to cover a portion of the costs.

Electoral Area 'E' (All Directors, except Electoral Areas 'B' and 'F' – Weighted Vote).

That staff be directed to bring forward Conventional and Custom transit expansion options and associated costs for Electoral Area 'E'.

Taxi Saver Program (All Directors, except Electoral Areas 'B' and 'F' – Weighted Vote).

That the Board direct staff to complete a cost analysis to implement a Taxi Saver and Taxi Supplement Program in Parksville and Qualicum Beach.

13. IN CAMERA

That pursuant to Sections 90 (1) (c) and (k) of the Community Charter the Committee proceed to an In Camera meeting for discussions related to labour relations, and the provision of a service.

Re: RGS Amendment Request

From: Fiona McDonald

Sent: Friday, May 23, 2014 10:01 AM

Subject: Late Delegation Request for Luke Sales, Town of Qualicum Beach

We would like to request that Luke Sales, Director of Planning, Town of Qualicum Beach, be added as a late delegation for Tuesday's Board meeting. He spoke at your Sustainability Committee meeting on May 20th. I have attached his presentation for Tuesday's meeting for you. Is there a form that we need to fill out?

Thanks and I look forward to hearing from you.

Fiona McDonald | Administrative Assistant

Town of Qualicum Beach

www.qualicumbeach.com

Re: RGS Amendment Request

From: setanner [mailto:setanner@shaw.ca]
Sent: Tuesday, May 27, 2014 12:25 PM
To: O'Halloran, Matt
Subject: Rdn board delegation

Please include me as a late delegation for tonight's RDN Board meeting re. G. C. B.
Thank you,
Scott Tanner

Sent from Samsung Mobile



Nanaimo 2014 BC Summer Games Society
PO Box 53, Stn A | Nanaimo, BC | V9R 5K4

www.bcgames.org

Get in the Games!

Regional District of Nanaimo
6300 Hammond Bay Road
Nanaimo, B.C. V9T 6N2

May 20, 2014

Attention: Board of Directors Chair Mr. Joe Stanhope

Re: Nanaimo 2014 BC Summer Games – Let’s Green the Games Together

Dear Mr. Stanhope,

The City and Regional District of Nanaimo will welcome approximately 3500 participants, families and supporters to our community as we host the 2014 BC Summer Games in July. Our planning team has been working hard now for several months, demonstrating our commitment to presenting Nanaimo as a supreme destination and a wonderful place to call home. As you may be aware, Nanaimo hosted the 2002 BC Summer Games for which we still hold the record for the largest contribution in sponsorship of any BC Games host community. Funds left at the completion of the games are the legacy which goes back into the community, generally targeted at youth and sport development.

We are asking for the Board’s consideration of supporting this significant central Vancouver Island sport tourism initiative. We plan to work with the Regional District of Nanaimo and City of Nanaimo to “green” our games and to significantly reduce the amount of solid waste during this large scale multi-day event. Our team is requesting in-kind support in the waste management cycle through covering the costs of tipping fees for our inorganic and organic waste components.

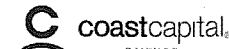
The Nanaimo 2014 BC Summer Games has been fortunate in that a number of local agencies have stepped up to support the games with ‘in kind’ and cash contributions. We are grateful for the supporters already committed to this event, including the City of Nanaimo, Vancouver Island University, School District 68 and many others. One sponsor in particular, is supporting our greening initiative and has committed to pick up all organic and inorganic components at the many venues.

Your support would be a tremendous addition to our “green” initiative. We would be pleased to meet with you to discuss this sponsorship request and our recognition of sponsors.

Best regards,


Jeff Lott
President

Nanaimo 2014 BC Summer Games
“Get in the Games!”





SCHOOL DISTRICT No. 69 (QUALICUM)

May 15, 2014

Board of Directors
Regional District of Nanaimo
6300 Hammond Bay Rd
Nanaimo, BC V9T 6N2

| RDN CAO'S OFFICE | | | |
|------------------|-------------------------------------|---------|-------------------------------------|
| CAO | <input checked="" type="checkbox"/> | GM R&P | <input checked="" type="checkbox"/> |
| GMS&CD | | GM T&SW | |
| GM R&CU | | DF | |
| MAY 21 2014 | | | |
| DCS | | BOARD | <input checked="" type="checkbox"/> |
| CHAIR | <input checked="" type="checkbox"/> | | |

Dear Board of Directors:

RE: Rubberized Track Upgrade Project – Ballenas Secondary School

Further to discussions held on May 12, 2014, this letter will confirm that the Board of Education of School District 69 (Qualicum) is supportive of the Regional District of Nanaimo's intent to have design work done (at your cost) in aid of a rubberized track upgrade project to replace the existing track surface at Ballenas Secondary School.

The Board would also be prepared to engage in conversations about the long term financial implications of undertaking such a project.

Please contact Rollie Koop, Superintendent of Schools, to arrange a time to discuss this project further.

Sincerely,

Lynette Kershaw, Board Chair

c: Board of Education
Rollie Koop, Superintendent of Schools

File: 2240-20

Michael Scott
Sylvia Zerjav
1778 Adm. Tryon
(lot 14)
May 22 2014

RDN Planning Dept,

To whom it may concern:
re: Building Permit for lot 15
(Variance Application PL2013-126)

We wish to register several objections to the notice we received regarding the above. First, a minor point regarding the timeliness of your notice. According to the postmark it was mailed on May 15th and it arrived here on May 20, giving us just six days to respond before your deadline of 1630 hrs, May 26. Your employee (Ms Kristy Marks) explained that the notice was mailed within the prescribed delay after a meeting of the planning committee on May 13th, but it is unfortunate that a Public Holiday intervened while the notice was in the mail. It might be helpful if in future such notices could be emailed. All the RDN had to do was call us to obtain our email addresses, and we could have had ten days to respond, rather than six. We would even have been prepared to come to your offices to pick up the notice by hand.

Our general objection is that this whole project runs roughshod over several clauses in Bylaw No 1469, adopted by the RDN on March 28 2006. The applicant offers no cogent reasons of public interest that would justify the setting aside of four sections of bylaw No 500, 1987.

The RDN, by administrative fiat may make these variances but they have no control over Nature itself, and a "200 year recurrence interval" might mean an event that could occur next

week. It is interesting that the RDN has thoughtfully included provisions in their proposed exemptions that would save the RDN harmless in the event of catastrophic failure of the design and architectural provisions of the applicant's proposal to avoid flooding. Should flooding occur and prove unremediable, the applicant may find himself facing corrective measures that are beyond his financial resources. We will then be faced with a large, uninhabitable, unfixable house that occupies 50 percent of the view from our house, drastically reducing the value of our own property. In this event the RDN may invoke the indemnity it has proposed for itself, but they may be sure that we will take all necessary steps to protect the value of our investment, up to and including legal action.

It seems strange to me that a Municipality can issue variances to its own regulations then hide behind indemnity clauses to protect itself from the consequences. We (MS and SZ, owner of lot 14) have no such indemnity in the event of the applicant and the RDN walking away from an unfixable situation.

The portions of the Variance Application referring to the side setbacks are of concern, but of lesser concern to us, compared to the rear setback from the banks of French Creek, and the proposed height of the building.

Objections to the height proposed:

We see that the proposed grading is 1.0 metres above the current grade and 0.5 metres **below** the flood control level ("FCL" ?) as per attachment #5.

Assuming that attachment #4 shows the proposed building within the permissible envelope, this means that the house will be 1.0 metres above what it would have been if the grading had not been increased to partially offset the risk of flooding.

1.0 metres is 39 inches, or 3 ft 3 inches!

In summary, the proposed construction is a huge structure that ignores the regulatory setbacks on three sides, plus being three feet higher than the neighbouring houses, with a foundation that is still **below the Flood Control level suggested by the RDN itself!**

"Completion Bond"

We had the unfortunate experience with our last residence in Coquitlam that we were next door to a property where the owner (a retired builder) was building a 4000 sq ft house entirely by himself. It was an unsightly building site/wasteland when we arrived in 2000, and had still not obtained an occupancy permit in 2012, when we left.

Whether or not the RDN approves these variances, it seems likely to us that some kind of permit may be issued, in which case we demand that a condition of any building permit be a bond of some kind that mandates, with penalties, the completion of the project within a reasonable time frame, say six months from the date of the permit.

Senior levels of Government:

We note that various senior levels and responsible departments have approved the application, but see no mention of the Department of Fisheries and Oceans (DFO). Have they been consulted? It seems to us that this department responds briskly and negatively when a landowner drops so much as a pebble into French Creek to prevent erosion.

SUMMARY OF OBJECTIONS:

We respectfully submit that there is absolutely no public policy or public interest justification for the granting any of these variances, and we will hold the RDN responsible for any economic consequences that we may suffer as a result. When we bought the property, we were aware that building would likely be undertaken on lot 15, and saw no objection to a modest construction that fit in with the surrounding structures, and met the building restrictions then in force. The applicant's proposal is no such structure, and should be disallowed.

Michael Scott
Sylvia Zerjav

| | | |
|------------------|---------|---|
| RDN CAO'S OFFICE | | |
| CAO | GM R&P | |
| GMS&CD | GM T&SW | |
| GM R&CU | DF | |
| MAY 22 2014 | | |
| DCS | BOARD | ✓ |
| CHAIR | | |
| | | |

230 Crescent Road E.,
Qualicum Beach, B.C.,
Canada V9K 1L6
16 May 2014

To Mr. J. Stanhope,
Chairman, RDN Board Directors,
6300 Hammond Bay Road,
Nanaimo, B.C.
Canada V9T 6N2

Dear Sir,

I am writing to protest against the efforts of the Qualicum Beach Town Council to enlarge the town's Growth Containment Boundary. A majority of the Council behave as though they are determined to make this change against the wishes of the town's inhabitants and without honest public consultation. They continually misrepresent, and sometimes even distort, what is said at public meetings. The change they propose looks as if it will be only the beginning of a vast business growth of the town, apparently to bring in much more housing development, higher apartment blocks, and even department stores. The accompanying growth in public services could only result in rising taxes, and for growth most of us do not want. The present Council seems to want Qualicum Beach to become like Parksville, which is only a few miles south of us.

