

REGIONAL DISTRICT OF NANAIMO

TRANSIT SELECT COMMITTEE

THURSDAY, MAY 12, 2016

12:00 PM

(RDN Committee Room)

A G E N D A

PAGES

CALL TO ORDER

MINUTES

2-3 Minutes of the regular Transit Select Committee meeting held February 25, 2016.

COMMUNICATIONS/ CORRESPONDENCE

4-5 Ministry of Transportation and Infrastructure, Expansion of Transit Services.

6-7 Nanaimo Ladysmith Public School District 68, Supporting Community Coalition for Transit Change.

DELEGATES

8-12 Leona Horvath, Community Coalition for Cinnabar Transit Change.

UNFINISHED BUSINESS

BC TRANSIT UPDATES

REPORTS

13-29 2016-2017 Conventional and Custom Annual Operating Agreement- Regional District of Nanaimo / BC Transit.

30-36 BC Transit 3-Year Expansion - Memorandum of Understanding.

ADDENDUM

BUSINESS ARISING FROM DELEGATIONS OR COMMUNICATIONS

NEW BUSINESS

ADJOURNMENT

REGIONAL DISTRICT OF NANAIMO

**MINUTES OF THE TRANSIT SELECT COMMITTEE
MEETING HELD ON THURSDAY, FEBRUARY 25, 2016 AT 12:00 PM
IN THE COMMITTEE ROOM**

Present:

Director T. Westbroek	Chairperson
Director A. McPherson	Electoral Area 'A'
Director M. Young	Electoral Area 'C'
Director B. Rogers	Electoral Area 'E'
Director J. Stanhope	Electoral Area 'G'
Director Veenhof	Electoral Area 'H'
Director C. Haime	District of Lantzville
Director Bill McKay	City of Nanaimo
Director B. Bestwick	City of Nanaimo
Director B. Yoachim	City of Nanaimo

Also in Attendance:

W. Idema	A/ Interim CAO, RDN
D. Pearce	A/ Director of Transit Services, RDN
J. Logan	Supt., Transportation Planning & Scheduling, RDN
B. Miller	Supt., Transit Service Delivery, RDN
M. Moore	Senior Regional Transit Manager, BC Transit
M. Lockley	Senior Transit Planner, BC Transit
G. Foy	Traffic & Transportation Planning Engineer, CON
N. Hewitt	Recording Secretary, RDN

Regrets:

Director M. Lefebvre	City of Parksville
Director J. Hong	City of Nanaimo

CALL TO ORDER

The Chairperson called the meeting to order at 12:00 pm.

MINUTES

MOVED Director Stanhope, SECONDED Director Rogers, that the minutes of the regular Transit Select Committee meeting held October 8, 2015, be adopted.

CARRIED

BC TRANSIT UPDATES

RDN and CVRD Inter-Regional Service Discussion Report Presentation.

Maria Lockley, BC Transit, provided a verbal and visual presentation regarding the RDN and CVRD Inter-Regional Service Discussion Report.

REPORTS

RDN and CVRD Inter-Regional Service Discussion Report.

MOVED Director Rogers, SECONDED Director Stanhope, that the Board receive this report for information.

CARRIED

MOVED Director Stanhope, SECONDED Director Rogers, that the Board report back to BC Transit that the RDN and CVRD Inter-Regional Service is not viable at this time.

CARRIED

Qualicum First Nation Transit Service Report.

MOVED Director Veenhof, SECONDED Director Stanhope, that the Board direct staff to continue operating the route #99 Deep Bay service extension into Qualicum First Nation, and be paid for by existing Electoral Area 'H' transit contribution.

CARRIED

Cost Analysis - Free Transit on Future Election Days.

MOVED Director McKay, SECONDED Director Stanhope, that the Board receive this report for information.

CARRIED

MOVED Director McKay, SECONDED Director Stanhope, that the Board direct staff to offer free transit service on future election days.

DEFEATED

ADJOURNMENT

MOVED Director Stanhope, SECONDED Director Veenhof, that this meeting be adjourned.

CARRIED

Time 1:42 pm

CHAIRPERSON



RDN CAO'S OFFICE			
CAO		GM RP	
GM SCD		GM TSW	
GM RCU		DF	
DCS		CPC AGENDA	
FEB 25 2016			
BOARD / COWAGENDA			
BOARD CORRESPONDENCE			
CHAIR		✓	
TSC Agenda			

February 23, 2016

William Veenhof, Chair
 Regional District of Nanaimo
 6300 Hammond Bay Road
 Nanaimo BC V9T 6N2

Reference: 253807

corpsrv@rdn.bc.ca

Dear Chair Veenhof:

Re: Expansion of Transit Services

I am writing to update you on the actions that this government has taken in Budget 2016 to enhance transit services across British Columbia by \$12.7 million over the next three years. These investments ensure that B.C. continues to lead the nation in its level of funding support for transit services and contribute to our goals of increased mobility within and between communities, as well as contributing to the province's greenhouse gas reduction targets. Over 50 million trips were made on BC Transit buses last year, and we expect that number to continue to rise as we work together to improve and expand services across the province.

Last October, we made amendments to the *British Columbia Transit Act* that ensured that the base funding provided in Budget 2015 could be used most efficiently, allowing BC Transit and its partner communities to capitalize on low fuel prices and reinvest these savings in transit services in their communities.

In December, it was my pleasure to announce the five point action plan to improve safety and mobility along Highway 16. As part of this action plan, we will be investing \$1.6 million over the next two years to improve inter-community services along this key northern corridor. We are working closely with First Nations and local government leaders along Highway 16 to implement these vital services and hope to have buses on the road as soon as possible.

As well, over the next three years, the Province will be investing an additional \$11.1 million to not only maintain transit and HandyDART services in BC Transit communities, but to increase them. Communities that have made requests to BC Transit in the past for expanded services should be hearing from their local transit planners in the near future to discuss their past requests.

.../2

Increasing funding is only one side of the equation, however. The Ministry of Finance will soon be releasing their Crown Agency Review of BC Transit. As I have mentioned in previous letters, my expectation is that this review will contribute to a dialogue amongst the partners in each community through the identification of revenue opportunities as well as efficiencies, ensuring each transit community reflects best practices. This review will position the Province, local governments and contracted service providers to play their part in managing costs and optimizing revenues as local service priorities are considered.

I look forward to working with BC Transit and all its partner communities as we continue to invest, innovate, and work together to deliver the world-class transit services that British Columbians have come to expect from us.

Sincerely,



Todd G. Stone
Minister

Copy to: Kevin Mahoney, Chair, Board of Directors
BC Transit

Manuel Achadinha, President and CEO
BC Transit

Grant Main
Deputy Minister

Lindsay Kislock, Assistant Deputy Minister
Partnerships Department

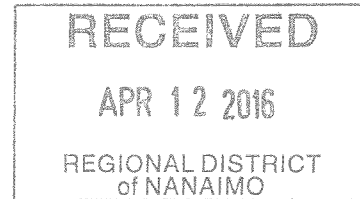


NANAIMO LADYSMITH
PUBLIC SCHOOLS

From the Board of Education
Email: BoardOfEducation@sd68.bc.ca

April 8, 2016

Jamie Logan
Superintendent, Transit, Planning and Scheduling
Transportation Services
6300 Hammond Bay Road
Nanaimo BC V9T 6N2



VIA EMAIL: transprt@rdn.bc.ca

Dear Mr. Logan:

On April 6, 2016 the Education Committee to the Board of Education of Nanaimo Ladysmith Public Schools (NLPS) passed the following motion:

That the Board of Education of School District 68 (Nanaimo-Ladysmith) write a letter to the Regional District of Nanaimo Transit Authority in support of the "Community Coalition for Transit Changes" to show our support for the introduction of a bus to and from Cinnabar Valley that would transport school age children to Nanaimo for out of catchment school programming.

Mr. Logan, the chronic underfunding of education in BC is a well-known public issue in this province. In 2012, the Ministry of Education removed the legal requirement from the School Act for school districts to transport students to school. When this decision was made the government also stripped dedicated transportation funding from school district budgets. Despite this, Nanaimo Ladysmith Public Schools has still managed to provide busing for students to their catchment school who live outside a 4.1-4.8 km walk limit. It is becoming increasingly difficult for this board to provide busing for students outside of our busing policy and due to funding pressures, NLPS is now looking at reviewing our student transportation policy that was last review in 1986.

It has recently been brought to the attention of this Board that approximately 75 NLPS students in the Cinnabar area choose or will choose in the upcoming school year to attend a school outside of their catchment school. Due to the financial constraints stated, this Board cannot commit to providing busing for these students as they fall outside of our current board busing policy. As a result of the limited busing resources of our Board and our inability to commit to a bus for these students, the residents of the Cinnabar Valley have formed the "Community Coalition for Transit Changes". Among the priorities of this coalition is to advocate for a city bus from Cinnabar to Nanaimo for the approximately 75

students to be able to attend their schools of choice. The Board would like to offer this letter of support for this initiative. In these days of deep austerity in public education, the Board of Education must focus its limited dollars on our core service, providing direct instruction and educational supports to our students.

We understand that providing transportation to such a vast geographic area on limited dollars is very difficult. The Board of Education of NLPS would greatly appreciate if the Transit Authority and The Community Coalition for Transit Change could work together to offer a transit system that meets the needs of residents in the area. We thank you for your consideration in this matter.

With kind regards,

A handwritten signature in black ink, appearing to read 'Steve Rae', written in a cursive style.