My wife and I moved here from Ottawa last year because we like Qualicum Beach as it is and we had intended to stay here permanently. We hope we shall not have to escape to Victoria. Other towns near here have grown in the way the Council seems to favour and there is no obvious reason why Qualicum Beach should imitate them. This is evidently a retirement community of people who came here, like us, because they enjoy it as it is. Most of them have fixed incomes and some are wealthy – judging by the cars and houses they buy. As a whole, the town is visibly prosperous, with a wide range of banks, shops, and medical and dental offices. We think that only selfish business interests could suggest, as some Council members do, that the town is declining and in need of business growth.

Yours sincerely,



J.F. Boshier
Professor (retired)

383 Crescent Rd. West
Qualicum Beach B C V9K 1J5

May 23, 2014

Chair and Directors
Board of Directors
Nanaimo Regional District
6300 Hammond Bay Rd.
Nanaimo B C

Dear Chair and Directors:

I was disturbed by the report in the press regarding the Board's response to the concerns of those speaking against the re-alignment of the development and the Town boundaries. The Town representative on the Board is seen by most of speakers attending the so called Official Community Plan hearings (of which there have been five in the last two and a half years) as the one on Council most unwilling or unable to hear those opposed. The speakers do not see one or two, two hour meeting as adequate consideration of something as important as an O. C. P. The development boundaries plan, which Qualicum Beach was a party to, was to regulate where growth of housing and commerce could be best be allowed in view of the infrastructure, current or planned. The same holds true for the Town, and not to accommodate another developer.

This is where the fault in the functioning of the Regional system shows up: the majority of the Nanaimo directors do not have the knowledge of local conditions and don't have the time or the interest to acquaint themselves of the players. The person who spoke in favour at your meeting is a developer who owns a choice parcel of agricultural land and has for a number of years been trying to build a housing project on that land.

Those of the community who have shown they care by turning up to the meetings ask the question, why the hurry? They share a general mistrust of those who are trying to push this through. I again ask you to not agree to the proposed changes.

Yours truly,

Arthur N. Skipsey

From: Janet
Sent: Monday, May 26, 2014 9:56 AM
Subject: Fw: Board Meeting 27th May 2014

Attn: Mr. J. Stanhope, and the Board of the RDN

On Tuesday evening you will all have the opportunity to vote on the GCB changes as submitted by the Qualicum Beach Council.

I would respectfully ask you to defer this decision to a later date in order that the resident's be given the information to assess the major change to our OCP. I recently spent several hours walking the Town, with a companion, to ask residents their views on this major change. Without doubt confusion exists on all levels. Questions asked of us were: Why were we not advised in the "Noteworthy" this was occurring? (This is the Town newsletter); Why didn't we receive a letter? Where was this advertised, I read the notice board outside the Town Hall and in the Library but didn't see anything there; What effect will this have on Island Timberlands land? Will we retain the ALR, because the Province just announced no changes to it; How will this Town's infrastructure be affected?; and, we have checks and balances with the RDN.

If it is perceived that we need to overhaul the existing OCP that can be done. I note that the current council has stated that this major change is not for any impending development, so deferring this for a few months for discussion will have no impact in that regard.

Janet Raines 752-4442 525 St. Andrews Rd., Qualicum Beach.

From: Susan Porter
Sent: Monday, May 26, 2014 1:38 AM
To: Planning Email
Subject: RDN BOARD MEETING 27TH MAY

TO CHAIRMAN, MR. J.STANHOPE,
& BOARD MEMBERS.

Mr. Stanhope, Ladies and Gentlemen,
With regard to the Qualicum Beach town Council application for re aligning the GCB.

I attended the sustainability committee meeting who's consensus was that they did not want to over rule an elected body, Qualicum Beach town council.
I respectfully submit they are missing the point. We are not asking for you to interfere with our local politics.

What we want is for you to not approve their application at this point in time, but direct them to study the implications further and re- submit their applications after a FULL OCP review and full disclosure of the pros and cons to the taxpayers.

To date not a single piece of information has been given to us regarding water supply, sewers, waste water disposal, transportation, emergency planning, environmental impact.etc.etc..noting any new developments will be a good 2 kilometres from existing town centre.

We, the taxpayers have a right to know how our pockets will be impacted in the future. Respectfully you ladies and gentlemen you will not be the ones bearing any monetary costs as a result of your decisions.

Please note carefully all the delegations who have appealed to you to defer your judgement are tax payers.
Mr. David Golson, Mr. Lance Nater, Mr. Bruce Flemming-Smith, Mr. Kevin Monahan, Mr.Graham Riches, Mrs. Faye Smith, Mr.Scott Tanner.
None have any axe to grind. They Have no vested interest and are not stakeholders. None will benefit in any way financially.

Are you also aware that just about every person who wrote in support of this hasty change to our boundary are supporters or associates of Mr. Craig Dutton the sole person to gain a VAST financial advantage after this change has been speedily accomplished.

I appeal to your better judgment and good common sense to request the Town of Qualicum Beach to withdraw their application at this time.

Margaret Porter,
165 Fourth Ave West,
Qualicum Beach,
V9K 1S3 telephone 250 752 2236

May 27, 2014

Ian Lindsay
1235 Pintail Drive
Qualicum Beach, BC
V9K 1C7

Attention:
Regional District of Nanaimo
Regional Directors Meeting of May 27th 2014

RE: Urban Containment Boundary, Qualicum Beach

Dear Directors,

I am writing to you with regards to the discussion surrounding the Urban Containment Boundary issue that is before you this evening. Unfortunately I am out of town at the time and am not able to attend in person.

Our family has resided in the Qualicum Beach area for 35 years. Our children have grown up in the community and attended the local schools, participated in a wide range of extra-curricular activities and had a very good small town upbringing. We have all been a part of the ongoing changes that have occurred as Qualicum Beach has grown from a small village into a “quaint” retirement town. We have all witnessed and or been a part of the growth and change that has come to the area.

Change has included the swimming pool, Heritage Forest, Civic Centre, an expanded trails network and more. It has also included the advancement of development within the town core, expansion of residential housing of various densities throughout the town and other change. I could dwell on trails that we used to ride through the woods on bicycles becoming major roadways or wooded areas that have become subdivisions; however, all of that has been part of the longer term planning that has allowed for many of the newer residents of the past 10 or 15 years to reside here. One has to look at the big picture as a small community comes of age.

I personally may be more aware of the changes, benefits gained and opportunities lost over the years than others that have arrived in recent years due to my personal involvement in the real-estate industry. My business background has been in residential and commercial real estate sales, development, strategic planning and ownership. I look at our community from both the ongoing community perspective and from that of having the right controls in place for the future of our town and surrounding areas for the benefit of all residents.

A number of years ago the Urban Containment Boundary concept was created. While the concept had some merit, the application of the boundary itself to the Town of Qualicum Beach was flawed from the outset. The boundary was drawn along the lines of the Agricultural Reserve and was within the town boundaries. This in effect gave the RDN the right to determine the future of ANY property within that

section of the town of Qualicum Beach itself. It added a layer of technical bureaucracy (at a minimum) over a large section of rural based lands within the Town of Qualicum Beach. Decisions involving such lands would be made by those that represent other parts of Vancouver Island and whom have not been voted for by local residents. This is not in the best interest of Qualicum Beach.

Qualicum Beach has a long history of being creative and innovative. In doing so it has developed one of the most interesting and beautiful smaller communities on Vancouver Island. Removing the Urban Containment Boundary will not change that initiative, care, or concern for the future; however, it will right a wrong that was created years ago.

Now is an excellent time for the RDN to move forward, focus on its core priorities and make the changes as to the Urban Containment Boundary located within the Town of Qualicum Beach.

Thank you for your attention to this matter.

Sincerely yours,

Ian Lindsay

DISTRICT OF NANAIMO

MINUTES OF THE TRANSIT SELECT COMMITTEE MEETING HELD ON THURSDAY, MAY 22, 2014 AT 12:00 NOON IN THE RDN COMMITTEE ROOM

Present:

| | |
|-----------------------|------------------------|
| Director D. Brennan | Chairperson |
| Director A. McPherson | Electoral Area 'A' |
| Director G. Holme | Electoral Area 'E' |
| Director B. Veenhof | Electoral Area 'H' |
| Director M. Lefebvre | City of Parksville |
| Director J. DeJong | District of Lantzville |
| Director B. Bestwick | City of Nanaimo |
| Director T. Greves | City of Nanaimo |
| Director G. Anderson | City of Nanaimo |

Also in Attendance:

| | |
|--------------|---|
| D. Trudeau | Gen. Mgr, Transportation & Solid Waste Services, RDN |
| D. Pearce | Manager, Transit Operations, RDN |
| M. Moore | Senior Regional Transit Manager, BC Transit |
| M. Sheehan | Director, Sales and Marketing, BC Transit |
| P. Turin | Secretary-Treasurer, School District No. 68 |
| P. Sabo | Director of Planning & Operations, School District No. 68 |
| D. Provost | Transportation Supervisor, School District No. 68 |
| D. Neary | Chair, Board of Education, School District No. 68 |
| F. McFarlane | Recording Secretary, RDN |

CALL TO ORDER

The meeting was called to order at 12:00 pm by the Chair.

DELEGATION

The delegation from School District No. 68 (SD 68) provided information on discussions with the RDN on expanding bus services to Cedar and Ladysmith. With the closure of Cedar Secondary School, students and parents were given a one-time option of choosing Ladysmith Secondary School (LSS) rather than John Barsby Secondary School (JBSS), their catchment area school. Students, who choose to attend LSS, are responsible for their own transportation whereas those who choose to attend JBSS are provided transportation through SD 68.

MINUTES

MOVED Director DeJong, SECONDED Director Holme that the minutes of the regular Transit Select Committee meeting held February 20, 2014 be adopted. CARRIED

CORRESPONDENCE

Mrs. Noreen Bosnich, Qualicum Beach, BC, re Request for More Public Transportation.