Steve Rae
Board Chair

Community for Transit Change Coalition Proposal Wednesday April 6, 2016

RDN Transit:

Vision Statement

“The Regional District of Nanaimo Transit System supports the region’s high quality of urban and rural life by connecting the region’s rural village centres, neighbourhoods and urban areas with high quality transit services that will encourage more people to choose transit as their preferred choice of travel. Integration with other modes of transportation affords people of all abilities a basic level of mobility throughout the region. Transit service is tailored to the needs of the region’s population to be safe, convenient, cost effective and environmentally responsible.”

Goals

- 1.The Transit System connects the region’s urban and rural communities with their downtowns and neighbourhood centres with transit services that offer an attractive alternative to driving. This is accomplished with routes and schedules that are frequent, direct, safe and convenient.
- 2.The Transit System supports sustainable land use patterns and mobility networks that encourage a reduced automobile dependency and provides access to services and employment.
- 3.The Transit System reduces the region’s impact on the environment by providing residents a transportation choice that will lower their GHG emissions and energy consumption.
- 4.The Transit System provides the majority of the residents in the region access to their communities.
- 5.The Transit System is operated in a fiscally responsible manner providing efficient cost effective services

Our community has come together for a common goal- the safe and timely transportation of our children to their educational institutions. The three main stakeholders of our group are families with: Vancouver Island University students (international and domestic), NDSS students and John Barsby students. In addition, access to the recreational center – Nanaimo Aquatic and Nanaimo Ice Center. This route is a part of our transportation corridor and main hub for the community.

Why we are requesting to meet with you? We believe that the potential for a win-win scenario exists for BC Transit and the communities of South Nanaimo by aligning the existing need for transit options in the community with BC Transit's goal of providing attractive alternatives to driving in an environmentally friendly and cost effective manner.

We as a community believe that there is great potential for increased ridership at little or no cost to the transit system and would like to discuss the role the RDN can play in delivering a transportation schedule that allows more members of our community to utilize the transit system in a manner that is convenient for them and cost effective for BC Transit.

We as a community have been trying to come up with some alternate solutions that we would like the RDN Management to review as we believe that there is a need alternate or augmented busing service with alternate timing points in Cinnabar Valley and alternate routing to support the development of our community and to make transit a more viable option for many of our community members.

Our research has shown that there are currently a large number of students who would benefit greatly from an alternate transit option from our community to the area surrounding Vancouver Island University. Here is a snapshot of how many students are involved:

NDSS-conversations with community members show that there are going to be between 10-20 students who need to get to the different sports academies and French Immersion located at NDSS.

VIU- numbers given to us from VIU: 226 domestic students live in the Cinnabar Valley/ Chase River area. Over 100 international students have lived in Cinnabar Valley in the last year

John Barsby – A transit study performed by SD68 recently indicated that currently an average of 80 students per day were transported from the area between Cassidy and Cinnabar and John Barsby Community School on the District busing system. Due to changes in school catchment areas these bus services will not be available in September of 2016 and while busing to Cedar Secondary will be provided a majority of these students have indicated a desire to continue attending Barsby and need an effective transit option to get there.

In summary, we believe that there is great potential for targeted transit options that provide effective service for the corridor between the Cinnabar area and the areas surrounding Vancouver Island University that would result in increased average ridership at little or no cost to the system.

Our Proposal

We propose that adjustments be made to the existing schedule that provide for a direct, express route between the Cinnabar area and the area surrounding VIU with potential stops on Extension Rd, Cranberry Ave, Bruce St. at John Barsby, and on Wakesiah Avenue. This route would only need to be run at select times in the morning and afternoon and we believe that the relatively short length of the route combined with the high ridership will provide a transit option that is very convenient for our community and very cost effective for transit.

EFFECTIVE: September 5, 2016

School Special
Deadhead to Country Hills & Extension

SHIFT # ???

REPORT:	706
OFF:	840

Lv. NRTS via @Calinda, @Hammond Bay, Aulds @left onto Parkway, left off Hwy 19A (Cedar exit) , left on Cranberry Ave, Extension Ave to:

SIGN	Country	Rich	10th	John	VIU	NDSS
CODE	Hills	Porter	Lawlor	Barsby	ARRV	ARRV
<i>undetermined</i>	745	750	800	807	813	816

BARSBY
VIU
NDSS.

Report / Pretrip	Travel time	Run Time	Return time inc put away
15	24	31	24

2016 Operating			
Time	Days	Total Hrs.	Costs
1.57	198	310.86	\$38,857.50

EFFECTIVE: September 5, 2016

School Special
Deadhead to NDSS (PM portion - Mon - Thur ONLY)

SHIFT # ???

REPORT:	1514
OFF:	1634

Lv. NRTS via @Calinda, @Hammond Bay, Aulds @left onto Parkway, left on Jingle Pot, 3rd St. connector,
Right on Wakesiah to NDSS to bus stop in front of NDSS

SIGN	NDSS	VIU	Barsby	10th	Country	Rich
CODE	DPRT	DPRT	DPRT	Lawlor	Hills	Porter
<i>undetermined</i>	15:36	15:41	15:50	15:55	15:59	16:04

Report / Pretrip	Travel time	Run Time	Return time inc put away
5	17	28	30

2016 Operating			
Time	Days	Total Hrs.	Costs
1.33	159	211.47	\$26,433.75

EFFECTIVE: September 5, 2016

School Special

SHIFT # ???

Deadhead to NDSS (PM portion - FRIDAY ONLY)

REPORT:	1334
OFF:	1454

Lv. NRTS via @Calinda, @Hammond Bay, Aulds @left onto Parkway, left on Jingle Pot, 3rd St. connector,
Right on Wakesiah to NDSS to bus stop in front of NDSS

SIGN
CODE
undetermined

NDSS	VIU	Barsby	10th	Country	Rich
DPRT	DPRT	DPRT	Lawlor	Hills	Porter
13:56	14:01	14:10	14:15	14:19	14:24

Report /	Travel		Return
Pretrip	time	Run Time	time inc
5	17	28	put away 30

	2016		
	Operating		
Time	Days	Total Hrs.	Costs
1.33	39	51.87	\$6,483.75

TOTAL \$71,775.00

TO: Daniel Pearce
A/ Director, Transportation
& Emergency Planning Services

DATE: May 4, 2016

MEETING: TSC – May 12, 2016

FROM: Jamie Logan
Superintendent, Transit Planning & Scheduling

FILE: 2240-20-TROA

**SUBJECT: 2016-2017 Conventional and Custom Annual Operating Agreement-
Regional District of Nanaimo / BC Transit**

RECOMMENDATION

That the Board approve the 2016/2017 Conventional and Custom Annual Operating Agreement (AOA) with BC Transit.

PURPOSE

To bring forward the 2016/2017 Conventional and Custom Annual Operating Agreement (AOA) for the Regional District of Nanaimo Transit System, with BC Transit, for consideration and approval.

BACKGROUND

The AOA (Appendix 1) between the Regional District of Nanaimo (RDN) and BC Transit is renewed on an annual basis and provides cost-sharing service arrangements for Conventional and Custom Transit services in Districts 68 and 69 for the period of April 1, 2016 to March 31, 2017.

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

The 2016/2017 Conventional AOA includes a 1.8% increase in Fixed Costs which includes all the overhead (non-driver and non-mechanic) costs to deliver service such as supervision, dispatching, training, bus fueling and cleaning, utilities, rents, and administration. An increase in driver related labour costs of 1.6% is included to reflect overall changes to wage and benefit rates. Further, there is a 21% decrease in Fleet Maintenance due to savings with the CNG buses and a 13% increase in Lease Fees due to increases in both vehicle and equipment lease costs. BC Transit is currently working on a new Lease Fee model that will result in all conventional buses having a standardized lease fee. Staff believes this will reduce RDN Lease Fees in future AOA's.

The B.C. Government recently made changes to the BC Bus Pass Program which may impact revenues we receive from the program. BC Transit has communicated that these changes will not impact revenue prior to January 1, 2017 and any potential impact for 2017 revenue has not been reflected in 2016/2017

AOA. BC Transit and staff will be working together to determine the potential impact on revenues to be included in the RDN's 2017 budget year.

Regarding exterior bus advertising revenue, staff will be bringing a report to the September TSC with options for exterior advertising beginning when the RDN's remaining diesel buses are replaced with CNG buses. This is anticipated to be completed by January 2017.

ALTERNATIVES

1. That the Board approve the 2016/2017 Conventional and Custom Transit Annual Operating Agreement as presented.
2. That the Board not approve the 2016/2017 Conventional and Custom Transit Annual Operating Agreement and provide further direction to staff.

FINANCIAL ANALYSIS

Conventional Transit:

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

CONVENTIONAL	2015-2016 AOA	2016-2017 AOA	\$ CHANGE	% CHANGE
Fixed Costs (total cost, overhead, admin. wages)	\$950,480	\$967,588	\$17,108	1.8%
Variable Hourly (total cost, drivers' wages and benefits)	\$6,021,653	\$6,300,809	\$279,156	4%
Variable Fuel (total cost, fuel and tires)	\$1,566,274	\$1,496,892	(\$69,382)	-4.5%
Fleet Maintenance (total cost, running, major and accident repairs)	\$1,660,986	\$1,302,168	(\$358,818)	-21%
Lease Fees (local share - 53.31%, mainly buses)	\$1,628,625	\$1,851,327	\$222,702	13%
BC Transit Management Fees (local share)	\$626,199	\$616,208	(\$9,991)	-1.6%

The changes noted above are the line items that make up the majority of the overall costs outlined in the AOA. Conventional Transit costs are cost-shared with BC Transit at a current rate of 53.31% RDN and 46.69% BC Transit.