Correspondence was received from Noreen Bosnich, requesting more public transportation for the Oceanside area.

Mr. Lorne Cooper, Nanaimo, BC, re New CNG Fleet.

An email was received from Lorne Cooper noting the improvement in service with the addition of the new CNG buses.

MOVED Director Anderson, SECONDED Director Lefebvre that the above correspondence be received.

CARRIED

BC TRANSIT UPDATES

Transit Future Plan Update

M. Moore noted that she had nothing direct to report but would be commenting on other items in the agenda.

[12:32pm Director McPherson joined the meeting.]

REPORTS

2014/2014 Conventional and Custom Annual Operating Agreement - Regional District of Nanaimo / BC Transit.

D. Pearce reviewed the report. It was noted that the increase in maintenance for Conventional transit was due to the CNG buses and the new technology required in servicing them. Custom transit experienced a decrease in costs with the change to the new Arboc buses.

MOVED Director Veenhoff, SECONDED Director Anderson that the 2014/2015 Conventional and Custom Annual Operating Agreement (AOA) with BC Transit be approved.

CARRIED

CNG Bus Exterior Advertising Cost Benefit Analysis.

The costs and benefits of CNG bus exterior advertising were discussed. M. Sheehan, Director, Sales and Marketing, BC Transit, noted that the revenue, which is received from transit systems across BC (excluding the City of Vancouver) that utilize exterior advertising, does not offset the costs of repairs.

MOVED Director Anderson, SECONDED Director Veenhoff that the Board authorize staff to advise BC Transit that the RDN will not be allowing exterior bus advertisements on the 25 CNG buses but will continue to allow exterior bus advertising on the 21 diesel buses in the RDN Transit fleet.

CARRIED

NEW BUSINESS

Communications/Correspondence

Jeff Lott, Nanaimo 2014 BC Summer Games Society

D. Trudeau gave an overview of the 2014 Summer Games Society's request for transit. D. Trudeau indicated that the RDN could supply up to ten (10) buses on the requested days at a cost of \$22,500.00.

MOVED Director Lefebvre, SECONDED Director Greves that staff be directed to provide transportation service for the BC Summer Games on July 17, 18 and 20.

The motion was amended to read:

MOVED Director Lefebvre, SECONDED Director Greves that staff be directed to provide transportation service for the BC Summer Games on July 17, 18 and 20 and to encourage the Nanaimo Summer Games Society to forward a request for sponsorship to BC Transit to cover a portion of the costs. CARRIED

Electoral Area 'E'

MOVED Director Holme, SECONDED Director Veenhoff that the Board direct staff be directed to bring forward Conventional and Custom transit expansion options and associated costs for Electoral Area 'E'. CARRIED

[1:42pm Director Brennan left the meeting.]

[1:44pm Director Veenhoff left the meeting.]

Preliminary Transit Discussions with School District #68.

MOVED Director Lefebvre, SECONDED Director Bestwick that staff be directed to work with School District 68, Vancouver Island University, the Town of Ladysmith and BC Transit to work toward options for providing transit service to students travelling between Nanaimo and Ladysmith Secondary schools. CARRIED

Taxi Saver Program

MOVED Director Lefebvre, SECONDED Director Bestwick that the Board direct staff to complete a cost analysis to implement a Taxi Saver and Taxi Supplement Program in Parksville and Qualicum Beach. CARRIED

ADJOURNMENT

MOVED Director Lefebvre that the meeting be adjourned. CARRIED

NEXT MEETING

The next meeting of the Transit Select Committee is set tentatively for Thursday, July 17, 2014, in the RDN Committee Room.

CHAIRPERSON

TO: Dennis Trudeau
General Manager, Transportation & Solid Waste Services

DATE: April 28, 2014

FROM: Daniel Pearce
Manager, Transit Operations

FILE: 2240-20-TROA

SUBJECT: 2014/2015 Conventional and Custom Annual Operating Agreement –
Regional District of Nanaimo / BC Transit

PURPOSE

To bring forward the 2014/2015 Conventional and Custom Annual Operating Agreement (AOA) for the Regional District of Nanaimo Transit System, with BC Transit, for consideration and approval.

BACKGROUND

The Annual Operating Agreement (AOA) (*Appendix 1*) between the Regional District of Nanaimo (RDN) and BC Transit is renewed on an annual basis and provides the cost-sharing service arrangements for Conventional and Custom Transit services in Districts 68 and 69 for the period of April 1, 2014 to March 31, 2015.

The AOA is an agreement governing items such as service specifications, payment schedules, fares and days/hours of service that will be provided for cost-sharing purposes. As with previous AOA's there are costs that fall outside of the scope of the annual agreement. These items include the RDN interdepartmental administration charges, fare product commissions paid to vendors, building rentals, maintenance of bus stops, training for existing staff members (drivers), advertising done outside the AOA marketing budget and janitorial services.

FINANCIAL ANALYSIS
Conventional Transit:

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

| CONVENTIONAL | 2013/2014 AOA | 2014/2015 AOA | \$ CHANGE | % CHANGE |
|---|--------------------------|--------------------------|----------------------|---------------------|
| Fixed Costs (total cost, overhead, admin. wages) | \$913,571 | \$931,843 | \$18,272 | 2% |
| Variable Hourly (total cost, drivers' wages and benefits) | \$5,657,328 | \$5,778,872 | \$121,544 | 2% |
| Variable Fuel (total cost, fuel and tires) | \$2,188,417 | \$1,614,506 | \$573,911 | -53% |
| Fleet Maintenance (total cost, running, major and accident repairs) | \$1,177,000 | \$1,665,432 | \$488,432 | 38% |
| Lease Fees (local share, mainly buses) | \$1,224,948 | \$1,668,721 | \$443,773 | 31% |
| BC Transit Management Services (local share) | \$648,146 | \$667,590 | \$19,444 | 3% |

The changes noted above are the line items that make up the majority of the overall costs outlined in the AOA. The Conventional Transit costs are cost-shared with BC Transit at a current rate of 46.67%.

The main increases to the Conventional system in the 2014/2015 AOA are for fleet maintenance and lease fees, due to the twenty-five (25) new CNG buses. The budget reflects fuel savings due to the replacement of the older diesel buses with CNG buses and also reflects higher maintenance costs due to the CNG buses potentially needing more maintenance than the conventional diesel buses.

Custom Transit:

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

| CUSTOM | 2013/2014 AOA | 2014/2015 AOA | \$ CHANGE | % CHANGE |
|---|--------------------------|--------------------------|----------------------|---------------------|
| Fixed Costs (total cost, overhead, admin. wages) | \$203,300 | \$207,365 | \$4,065 | 2% |
| Variable Hourly (total cost, drivers' wages and benefits) | \$1,019,603 | \$1,040,794 | \$21,191 | 2% |
| Variable Fuel (total cost) | \$173,916 | \$173,169 | -\$747 | 0% |
| Fleet Maintenance (total cost, running, major and accident repairs) | \$144,310 | \$109,480 | -\$34,830 | -31% |
| Lease Fees (local share, mainly buses) | \$246,214 | 263,354 | \$17,140 | 7% |
| BC Transit Management Services (local share) | \$112,765 | \$116,148 | \$3,383 | 3% |

The changes noted above are the line items that make up the majority of the overall costs outlined in the AOA. The Custom Transit costs are cost-shared with BC Transit at a current rate of 66.69%.

The main changes to the Custom system are for increased costs with the new low floor ARBOC buses and decreased maintenance costs; the ARBOC buses require less maintenance than the older Ford Polar buses they are replacing.

ALTERNATIVES

1. That the Board approve the 2014/2015 Conventional and Custom Transit Annual Operating Agreement as presented.
2. That the Board not approve the 2014/2015 Conventional and Custom Transit Annual Operating Agreement and provide further direction to staff.

FINANCIAL IMPLICATIONS

Under Alternative 1 the 2014/2015 Conventional and Custom Transit AOA total budget is \$15,154,425, which is an increase of \$790,551 from the 2013/2014 AOA. Transportation Services staff and Financial Services staff have reviewed these costs and they are in line with the approved RDN 2014 budget for transit services.

Under Alternative 2, if the Board does not approve the AOA, it will remove BC Transit's obligation to cost-share in the service.

SUSTAINABILITY IMPLICATIONS

The Transportation Services Department is working continuously on improving the viability and efficiency of public transit. The Annual Operating Agreement is a fundamental agreement that allows

the Regional District of Nanaimo to enter into a cost-sharing arrangement with BC Transit. Residents within the RDN rely on public transit, whether it is for Conventional or Custom transit. The options provided by public transit enable residents to leave their cars at home while they take the bus to work, to school, to medical appointments or for other equally important reasons.

SUMMARY/CONCLUSION


BC Transit has forwarded the Annual Operating Agreement covering the period April 1, 2014 to March 31, 2015 for the RDN Conventional and Custom (handyDART) Transit services. Transportation Services staff and Financial Services staff have reviewed this AOA in conjunction with the approved RDN 2014 budget for transit services.

The 2014/2015 Conventional and Custom Transit AOA indicates a budget of \$15,154,425 that is cost-shared between the RDN and BC Transit. Staff have reviewed the AOA costs for Conventional Transit and these can be explained by increased costs due to inflation and actual increases in service.


Staff recommend that the Board approve the 2014/2015 Conventional and Custom Transit Annual Operating Agreement with BC Transit.

RECOMMENDATION

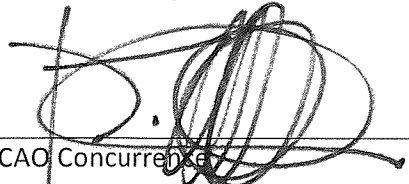
That the 2014/2015 Conventional and Custom Annual Operating Agreement (AOA) with BC Transit be approved.