Custom Transit:

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

CUSTOM	2015-2016 AOA	2016-2017 AOA	\$ CHANGE	% CHANGE
Fixed Costs (total cost, overhead, admin. wages)	\$211,513	\$215,320	\$3,717	1.8%
Variable Hourly (total cost, drivers' wages and benefits)	\$1,052,658	\$1,084,517	\$31,859	3%
Variable Fuel (total cost)	\$171,795	\$165,901	(\$5,894)	-4%
Fleet Maintenance (total cost, running, major and accident repairs)	\$123,009	\$92,859	\$30,150	-24%
Lease Fees (local share, mainly buses)	\$258,033	\$255,886	(\$2,147)	-1%
BC Transit Management Fees (local share)	\$108,947	\$107,209	(\$1,738)	-1.6%

The changes noted above are the line items that make up the majority of the overall costs outlined in the AOA. Custom Transit costs are cost-shared with BC Transit at a current rate of 33.31% RDN and 66.69% BC Transit. The main change to the Custom system in the 2016/2017 AOA is a decrease in the maintenance budget due to actual maintenance activity in the current year as well as forecasted 2016/2017 expenditures for an entire ARBOC Custom fleet.

FINANCIAL IMPLICATIONS

Under Alternative 1, the 2016/2017 Conventional Transit AOA total budget is \$13,396,432 which is an increase of \$96,169. The RDN Conventional total cost is reduced to \$4,067,141 by revenues (\$4,135,019), municipal administration (\$188,188), operating reserve (\$48,664), and the BC Transit cost share amount (\$4,957,750.)

Under the 2016/2017 Custom Transit AOA, the total budget is \$2,083,487 which is a decrease of \$15,467. The RDN Custom total cost is reduced to \$707,506 by revenues (\$206,074), administration (\$30,626), operating reserve (\$9,424), and BC Transit's share of costs (\$1,129,857.)

Transportation Services staff and Financial Services staff have reviewed these costs and they are in line with the approved RDN 2016 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 RDN Transit services.

STRATEGIC PLAN IMPLICATIONS

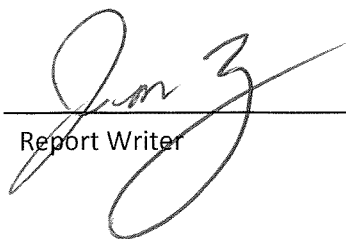
The Transportation Services Department is working continuously on improving the viability and efficiency of public transit. The Annual Operating Agreement allows the Regional District of Nanaimo to enter into a cost-sharing arrangement with BC Transit. Residents within the RDN rely on public transit, whether it is Conventional or Custom transit. Public transit enables residents to leave their cars at home while they take the bus to work, school, and medical appointments or for other equally important reasons which will benefit air quality and reduce the impact on the environment.

SUMMARY/CONCLUSIONS

BC Transit has forwarded the Annual Operating Agreement covering the period April 1, 2016 to March 31, 2017 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 2016 budget for transit services.

The 2016/2017 Conventional and Custom Transit AOA indicates a total budget of \$15,479,919 that is cost-shared between the RDN and BC Transit. Staffs 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 recommends that the Board approve the 2016/2017 Conventional and Custom Transit Annual Operating Agreement with BC Transit.



Report Writer



Director Concurrence



CAO Concurrence

NANAIMO

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

Between

THE REGIONAL DISTRICT OF NANAIMO

And

BRITISH COLUMBIA TRANSIT

APRIL 1, 2016 TO MARCH 31, 2017

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

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 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).
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 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, 2016 to March 31, 2017 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 Counterparts: This contract and any amendment hereto may be executed in counterparts, each of which shall be deemed to be an original and all of which shall be considered to be one and the same contract. A signed facsimile or pdf copy of this contract, or any amendment, shall be effective and valid proof of execution and delivery.
- 5.6 Operating Reserve Fund: In accordance with OIC 594, in fiscal year 2015/16, BC Transit established a Reserve Fund to record, for each local government, the contributions that BC Transit has received but has not yet earned.
- a) BC Transit will invoice and collect on monthly Municipal invoices based on budgeted Eligible Expenses, as set out in Schedule C of the AOA.

- b) Any expenditure of monies from the Reserve Fund will only be credited towards Eligible Expenses for the location for which it was collected. These Eligible Expenses are comprised of the following costs of providing Public Passenger Transportation Systems, but exclude the costs of providing third-party 100%-funded services:
- (1) For Conventional Transit Service:
- (a) the operating costs incurred in providing Conventional Transit Service excluding interest and amortization;
 - (b) the amount of any operating lease costs incurred by BC Transit for Conventional Transit Services;
 - (c) the amount of the municipal administration charge not exceeding 2% of the direct operating costs payable under an Annual Operating Agreement;
 - (d) an amount of the annual operating costs of BC Transit not exceeding 8% of the direct operating costs payable under an Annual Operating Agreement;
- (2) For Custom Transit Service:
- (a) the operating costs incurred in providing Custom Transit Service excluding interest and amortization, but including the amount paid by BC Transit to redeem taxi saver coupons issued under the Taxi Saver Program after deducting from that amount the amount realized from the sale of those coupons;
 - (b) the amount of any operating lease costs incurred by BC Transit for Custom Transit Service;
 - (c) the amount of the municipal administration charge not exceeding 2% of the direct operating costs payable under an Annual Operating Agreement;
 - (d) an amount of the annual operating costs of BC Transit not exceeding 8% of the direct operating costs payable under an Annual Operating Agreement.
- c) BC Transit will provide an annual statement of account or the reserves received and utilized, including any interest earned for each local government.
- d) On any termination of this Agreement, any funds remaining in the Reserve Fund, including any interest accrued, will be used to defray the Eligible Expenses of providing Service Hours in the following Fiscal Year.

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.

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 2016. .

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

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 2016/2017

Schedule 'B'

Effective Apr 01, 2016

Scheduled Revenue Service

16/17 Apr to Jun (Apr 01, 2016 to Jun 25, 2016)										
	Mon	Tue	Wed	Thu	Fri	Sat	Sun	May 23, 2016		
Hrs/Day	389.50	389.50	389.50	389.50	391.00	275.95	148.15	148.15		
Kms/Day	9,582.86	9,582.86	9,582.86	9,582.86	9,631.85	6,703.56	3,760.83	3,760.83		
16/17 Jun to Sep (Jun 26, 2016 to Sep 03, 2016)										
	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Jul 01, 2016	Aug 01, 2016	
Hrs/Day	344.22	344.22	344.22	344.22	344.22	275.95	148.15	148.15	148.15	
Kms/Day	8,463.97	8,463.97	8,463.97	8,463.97	8,463.97	6,703.56	3,760.83	3,760.83	3,760.83	
16/17 Sep to Dec (Sep 04, 2016 to Dec 24, 2016)										
	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Sep 05, 2016	Oct 10, 2016	Nov 11, 2016
Hrs/Day	389.50	389.50	389.50	389.50	391.00	275.95	148.15	148.15	148.15	148.15
Kms/Day	9,582.86	9,582.86	9,582.86	9,582.86	9,631.85	6,703.56	3,760.83	3,760.83	3,760.83	3,760.83
16/17 Dec to Jan (Dec 25, 2016 to Jan 07, 2017)										
	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Dec 26, 2016		
Hrs/Day	344.22	344.22	344.22	344.22	344.22	275.95	148.15	275.95		
Kms/Day	8,463.97	8,463.97	8,463.97	8,463.97	8,463.97	6,703.56	3,760.83	6,703.56		
16/17 Jan to Mar (Jan 08, 2017 to Mar 31, 2017)										
	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Feb 13, 2017		
Hrs/Day	389.50	389.50	389.50	389.50	391.00	275.95	148.15	148.15		
Kms/Day	9,582.86	9,582.86	9,582.86	9,582.86	9,631.85	6,703.56	3,760.83	3,760.83		

Extra Revenue Service

	Apr, 2016	May, 2016	Jun, 2016	Jul, 2016	Aug, 2016	Sep, 2016	Oct, 2016	Nov, 2016	Dec, 2016	Jan, 2017	Feb, 2017	Mar, 2017
Extra Overload Hours	10.00	10.00				55.00	35.00	20.00	20.00	10.00	10.00	10.00
Extra Overload Kilometres	210.00	210.00				1,155.00	735.00	420.00	420.00	210.00	210.00	210.00

Adjusted Revenue Service

	Apr, 2016	May, 2016	Jun, 2016	Jul, 2016	Aug, 2016	Sep, 2016	Oct, 2016	Nov, 2016	Dec, 2016	Jan, 2017	Feb, 2017	Mar, 2017