Report Writer



General Manager Concurrence



CAO Concurrence

APPENDIX 1

NANAIMO

**ANNUAL OPERATING AGREEMENT
(CONVENTIONAL/CUSTOM)**

Between

THE REGIONAL DISTRICT OF NANAIMO

And

BRITISH COLUMBIA TRANSIT

APRIL 1, 2014 TO MARCH 31, 2015

**INFORMATION CONTAINED IN SCHEDULE "C" – BUDGET AND SCHEDULE "D" – PAYMENT
SCHEDULE IS SUBJECT TO FREEDOM OF INFORMATION & PROTECTION OF PRIVACY ACT.**

**CONSULT WITH BC TRANSIT PRIOR TO RELEASING INFORMATION IN THESE SCHEDULES TO
INDIVIDUALS OR COMPANIES OTHER THAN THOSE WHO ARE PARTY TO THIS AGREEMENT.**

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ANNUAL OPERATING AGREEMENT

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ANNUAL OPERATING AGREEMENT

BETWEEN: THE REGIONAL DISTRICT OF NANAIMO
(the "Municipality" and the "Operating Company")

AND: BRITISH COLUMBIA TRANSIT
(the "Authority")

WHEREAS the Municipality and the Authority are authorized to share in the costs of providing a Public Passenger Transportation System pursuant to the British Columbia Transit Act

WHEREAS the Municipality is authorized to operate, manage and maintain a Public Passenger Transportation System within the Nanaimo Regional Transit Service Area.

WHEREAS the parties hereto have entered into a Master Operating Agreement effective which sets out the general rights and responsibilities of the parties hereto

AND WHEREAS the parties hereto wish to enter into an Annual Operating Agreement which sets out, together with the Master Agreement, the specific terms and conditions for the operation of the Public Passenger Transportation System for the upcoming term.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and of the covenants herein contained, the parties covenant and agree with each other as follows:

SECTION 1 – DEFINITION OF TERMS

- 1.1 Definitions: Unless agreed otherwise in the Annual Operating Agreement, the definitions set out in the Master Agreement shall apply to this Annual Operating Agreement including:
- (a) "Annual Operating Agreement" shall mean this Annual Operating Agreement and any Annual Operating Agreement Amendment negotiated and entered into by the parties subsequent hereto;
 - (b) "Master Agreement" shall mean the Master Joint Operating Agreement, including any amendments made thereto;

SECTION 2 – INCORPORATION OF MASTER AGREEMENT

- 2.1 Incorporation of Master Agreement into Annual Operating Agreement: Upon execution, this Annual Operating Agreement shall be deemed integrated into the Master Agreement and thereafter the Master Agreement and the current Annual Operating Agreement shall be read together as a single integrated document and shall be deemed to be the Annual Operating Agreement for the purposes of the British Columbia Transit Act, as amended from time to time.
- 2.2 Amendments to Master Agreement: The parties agree to amend the Master Agreement as follows:
- (a) To remove Section 13 in its entirety and replace it with the following:

"SECTION 13 - INSURANCE

13.1 Insurance: The Operating Company and the Authority shall purchase and maintain in force throughout the term of this Master Agreement, insurance policies covering the perils specified herein as set out below. As evidence of insurance coverage, the Operating Company shall deposit with the Authority, copies of the insurance policies the Operating Company is required to purchase in accordance with this Master Agreement and the Annual Operating Agreement.

13.2 Minimum Insurance Coverage Requirements: The following insurance coverage shall be purchased and maintained throughout the term of this Master Agreement

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and the Annual Operating Agreement:

1. Vehicle Insurance:

a) The Operating Company shall purchase and maintain insurance on all vehicles used by the Operating Company in the operation of the Public Passenger Transportation System under this Master Agreement as follows:

i) Third party liability insurance of Five Million Dollars (\$5,000,000.00) per occurrence purchased from the Insurance Corporation of British Columbia.

b) The Authority shall purchase and maintain insurance on all revenue vehicles used by the Operating Company in the operation of the Public Passenger Transportation System under this Master Agreement as follows:

i) Third Party Liability insurance in excess of Five Million Dollars (\$5,000,000.00) to a minimum limit of Twenty-Five Million Dollars (\$25,000,000.00).

ii) Collision or upset insurance \$5,000.00 deductible.

iii) Comprehensive insurance covering hazards such as fire, theft, vandalism, glass breakage, falling trees, wind-storms, etc. \$500.00 deductible.

2. Physical Assets Leased from the Authority :(where applicable)

a) The Authority shall purchase and maintain insurance on all Physical Assets leased from the Authority, pursuant to the terms of the individual lease agreements with the Operating Company and respecting said Physical Assets.

b) Without limiting the generality of the foregoing, such insurance shall be in the name of the Authority and shall include a waiver of subrogation against the Operating Company. The insurance shall be in accordance with the laws in force and in effect in the Province of British Columbia and Canada.

c) The amount of such insurance for the respective categories of Physical Assets shall be not less than as follows:

i) Buildings and Structures Including Leasehold Improvements. The Authority shall purchase and maintain insurance on all buildings and structures on a standard all risk form including boiler explosion, flood and earthquake where applicable, in an amount not less than the full replacement value thereof as determined by the Authority.

ii) Other Chattels and Equipment. The Operating Company shall purchase and maintain insurance on all chattels and equipment not otherwise insured under this Schedule against loss or damage from all risks, in an amount not less than the full replacement value thereof.

d) The Authority may, in its sole discretion, self-insure part or all of the insurance requirements hereunder.

3. Physical Assets Owned by the Operating Company or Leased from a Party other than the Authority

a) The Operating Company shall purchase and maintain insurance on all Physical Assets owned or leased by them from a party other than the Authority, to the same extent as specified in Section (2), above, except that contrary to Section (2) the Operating Company shall determine the full replacement value thereof.

4. Comprehensive General Liability Insurance:

a) The Authority shall take out and maintain comprehensive general liability insurance (CGL) covering the operation of the Public Passenger Transportation System specified in Schedule "B" of the Annual Operating Agreement on an occurrence basis in an amount not less than Twenty-Five Million Dollars (\$25,000,000.00). Such insurance shall include the Operating Company and the Municipality as an additional insured party and further, the policy shall apply to each insured in the same manner and to the same extent as if a separate policy has been issued to each of the insured parties.

b) The Authority's CGL does not extend to cover non-transit activities a company may be engaged in. If the Operating Company performs work outside of the terms of this Master Agreement and/or the Annual Operating Agreement, the Operating Company will require separate insurance coverage for that work which

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provides a waiver of subrogation in favour of BC Transit.

5. Additional Covenants:

a) The Operating Company covenants that it shall not knowingly permit, suffer, allow or connive at the use or operation of any vehicle in respect of this Master Agreement by any person, or in any way, or for any purpose, contrary to the provisions of this Master Agreement or the provisions of the Insurance (Vehicle) Act or any other applicable legislation and related regulations. The Operating Company shall indemnify and save harmless the Authority from any breach of this covenant.

b) It is mutually understood and agreed that the responsibilities to acquire and maintain policies of insurance pursuant to this Master Agreement and/or the Annual Operating Agreement shall be restricted and limited to the provisions of this Section 13."

SECTION 3 – TERM AND RENEWAL

- 3.1 Term and Renewal: The term of this agreement shall be from April 1, 2014 to March 31, 2015 except as otherwise provided herein. It is acknowledged by the parties that in the event of termination or non-renewal of the Annual Operating Agreement, the Master Agreement shall likewise be terminated or not renewed, as the case may be.

SECTION 4 – SCHEDULES

- 4.1 Schedules: The schedules attached hereto shall form part of the Annual Operating Agreement and be binding upon the parties hereto as though they were incorporated into the body of this Agreement.

- a) Schedule "A" – Transit Service Area
- b) Schedule "B" - Service Specifications
- c) Schedule "C" - Budget
- d) Schedule "D" – Payment Schedule
- e) Schedule "E" – Tariff-Fares

SECTION 5 – MISCELLANEOUS PROVISIONS

- 5.1 Amendment: This Annual Operating Agreement and the Schedules attached hereto may be amended only with the prior written consent of all parties.
- 5.2 Assignment: This Annual Operating Agreement shall not be assignable without the prior written consent of the other parties.
- 5.3 Enurement: The Annual Operating Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors.
- 5.4 Pets on Buses: Notwithstanding the provisions of Section 9.7 of the Master Joint Operating Agreement, pets on buses are permitted under guidelines agreed to by the parties to this agreement.
- 5.5 Alternative Funding Arrangements: For the period beginning on April 1, 2014 and ending on March 31, 2015, the Municipality shall contribute 100% of the Municipal Flex Funded amount identified in Schedule C, and the Municipality and the Authority shall share the balance of the remaining costs according to their funding contribution shares as per Section 7 of the *British Columbia Transit Regulation*, B.C. Reg 30/91.

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SECTION 6 – NOTICES AND COMMUNICATION

All notices, claims and communications required or permitted to be given hereunder shall be in writing and shall be sufficiently given if personally delivered to a responsible officer of the party hereto to whom it is addressed or if mailed by prepaid registered mail, to:

Regional District of Nanaimo
c/o Manager of Transportation Services
6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

and to

BC Transit
c/o Chief Operating Officer
520 Gorge Road East
Victoria, BC V8W 2P3

and, if so mailed during regular mail service, shall be deemed to have been received five (5) days following the date of such mailing.

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IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals and where a party is a corporate entity the seal of such party has been affixed hereto in the presence of its duly authorized officer this day of

THE CORPORATE SEAL OF THE
REGIONAL DISTRICT OF NANAIMO has
been hereto affixed in the presence of:

THE COMMON SEAL OF BRITISH
COLUMBIA TRANSIT
has been hereto affixed in the presence of:

CHIEF OPERATING OFFICER

CHIEF FINANCIAL OFFICER

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SCHEDULE "A" - Transit Service Area Boundaries

The boundaries of the Municipal Transit Service Area shall be defined as follows:

The boundaries of the Nanaimo Regional Transit Service Area shall include the corporate boundaries of the City of Nanaimo, the City of Parksville, the Town of Qualicum Beach and the District of Lantzville and Electoral Areas A, D, E, G and H of the Regional District of Nanaimo.