2016/2017 Calendar Specification

Period	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Exceptions	Total	Exception Days
Apr 01, 2016 to Apr 30, 2016	4	4	4	4	5	5	4	0	30	May 23, 2016 Victoria Day 2016 (Mon)
May 01, 2016 to May 31, 2016	4	5	4	4	4	4	5	1	31	Jul 01, 2016 Canada Day 2016 (Fri)
Jun 01, 2016 to Jun 25, 2016	3	3	4	4	4	4	3	0	25	Aug 01, 2016 BC Day 2016 (Mon)
Jun 26, 2016 to Jun 30, 2016	1	1	1	1	0	0	1	0	5	Sep 05, 2016 Labour Day 2016 (Mon)
Jul 01, 2016 to Jul 31, 2016	4	4	4	4	4	5	5	1	31	Oct 10, 2016 Thanksgiving Day 2016 (Mon)
Aug 01, 2016 to Aug 31, 2016	4	5	5	4	4	4	4	1	31	Nov 11, 2016 Remembrance Day 2016 (Fri)
Sep 01, 2016 to Sep 03, 2016	0	0	0	1	1	1	0	0	3	Dec 25, 2016 Christmas Day 2016 (Sun)
Sep 04, 2016 to Sep 30, 2016	3	4	4	4	4	3	4	1	27	Dec 26, 2016 Boxing Day 2016 (Mon)
Oct 01, 2016 to Oct 31, 2016	4	4	4	4	4	5	5	1	31	Jan 01, 2017 New Years Day 2017 (Sun)
Nov 01, 2016 to Nov 30, 2016	4	5	5	4	3	4	4	1	30	Feb 13, 2017 Family Day 2017 (Mon)
Dec 01, 2016 to Dec 24, 2016	3	3	3	4	4	4	3	0	24	
Dec 25, 2016 to Dec 31, 2016	0	1	1	1	1	1	0	2	7	
Jan 01, 2017 to Jan 07, 2017	1	1	1	1	1	1	0	1	7	
Jan 08, 2017 to Jan 31, 2017	4	4	3	3	3	3	4	0	24	
Feb 01, 2017 to Feb 28, 2017	3	4	4	4	4	4	4	1	28	
Mar 01, 2017 to Mar 31, 2017	4	4	5	5	5	4	4	0	31	
Total	46	52	52	52	51	52	50	10	365	10 Exceptions

Monthly Summary

Month	Conventional Transit							
	Revenue Hours				Revenue Kilometers			
	Scheduled	Extra	Adjusted	Total	Scheduled	Extra	Adjusted	Total
April, 2016	10,159.35	10.00		10,169.35	250,046.13	210.00		250,256.13
May, 2016	10,178.20	10.00		10,188.20	250,815.24	210.00		251,025.24
June, 2016	10,090.28	0.00		10,090.28	248,400.88	0.00		248,400.88
July, 2016	9,153.05	0.00		9,153.05	225,362.18	0.00		225,362.18
August, 2016	9,417.39	0.00		9,417.39	231,825.73	0.00		231,825.73
September, 2016	9,939.49	55.00		9,994.49	244,816.63	1,155.00		245,971.63
October, 2016	10,064.65	35.00		10,099.65	247,935.94	735.00		248,670.94
November, 2016	10,028.55	20.00		10,048.55	247,005.42	420.00		247,425.42
December, 2016	10,104.53	20.00		10,124.53	248,464.31	420.00		248,884.31
January, 2017	10,043.50	10.00		10,053.50	247,233.00	210.00		247,443.00
February, 2017	9,251.05	10.00		9,261.05	227,888.69	210.00		228,098.69
March, 2017	10,662.40	10.00		10,672.40	262,508.29	210.00		262,718.29
Total	119,092.44	180.00	0.00	119,272.44	2,932,302.44	3,780.00	0.00	2,936,082.44

Nanaimo Custom Base Budget Official AOA 2016/2017

Schedule 'B'

Effective Apr 01, 2016

Scheduled Revenue Service

16/17 Full Year (Apr 01, 2016 to Mar 31, 2017)								
	Mon	Tue	Wed	Thu	Fri	Sat	Sun	
Hrs/Day	80.00	108.00	102.00	110.00	98.00	24.00	8.00	
Kms/Day	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Flexible Hours

	Apr, 2016	May, 2016	Jun, 2016	Jul, 2016	Aug, 2016	Sep, 2016	Oct, 2016	Nov, 2016	Dec, 2016	Jan, 2017	Feb, 2017	Mar, 2017
	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20

Extra Revenue Service

	Apr, 2016	May, 2016	Jun, 2016	Jul, 2016	Aug, 2016	Sep, 2016	Oct, 2016	Nov, 2016	Dec, 2016	Jan, 2017	Feb, 2017	Mar, 2017

Adjusted Revenue Service

	Apr, 2016	May, 2016	Jun, 2016	Jul, 2016	Aug, 2016	Sep, 2016	Oct, 2016	Nov, 2016	Dec, 2016	Jan, 2017	Feb, 2017	Mar, 2017