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SCHEDULE "B" – Service Specifications

Nanaimo Regional Base Budget Official AOA 2014/2015

Schedule "B"
 Effective Apr 01, 2014

Scheduled Revenue Service

| 14/15 Apr to Jun (Apr 01, 2014 to Jun 31, 2014) | | | | | | | | | | |
|---|----------|----------|----------|----------|----------|-----|-----|--------------|--------------|----------|
| | Mon | Tue | Wed | Thu | Fri | Sat | Sun | Apr 21, 2014 | May 19, 2014 | |
| HW/Day | 376.68 | 376.68 | 376.68 | 376.68 | 376.67 | | | 261.45 | 136.93 | 136.93 |
| Kms/Day | 9,219.73 | 9,219.73 | 9,219.73 | 9,219.73 | 9,208.92 | | | 6,471.99 | 3,210.20 | 3,210.20 |
| 14/15 Jun to Aug (Jun 28, 2014 to Sep 01, 2014) | | | | | | | | | | |
| HW/Day | 325.12 | 325.12 | 325.12 | 325.12 | 325.12 | | | 261.45 | 136.93 | 136.93 |
| Kms/Day | 7,969.43 | 7,969.43 | 7,969.43 | 7,969.43 | 7,969.43 | | | 6,471.99 | 3,210.20 | 3,210.20 |
| 14/15 Sep to Dec (Sep 02, 2014 to Dec 25, 2014) | | | | | | | | | | |
| HW/Day | 376.68 | 376.68 | 376.68 | 376.68 | 376.67 | | | 261.45 | 136.93 | 136.93 |
| Kms/Day | 9,219.73 | 9,219.73 | 9,219.73 | 9,219.73 | 9,208.92 | | | 6,471.99 | 3,210.20 | 3,210.20 |
| 14/15 Dec to Jan (Dec 21, 2014 to Jan 03, 2015) | | | | | | | | | | |
| HW/Day | 325.12 | 325.12 | 325.12 | 325.12 | 325.12 | | | 261.45 | 136.93 | 136.93 |
| Kms/Day | 7,969.43 | 7,969.43 | 7,969.43 | 7,969.43 | 7,969.43 | | | 6,471.99 | 3,210.20 | 3,210.20 |
| 14/15 Jan to Mar (Jan 04, 2015 to Mar 31, 2015) | | | | | | | | | | |
| HW/Day | 376.68 | 376.68 | 376.68 | 376.68 | 376.67 | | | 261.45 | 136.93 | 136.93 |
| Kms/Day | 9,219.73 | 9,219.73 | 9,219.73 | 9,219.73 | 9,208.92 | | | 6,471.99 | 3,210.20 | 3,210.20 |

Extra Revenue Service

| | Apr. 2014 | May 2014 | Jun 2014 | Jul 2014 | Aug 2014 | Sep 2014 | Oct 2014 | Nov 2014 | Dec 2014 | Jan 2015 | Feb 2015 | Mar 2015 |
|---------------------------------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Extra Overhead Hours | 20.00 | 15.00 | | | | 55.32 | 35.00 | 20.00 | 20.00 | 20.00 | 20.00 | 19.00 |
| Extra Overhead Kilometers | 420.00 | 420.00 | | | | 1,300.00 | 745.00 | 400.00 | 420.00 | 420.00 | 420.00 | 420.00 |
| Extra Special Events Hours | | | | 45.25 | | | | | | | | |
| Extra Special Events Kilometers | | | | 846.24 | | | | | | | | |

Adjusted Revenue Service

| | Apr. 2014 | May 2014 | Jun 2014 | Jul 2014 | Aug 2014 | Sep 2014 | Oct 2014 | Nov 2014 | Dec 2014 | Jan 2015 | Feb 2015 | Mar 2015 |
|--|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | | | | | | | | | | | | |

2014/2015 Calendar Specification

| Period | Mon | Tue | Wed | Thu | Fri | Sat | Sun | Exceptions | Total | Exception Days |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|--|
| Apr 01, 2014 to Apr 30, 2014 | 3 | 4 | 5 | 6 | 4 | 5 | 4 | 4 | 30 | Apr 18, 2014 Good Friday 2014 (Fri) |
| May 01, 2014 to May 31, 2014 | 3 | 4 | 4 | 4 | 5 | 5 | 4 | 4 | 31 | Apr 21, 2014 Easter Monday 2014 (Mon) |
| Jun 01, 2014 to Jun 30, 2014 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 30 | May 19, 2014 Victoria Day 2014 (Mon) |
| Jun 29, 2014 to Jun 30, 2014 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 2 | Jul 01, 2014 Canada Day 2014 (Tue) |
| Jul 01, 2014 to Jul 31, 2014 | 4 | 4 | 4 | 5 | 4 | 4 | 4 | 4 | 31 | Aug 04, 2014 BC Day 2014 (Mon) |
| Aug 01, 2014 to Aug 31, 2014 | 3 | 4 | 4 | 4 | 4 | 5 | 5 | 0 | 31 | Sep 01, 2014 Labour Day 2014 (Mon) |
| Sep 01, 2014 to Sep 30, 2014 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 0 | 30 | Oct 13, 2014 Thanksgiving Day 2014 (Mon) |
| Aug 01, 2014 to Sep 01, 2014 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 0 | 29 | Nov 11, 2014 Remembrance Day 2014 (Tue) |
| Sep 02, 2014 to Sep 30, 2014 | 4 | 5 | 4 | 4 | 4 | 4 | 4 | 0 | 31 | Dec 25, 2014 Christmas Day 2014 (Thu) |
| Oct 01, 2014 to Oct 31, 2014 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 1 | 30 | Dec 26, 2014 Boxing Day 2014 (Fri) |
| Nov 01, 2014 to Nov 30, 2014 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 1 | 29 | Jan 01, 2015 New Year's Day 2015 (Thu) |
| Dec 01, 2014 to Dec 31, 2014 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 31 | Feb 09, 2015 Family Day 2015 (Mon) |
| Dec 21, 2014 to Dec 31, 2014 | 2 | 2 | 2 | 2 | 0 | 0 | 1 | 2 | 13 | |
| Jan 01, 2015 to Jan 03, 2015 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 1 | 3 | |
| Jan 04, 2015 to Jan 31, 2015 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 0 | 28 | |
| Feb 01, 2015 to Feb 28, 2015 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 1 | 28 | |
| Mar 01, 2015 to Mar 31, 2015 | 5 | 5 | 4 | 4 | 4 | 4 | 4 | 0 | 31 | |
| Total | 46 | 51 | 50 | 50 | 50 | 52 | 52 | 12 | 304 | 13 Exceptions |

Monthly Summary

| Month | Conventional Transit | | | | | | |
|----------------|----------------------|---------------|-------------|-------------------|---------------------|-----------------|---------------------|
| | Schedule | Revenue Hours | | | Revenue Kilometers | | |
| | | Extra | Adjusted | Total | Schedule | Extra | Adjusted |
| April 2014 | 8,270.02 | 20.00 | | 8,290.02 | 226,541.12 | 420.00 | 226,961.12 |
| May 2014 | 9,812.13 | 15.00 | | 9,827.13 | 242,371.23 | 420.00 | 242,791.23 |
| June 2014 | 9,597.13 | 0.00 | | 9,597.13 | 234,579.73 | 0.00 | 234,579.73 |
| July 2014 | 8,863.09 | 45.35 | | 8,908.44 | 217,208.42 | 546.24 | 217,754.66 |
| August 2014 | 8,651.25 | 0.00 | | 8,651.25 | 211,509.75 | 0.00 | 211,509.75 |
| September 2014 | 9,648.69 | 55.32 | | 9,704.01 | 236,193.05 | 1,300.00 | 237,493.05 |
| October 2014 | 10,627.26 | 35.00 | | 10,662.26 | 245,116.97 | 745.00 | 245,861.97 |
| November 2014 | 8,293.71 | 20.00 | | 8,313.71 | 227,072.78 | 420.00 | 227,492.78 |
| December 2014 | 8,327.34 | 20.00 | | 8,347.34 | 228,259.06 | 420.00 | 228,679.06 |
| January 2015 | 8,722.65 | 20.00 | | 8,742.65 | 237,841.54 | 420.00 | 238,261.54 |
| February 2015 | 8,895.33 | 20.00 | | 8,915.33 | 217,330.56 | 420.00 | 217,750.56 |
| March 2015 | 10,025.37 | 19.00 | | 10,044.37 | 245,048.78 | 420.00 | 245,468.78 |
| Total | 113,243.05 | 269.87 | 0.00 | 113,512.92 | 2,768,331.05 | 5,531.24 | 2,773,862.29 |

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SCHEDULE "B" – Service Specifications

Nanaimo Custom Base Budget Official AOA 2014/2015

Schedule 'B'

Effective Apr 01, 2014

Scheduled Revenue Service

| 14/15 Full Year (Apr 01, 2014 to Mar 31, 2015) | | | | | | | |
|--|-------|--------|--------|--------|--------|-------|------|
| | Mon | Tue | Wed | Thu | Fri | Sat | Sun |
| hrs/Day | 62.00 | 104.00 | 104.00 | 102.00 | 100.00 | 24.00 | 8.00 |
| kms/Day | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Flexible Hours

| | Apr. 2014 | May 2014 | Jun. 2014 | Jul. 2014 | Aug. 2014 | Sep. 2014 | Oct. 2014 | Nov. 2014 | Dec. 2014 | Jan. 2015 | Feb. 2015 | Mar. 2015 |
|--|-----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 53.20 | 53.20 | 53.20 | 53.20 | 53.20 | 53.20 | 53.20 | 53.20 | 53.20 | 53.20 | 53.20 | 53.20 |

Extra Revenue Service

| | Apr. 2014 | May 2014 | Jun. 2014 | Jul. 2014 | Aug. 2014 | Sep. 2014 | Oct. 2014 | Nov. 2014 | Dec. 2014 | Jan. 2015 | Feb. 2015 | Mar. 2015 |
|--|-----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | | | | | | | | | | | |

Adjusted Revenue Service

| | Apr. 2014 | May 2014 | Jun. 2014 | Jul. 2014 | Aug. 2014 | Sep. 2014 | Oct. 2014 | Nov. 2014 | Dec. 2014 | Jan. 2015 | Feb. 2015 | Mar. 2015 |
|--|-----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | | | | | | | | | | | |

2014/2015 Calendar Specification

| Period | Mon | Tue | Wed | Thu | Fri | Sat | Sun | Exceptions | Total | Exception Days |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|--|
| Apr 01, 2014 to Apr 30, 2014 | 3 | 5 | 5 | 4 | 3 | 4 | 4 | 2 | 30 | Apr 19, 2014 Good Friday 2014 (Fri) |
| May 01, 2014 to May 31, 2014 | 3 | 4 | 4 | 5 | 5 | 5 | 4 | 1 | 31 | Apr 21, 2014 Easter Monday 2014 (Mon) |
| Jun 01, 2014 to Jun 30, 2014 | 5 | 4 | 4 | 4 | 4 | 4 | 6 | 0 | 30 | May 19, 2014 Victoria Day 2014 (Mon) |
| Jul 01, 2014 to Jul 31, 2014 | 4 | 4 | 5 | 5 | 4 | 4 | 4 | 1 | 31 | Jul 01, 2014 Canada Day 2014 (Tue) |
| Aug 01, 2014 to Aug 31, 2014 | 3 | 4 | 4 | 4 | 5 | 5 | 5 | 1 | 31 | Aug 04, 2014 BC Day 2014 (Mon) |
| Sep 01, 2014 to Sep 30, 2014 | 4 | 5 | 4 | 4 | 4 | 4 | 4 | 1 | 31 | Sep 01, 2014 Labour Day 2014 (Mon) |
| Oct 01, 2014 to Oct 31, 2014 | 3 | 4 | 5 | 5 | 4 | 4 | 4 | 1 | 31 | Oct 13, 2014 Thanksgiving Day 2014 (Mon) |
| Nov 01, 2014 to Nov 30, 2014 | 4 | 3 | 4 | 4 | 4 | 5 | 5 | 1 | 30 | Nov 11, 2014 Remembrance Day 2014 (Tue) |
| Dec 01, 2014 to Dec 31, 2014 | 5 | 5 | 5 | 3 | 3 | 4 | 4 | 2 | 31 | Dec 25, 2014 Christmas Day 2014 (Thu) |
| Jan 01, 2015 to Jan 31, 2015 | 4 | 4 | 4 | 4 | 5 | 5 | 4 | 1 | 31 | Dec 29, 2014 Boxing Day 2014 (Fri) |
| Feb 01, 2015 to Feb 28, 2015 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 1 | 28 | Jan 01, 2015 New Years Day 2015 (Thu) |
| Mar 01, 2015 to Mar 31, 2015 | 5 | 5 | 4 | 4 | 4 | 4 | 5 | 0 | 31 | Feb 09, 2015 Family Day 2015 (Mon) |
| Total | 46 | 51 | 52 | 50 | 50 | 52 | 52 | 12 | 305 | 12 Exceptions |

Monthly Summary

| Month | Custom Transit | | | | Revenue Kilometers | | |
|-----------------|------------------|-------------|---------------|------------------|--------------------|-------------|-------------|
| | Scheduled | Extra | Flexible | Adjusted | Scheduled | Extra | Adjusted |
| April, 2014 | 2,122.00 | | 53.20 | 2,175.20 | 0.00 | | |
| May, 2014 | 2,216.00 | | 53.20 | 2,269.20 | 0.00 | | |
| June, 2014 | 2,168.00 | | 53.20 | 2,221.20 | 0.00 | | |
| July, 2014 | 2,302.00 | | 53.20 | 2,355.20 | 0.00 | | |
| August, 2014 | 2,148.00 | | 53.20 | 2,199.20 | 0.00 | | |
| September, 2014 | 2,206.00 | | 53.20 | 2,259.20 | 0.00 | | |
| October, 2014 | 2,320.00 | | 53.20 | 2,373.20 | 0.00 | | |
| November, 2014 | 2,024.00 | | 53.20 | 2,077.20 | 0.00 | | |
| December, 2014 | 2,184.00 | | 53.20 | 2,237.20 | 0.00 | | |
| January, 2015 | 2,220.00 | | 53.20 | 2,273.20 | 0.00 | | |
| February, 2015 | 2,014.00 | | 53.20 | 2,067.20 | 0.00 | | |
| March, 2015 | 2,295.00 | | 53.20 | 2,348.20 | 0.00 | | |
| Total | 20,244.00 | 0.00 | 638.40 | 20,882.40 | 0.00 | 0.00 | 0.00 |

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Schedule C

Nanaimo Regional Conventional Transit

| | Official AOA 2014/2015 |
|---|-----------------------------------|
| TRANSIT REVENUE | |
| Farebox Cash | \$1,304,591 |
| Tickets & Passes | \$1,996,867 |
| BC Bus Pass | \$785,000 |
| Advertising | \$38,400 |
| TOTAL REVENUE | \$4,124,858 |
| EXPENDITURES | |
| Fixed Costs | \$931,843 |
| Variable Hourly Costs - Scheduled Service | \$5,765,143 |
| Variable Hourly Costs - Extra Service | \$13,729 |
| Variable Fuel Costs - Scheduled Service | \$1,020,679 |
| Variable CNG Fuel Costs | \$510,810 |
| Variable Fuel Costs - Extra Service | \$2,039 |
| Variable Tire Costs - Scheduled Service | \$80,816 |
| Variable Tire Costs - Extra Service | \$162 |
| Fleet Maintenance | \$1,624,432 |
| Major Repairs Contingency | \$11,000 |
| Accident Repairs | \$30,000 |
| ICBC Insurance | \$131,000 |
| Fleet Insurance | \$72,864 |
| Information Systems | \$21,568 |
| P.S.T. | \$50,065 |
| TOTAL DIRECT OPERATING COSTS | \$10,266,149 |
| Property Maintenance | \$201,383 |
| Training (Education & Seminars) | \$35,070 |
| Marketing | \$71,220 |
| Municipal Administration | \$182,707 |
| BCT Management Services | \$667,590 |
| TOTAL OPERATING COSTS | \$11,424,119 |
| Lease Fees - Vehicles (Local Share) | \$1,605,974 |
| Lease Fees - Equipment (Local Share) | \$178,172 |
| Lease Fees - PTIP (Local Share) | -\$115,425 |
| TOTAL LEASE FEES - LOCAL SHARE | \$1,668,721 |
| TOTAL COSTS | \$13,092,840 |
| COST SHARING | |
| Municipal Share of Costs | \$7,290,857 |
| Municipal Flex Funded Amount | \$878,000 |
| Less: Total Revenue | \$4,124,858 |
| Less: Municipal Administration | \$182,707 |
| Net Municipal Share of Costs | \$3,861,292 |
| Authority Share of Costs* | \$4,923,983 |
| STATISTICS | |
| Scheduled Revenue Hours | 113,243.05 |
| Extra Revenue Hours | 269.67 |
| Scheduled Revenue Kilometres | 2,768,331.05 |
| Extra Revenue Kilometres | 5,531.24 |
| Total Passengers | 2,701,602 |
| Conventional Passengers | 2,701,602 |

*Does not include Authority share of Lease Fees

Nanaimo A.O.A.

2014/15

Schedule C

Nanaimo Custom Transit

| | Official AOA 2014/2015 |
|---|---------------------------|
| TRANSIT REVENUE | |
| Farebox Cash | \$218,500 |
| TOTAL REVENUE | \$218,500 |
| EXPENDITURES | |
| Fixed Costs | \$207,365 |
| Variable Hourly Costs - Scheduled Service | \$1,040,794 |
| Variable Fuel Costs - Scheduled Service | \$173,169 |
| Variable Tire Costs - Scheduled Service | \$7,941 |
| Fleet Maintenance | \$99,480 |
| Major Repairs Contingency | \$8,500 |
| Accident Repairs | \$1,500 |
| Taxi Supplement | \$40,000 |
| Taxi Saver Program | \$20,000 |
| Taxi Saver Recoveries | -\$10,000 |
| ICBC Insurance | \$15,500 |
| Fleet Insurance | \$4,048 |
| Information Systems | \$2,994 |
| P.S.T. | \$8,159 |
| TOTAL DIRECT OPERATING COSTS | \$1,619,449 |
| Training (Education & Seminars) | \$3,569 |
| Marketing | \$16,870 |
| Municipal Administration | \$29,734 |
| BCT Management Services | \$116,148 |
| TOTAL OPERATING COSTS | \$1,785,770 |
| Lease Fees - Vehicles (Local Share) | \$263,354 |
| Lease Fees - Equipment (Local Share) | \$3,460 |
| TOTAL LEASE FEES - LOCAL SHARE | \$266,814 |
| TOTAL COSTS | \$2,052,585 |
| COST SHARING | |
| Municipal Share of Costs | \$820,355 |
| Municipal Flex Funded Amount | \$123,984 |
| Less: Total Revenue | \$218,500 |
| Less: Municipal Administration | \$29,734 |
| Net Municipal Share of Costs | \$696,105 |
| Authority Share of Costs* | \$1,108,245 |
| STATISTICS | |
| Scheduled Revenue Hours | 26,886.40 |
| Total Passengers | 70,376 |
| Custom/Para Passengers - Vans | 67,702 |
| Custom/Para Passengers - Taxi Supplement | 637 |
| Taxi Saver Passengers | 2,037 |

*Does not include Authority share of Lease Fees

Nanaimo A.D.A.

2014/15

Schedule "D" - Payment Schedule

Nanaimo Regional Conventional Transit and Custom Transit 2014/2015 AOA BUDGET

1) Payment Schedule

The Authority agrees to pay the Operating Company a monthly payment on the following basis:

a) for Specified Service in Schedule "B":

- i) \$77,653.57 for Fixed Monthly Payment for conventional transit service; plus
- ii) \$17,280.45 for Fixed Monthly Payment for custom transit service; plus
- iii) \$50.91 per Revenue Hour for conventional transit service; plus
- iv) \$38.71 per Revenue Hour for custom transit service; plus
- v) \$0.0292 per Revenue Kilometre for tires for conventional transit service.
- vi) Custom transit variable distance costs for tires as billed, with satisfactory supporting documentation.
- vii) Variable distance costs for diesel fuel as billed, with satisfactory supporting documentation.

b) for Deleted Fixed Costs as outlined in Section 6 (2), an amount equal to 1/365 of the Fixed Costs amount contained in Schedule "C" shall be deducted for each day or part day.

c) for Added Service or Deleted Service within the regular hours of system operation specified in Schedule "B":

- i) \$50.91 per Revenue Hour for conventional transit service; plus
 - ii) \$38.71 per Revenue Hour for custom transit service; plus
 - iii) \$0.0292 per Revenue Kilometre for tires for conventional transit service.
- with allowance for wage premium payments (up to 1.5 times the regular Revenue Hour payment), if applicable, when service is added beyond the regular hours of operation.

d) for Maintenance:

- i) \$44.46 per hour for labour by a licensed mechanic for the maintenance of transit vehicles.

e) Prior to conducting a Special Group Trip, the Operating Company must apply for and receive from BC Transit, a pre-approval to conduct the trip, the cost recovery rates to be charged and the method of payment.

Information contained in Schedule "C" - Budget and Schedule "D" - Payment Schedule is subject to the Freedom of Information and Protection of Privacy Act.

Consult with BC Transit prior to releasing information in these Schedules to individuals or companies other than those who are party to the Agreement.

Nanaimo A.O.A.

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SCHEDULE "E" – Tariff-Fares

Fare Zones:

The boundaries of fare zones for this Tariff are described as follows:

Zone 1 - Regional District of Nanaimo

This zone encompasses that area within the existing transit service area.

Fares:

Conventional Transit Service:

Effective as of March 1, 2012

| | <u>Zone 1</u> |
|--|------------------------------------|
| a) Single Cash Fares: | |
| i) Adult | \$2.50 |
| ii) Senior | \$2.25 |
| iii) Youth (6-18 yrs) | \$2.25 |
| iv) University Student | \$2.50 |
| v) Child under 6 years, | Free when accompanied by an adult. |
| v) Accessible Transit Attendant, | Free |
| b) Tickets: | |
| i) 10 x \$2.50 fares, sold for | \$22.50 |
| ii) 10 x \$2.25 fares, sold for | \$20.25 |
| c) BC Bus Pass valid for the current calendar year and available through the Government of British Columbia BC Bus Pass Program. | |
| c) CNIB Identification Card available from the local office of the CNIB. | |
| d) BC Transit Employee Bus Pass | |
| e) One-Day Pass: | |
| i) Adult | \$6.25 |
| ii) University Student** | \$6.25 |
| ii) Senior/Youth | \$5.50 |
| f) Monthly Pass | |
| i) Adult | \$67.50 |
| ii) University Student** | \$55.00 |
| iii) Senior/Youth | \$41.00 |
| g) University Student Semester Pass | \$176.00 |

**Passes are available on VIU campus only.

Custom Transit Service:

Effective April 1, 2007

Registered User and Companion:

| | |
|--|---------|
| a) 5 Prepaid Tickets | \$17.50 |
| b) 20 Prepaid Tickets | \$65.00 |
| Attendant accompanying registered user | Free |

Note: Visitors may register for temporary handyDART service. Proof of registration in another jurisdiction or proof of eligibility is required.

TO: Dennis Trudeau
General Manager, Transportation and Solid

DATE: May 7, 2014

FROM: Daniel Pearce
Manager, Transit Operations

FILE: 1475-01

SUBJECT: CNG Bus Exterior Advertising Cost Benefit Analysis

PURPOSE

To complete a cost benefit analysis for exterior advertising on RDN buses.

BACKGROUND

BC Transit has a contract with Lamar Advertising, which allows Lamar the ability to sell advertising space on the exteriors and interiors of the regional transit systems buses, including those within the RDN Transit System. The RDN receives 35% of advertising revenue from this contract, which is estimated to be \$38,400 in the *draft* 2014/2015 Annual Operating Agreement (AOA). The contract was initiated on August 1, 2005 and will expire on July 31, 2015.

With the receipt of 25 new CNG Buses staff believed it was the appropriate time to complete a cost benefit analysis, with our partner BC Transit, prior to having new advertising put on the buses. Staff have concerns that the removal of advertisements from the exteriors of buses will cause damage to the paint and bodies of the vehicles. The photos in *Appendix A* show some damage caused by exterior advertisements. When a bus is damaged due to the removal of an advertisement, Lamar is only required to use strips of vinyl to cover the damaged paint and is not responsible for a permanent repair. Currently, RDN Transit does not immediately fix damage caused by advertisements on the exteriors of buses due to high repair costs but generally waits until the bus is in an accident. Lamar also uses advertisements to cover damaged areas of the bus; however, this only a temporary solution and can cause even greater damage.

To date the Conventional transit fleet consists of 46 buses, 25 of which are 2014 CNG New Flyers and 21 diesel New Flyers (1996 or 1998). The 21 diesel buses currently have advertisements on the exteriors of the buses. Staff believe that since these buses have had advertisements on them for the last 16 to 18 years and they have only two to four years left in their life cycle, it would not be worthwhile to change the advertising practice with them. Additionally, the advertising contract between BC Transit and Lamar Advertising will expire on July 31, 2015, at which time BC Transit will be issuing a new request for proposal (RFP). At this time the RDN can take a further look at advertising on the RDN bus fleet to determine if the RDN would like to issue an RFP for bus advertising or continue under a BC Transit contract.

The CNG buses have been branded, which includes a green back with the phrase *CNG Powered* as well as white, green and blue badging, as shown in *Appendix B*. If exterior advertising is placed on the CNG buses it would change the appearance of the buses and could affect the brand that has been created.

There is one other transit system in BC that does not have exterior bus advertising. Whistler Transit System has never had advertising due to a sign by-law, which ensures that advertising does not detract from an individual's holiday experience. Whistler Transit does allow advertising inside their buses through a contract between the Resort Municipality of Whistler and a local advertising company. Whistler informed RDN staff that their current contract, for the 23 buses, earns an estimated \$20,000 to \$25,000 per year.

BC Transit has informed staff that not advertising on the CNG buses is not a breach of their contract with Lamar Advertising. They have also indicated their support for the RDN's completion of a cost benefit analysis and have stated they would support the RDN in any decision made by the Board.

ALTERNATIVES

1. That the Board authorize staff to advise BC Transit that the RDN will not allow advertising on the 25 CNG buses and will only allow exterior bus advertising on the 21 diesel buses in the RDN Transit fleet.
2. That the Board authorize staff to advise BC Transit that the RDN will allow advertising on all buses in the RDN Transit fleet, not including windows, and only on the drivers' side of the CNG buses.
3. That the Board authorize staff to advise BC Transit to continue with advertising on the exteriors of all RDN Transit buses.

FINANCIAL IMPLICATIONS

The RDN receives 35% of gross revenue from the contract between BC Transit and Lamar Advertising. The RDN received \$45,374 from advertising in 2011, \$40,783 in 2012 and \$39,265 in 2013. In the Annual Operating Agreement between BC Transit and the RDN, the advertising revenue budget included \$37,660 in 2013/2014 and \$38,400 in 2014/2015.

If the Board supports Alternative 1 and authorizes staff to advise BC Transit that the RDN will only allow exterior advertising on diesel buses in the RDN Transit fleet, it would result in Lamar Advertising being able to claim a pro-rata adjustment as per their contract with BC Transit. More specifically, this would result in a 54% reduction in advertising revenue or an estimated \$20,736 of the \$38,400 budget in the 2014/2015 AOA.

Staff have completed a cost analysis to repair buses damaged by exterior advertisements and estimate the cost to paint and repair body damage at \$4,000.00 per bus. If advertisements were placed on the exteriors of the CNG buses and the Transit Department were to repair all damage caused by the advertisements once a year, it is estimated that, at a minimum of \$4,000.00 each for the 25 buses, the total annual cost to maintain the fleet would be \$100,000.00. Based on the forecasted revenues of

\$38,400 in the 2014/2015 AOA, this would result in the RDN and BC Transit paying an estimated \$61,600 to have advertising on the exteriors of the CNG buses. Additionally, RDN and BC Transit administration costs for this contract are estimated at \$5,000.00 annually.

Lamar Advertising put forward a verbal proposal to staff that advertisements be placed only on the drivers' sides of the CNG buses. The cost benefit analysis done by staff showed that, even with no reduction in advertising revenue to the RDN, the cost to repair one side of a bus due to potential advertisement damage is estimated to be \$1,500.00. Based on the repair of 25 CNG buses once a year, the cost would be \$37,500.00. Compared with the estimated revenue in the 2014/2015 AOA of \$38,400, advertising on one side of the buses would net the RDN an estimated \$900.00. Staff expect that revenue would be reduced so even this minimal amount would not be received.

At the beginning of May, Lamar staff met with RDN staff. Lamar Advertising stated they did not believe that paint issues on any buses, 2006 or newer, in the province, could be attributed to exterior advertisements. RDN Transit body shop staff and BC Transit staff disagree with this statement.

BC Transit has indicated that Lamar has told them that the loss of advertising on the CNG vehicles is a risk that may make transit advertising unsalable in Nanaimo.

BC Transit has reviewed the costs associated with the cost benefit analysis and support the information.

STRATEGIC PLAN IMPLICATIONS

The CNG bus fleet represents a significant step towards implementation of the Board's Strategic Plan. Most directly, the Strategic Goals and Actions for Transportation Services acknowledge that the transportation sector produces the largest share of emissions in the region and emphasizes the need to ensure the use of alternative fuels for vehicles, specifically referencing partnering with BC Transit to increase fleet efficiency and performance through the use of new technology, including compressed natural gas. Maintaining the CNG brand will ensure that the public sees the work the RDN is doing towards green transportation initiatives.

CONCLUSIONS

BC Transit has a contact with Lamar Advertising, which allows Lamar the ability to sell advertising space on the exteriors and interiors of the regional transit systems buses, including those within the RDN Transit System. The RDN receives 35% of advertising revenue from this contract, which is estimated to be \$38,400 from March 31, 2014 to April 1, 2015.

Staff have concerns that the removal of advertisements from the exteriors of buses will cause damage to the paint and bodies of the vehicles. Staff performed a cost benefit analysis, with our partner BC Transit, to determine if placing exterior advertising on the CNG buses is cost efficient. It is estimated that, if exterior advertisements were placed on the CNG buses, it would cost a minimum of \$4,000.00 per bus, per year, for a total of \$100,000.00 to maintain the fleet. Based on the forecasted revenues of \$38,400 in the 2014/2015 AOA, this would result in the RDN and BC Transit paying an estimated \$61,600 to have advertising on the exteriors of the CNG buses.

Lamar Advertising put forward a verbal proposal to staff that advertisements be placed only on the drivers' sides of the CNG buses. The cost benefit analysis showed the cost to repair one side of a bus due to potential advertisement damage is estimated to be \$1,500.00. Based on 25 CNG buses being repaired once a year, this would cost \$37,500.00. Compared with the estimated revenue in the 2014/2015 AOA of \$38,400, advertising on one side of the buses would net the RDN an estimated \$900.00.

BC Transit has said that not advertising on the exteriors of the CNG buses is not a breach of their contract with Lamar Advertising; however, Lamar Advertising will be able to claim a pro-rata adjustment. The adjustment would result in a 54% reduction in advertising revenue or an estimated \$20,736 of the \$38,400 budget in the 2014/2015 AOA.

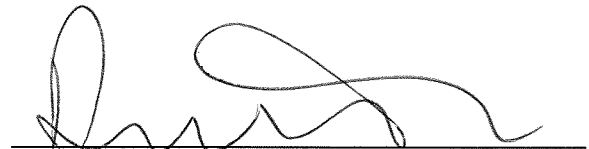
Due to the minimal revenues generated and high maintenance costs with advertising on the exteriors of the CNG bus fleet, staff recommend that advertisements not be allowed on the exteriors of the 25 CNG buses.

RECOMMENDATION

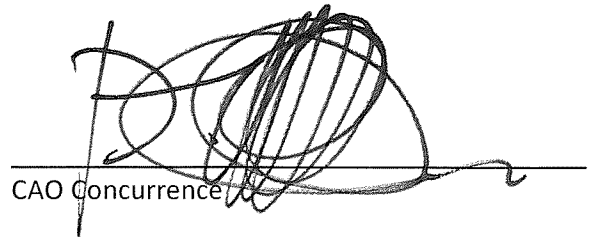
That the Board authorize staff to advise BC Transit that the RDN will not be allowing exterior bus advertisements on the 25 CNG buses but will continue to allow exterior bus advertising on the 21 diesel buses in the RDN Transit fleet.



Report Writer

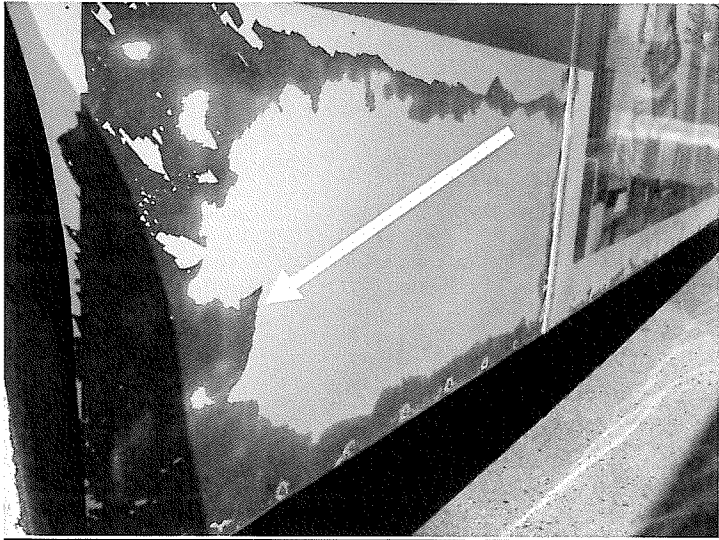
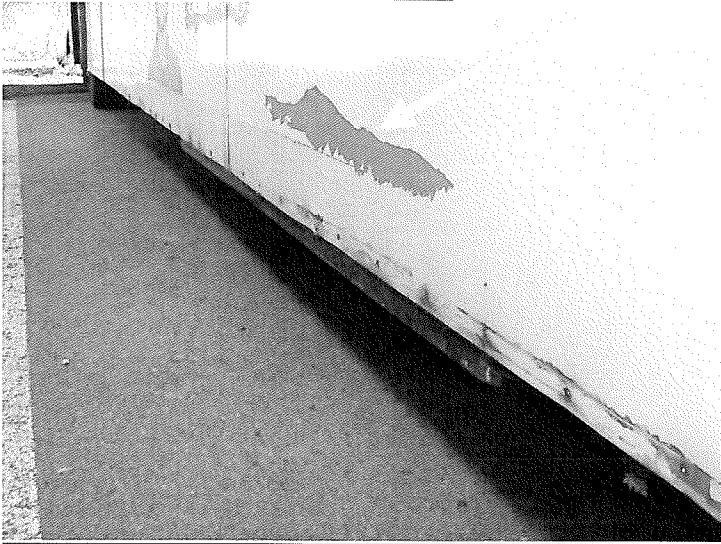


General Manager Concurrence



CAO Concurrence

APPENDIX A



APPENDIX B



TO: Dennis Trudeau
General Manager, Transportation & Solid Waste Services

DATE: May 9, 2014

FROM: Daniel Pearce
Manager, Transit Operations

FILE: 0490-20-SD68

SUBJECT: Preliminary Transit Discussions with School District #68

PURPOSE

The purpose of this report is to provide information on recent discussions that have taken place with School District #68 (SD 68) staff, the SD 68 Chairperson and RDN staff regarding the provision of transit service from Nanaimo to Ladysmith Secondary School.

BACKGROUND INFORMATION

RDN senior management and staff have been working towards strengthening relationships with our regional partners. Staff met with SD 68 staff and the SD 68 Chairperson in March 2014 to discuss mutual areas of interest, including the District's 10 year Enhanced Facilities for Learning Plan. For the 2014-2015 school year, the Learning Plan outlines the relocation of Cedar Secondary students (8-12) to John Barsby in September 2014. Cedar Secondary School will then be renovated and converted into an elementary school. Students from Cedar Secondary will have the choice to attend John Barsby or Ladysmith Secondary School (LSS).

At SD 68's February 6, 2014 Special Board meeting, the Board of Education voted against providing busing to Ladysmith Secondary School. To date, SD 68 staff estimate that 200 plus students have chosen to attend LSS rather than John Barsby and that one-quarter of those students will require alternate modes of transportation to and from the LSS school.

Based on the initial meeting, ideas about cost-sharing arrangements between SD 68 and the RDN were discussed. Possible options could include establishing a transit route between VIU, Cedar and LSS, servicing Cedar residents/students, VIU students and possibly some commuters. Future discussions would also include VIU and BC Transit to determine if a draft cost-sharing agreement could be reached. Staff would then bring any agreement or proposal to the Transit Select Committee.

ALTERNATIVES

1. That staff be directed to work with School District 68, Vancouver Island University and BC Transit on options for providing transit service between Nanaimo and Ladysmith.
2. That the Board provide alternate direction to staff.

FINANCIAL IMPLICATIONS

Staff have completed a rough cost analysis to establish transit service between VIU and LSS from September 2014 to June 2015.

The draft routing would include a transit route travelling from Cedar to LSS, then LSS to VIU in the morning and from VIU to LSS, then LSS to Cedar in the afternoon. The estimated cost to operate this service would be \$102,000.

STRATEGIC PLAN IMPLICATIONS

The Board Strategic Plan identifies Regional Collaboration as a strategic priority. The Strategic Plan specifically identifies supporting "increased rail, marine and air transportation between the region and other areas." Consistent with the Strategic Plan, developing strong relationships with our partners in the region will help maintain the RDN's strategic, environmental, social and economic goals.

SUMMARY/CONCLUSIONS

This report provides information on recent discussions that have taken place with School District #68 (SD 68) staff, the SD 68 chairperson and RDN staff regarding the provision of transit service from Nanaimo to Ladysmith Secondary School. It further provides a brief overview of SD 68's 2014-2015 plans and the relocation of Cedar Secondary students (8-12) to John Barsby in September 2014.

SD 68 staff estimate 200 plus students have chosen to attend LSS rather than John Barsby and that one-quarter will require alternate modes of transportation to and from LSS.

Based on the initial meeting, ideas about cost-sharing arrangements between SD 68 and the RDN were discussed. Possible options could include establishing a transit route between VIU, Cedar and LSS, servicing Cedar residents/students, VIU students and possibly some commuters. The estimated cost to implement two trips in the morning and two trips in the afternoon would be \$102,000.

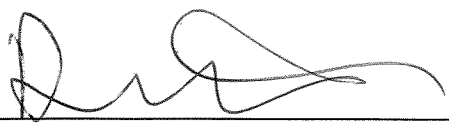
Staff recommend that the Board direct staff to coordinate and work with the SD 68, VIU and BC Transit to determine if creating a cost-shared transit route between VIU, Cedar and LSS would be possible.

RECOMMENDATION

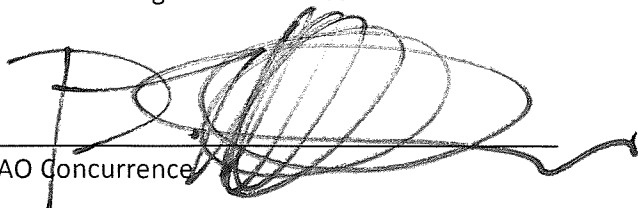
That staff be directed to work with School District 68, Vancouver Island University, the Town of Ladysmith and BC Transit to work toward options for providing transit service to students travelling between Nanaimo and Ladysmith Secondary schools.



Report Writer



General Manager Concurrence



CAO Concurrence