2016/2017 Calendar Specification

Period	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Exceptions	Total	Exception Days
Apr 01, 2016 to Apr 30, 2016	4	4	4	4	5	5	4	0	30	May 23, 2016 Victoria Day 2016 (Mon)
May 01, 2016 to May 31, 2016	4	5	4	4	4	4	5	1	31	Jul 01, 2016 Canada Day 2016 (Fri)
Jun 01, 2016 to Jun 30, 2016	4	4	5	5	4	4	4	0	30	Aug 01, 2016 BC Day 2016 (Mon)
Jul 01, 2016 to Jul 31, 2016	4	4	4	4	4	5	5	1	31	Sep 05, 2016 Labour Day 2016 (Mon)
Aug 01, 2016 to Aug 31, 2016	4	5	5	4	4	4	4	1	31	Oct 10, 2016 Thanksgiving Day 2016 (Mon)
Sep 01, 2016 to Sep 30, 2016	3	4	4	5	5	4	4	1	30	Nov 11, 2016 Remembrance Day 2016 (Fri)
Oct 01, 2016 to Oct 31, 2016	4	4	4	4	4	5	5	1	31	Dec 25, 2016 Christmas Day 2016 (Sun)
Nov 01, 2016 to Nov 30, 2016	4	5	5	4	3	4	4	1	30	Dec 26, 2016 Boxing Day 2016 (Mon)
Dec 01, 2016 to Dec 31, 2016	3	4	4	5	5	5	3	2	31	Jan 01, 2017 New Years Day 2017 (Sun)
Jan 01, 2017 to Jan 31, 2017	5	5	4	4	4	4	4	1	31	Feb 13, 2017 Family Day 2017 (Mon)
Feb 01, 2017 to Feb 28, 2017	3	4	4	4	4	4	4	1	28	
Mar 01, 2017 to Mar 31, 2017	4	4	5	5	5	4	4	0	31	
Total	46	52	52	52	51	52	50	10	365	10 Exceptions

Monthly Summary

Month	Custom Transit								
	Revenue Hours					Revenue Kilometers			
	Scheduled	Extra	Flexible	Adjusted	Total	Scheduled	Extra	Adjusted	Total
April, 2016	2,242.00		3.20		2,245.20	0.00			
May, 2016	2,236.00		3.20		2,239.20	0.00			
June, 2016	2,332.00		3.20		2,335.20	0.00			
July, 2016	2,152.00		3.20		2,155.20	0.00			
August, 2016	2,330.00		3.20		2,333.20	0.00			
September, 2016	2,248.00		3.20		2,251.20	0.00			
October, 2016	2,152.00		3.20		2,155.20	0.00			
November, 2016	2,232.00		3.20		2,235.20	0.00			
December, 2016	2,264.00		3.20		2,267.20	0.00			
January, 2017	2,308.00		3.20		2,311.20	0.00			
February, 2017	2,040.00		3.20		2,043.20	0.00			
March, 2017	2,430.00		3.20		2,433.20	0.00			
Total	26,966.00	0.00	38.40	0.00	27,004.40	0.00	0.00	0.00	0.00

SCHEDULE "C" – Budget**Nanaimo Regional Conventional Transit**

Official AOA	
2016/2017	
TRANSIT REVENUE	
Farebox Cash	\$1,229,578
Tickets & Passes	\$2,089,876
BC Bus Pass	\$791,565
Advertising	\$24,000
TOTAL REVENUE	\$4,135,019
EXPENDITURES	
Fixed Costs	\$967,588
Variable Hourly Costs - Scheduled Service	\$6,291,300
Variable Hourly Costs - Extra Service	\$9,509
Variable Fuel Costs - Scheduled Service	\$866,579
Variable CNG Fuel Costs	\$538,448
Variable Fuel Costs - Extra Service	\$1,811
Variable Tire Costs - Scheduled Service	\$89,938
Variable Tire Costs - Extra Service	\$116
Fleet Maintenance	\$1,210,455
Major Repairs Contingency	\$56,713
Major Capital Projects Operating Contingency	\$23,584
Accident Repairs	\$35,000
ICBC Insurance	\$147,868
Excess Insurance	\$88,255
Information Systems	\$84,807
P.S.T.	\$8,607
TOTAL DIRECT OPERATING COSTS	\$10,420,579
Property Maintenance	\$220,000
Training (Education & Seminars)	\$34,898
Marketing	\$65,231
Municipal Administration	\$188,188
BCT Management Services	\$616,208
TOTAL OPERATING COSTS	\$11,545,104
Lease Fees - Vehicles (Local Share)	\$1,752,673
Lease Fees - Land and Buildings (Local Share)	\$4,359
Lease Fees - Equipment (Local Share)	\$94,295
TOTAL LEASE FEES - LOCAL SHARE	\$1,851,327
TOTAL COSTS	\$13,396,432
STATISTICS	
Scheduled Revenue Hours	119,092
Extra Revenue Hours	180
Scheduled Revenue Kilometres	2,932,302
Extra Revenue Kilometres	3,780
Total Passengers	2,763,624
<i>Conventional Passengers</i>	<i>2,763,624</i>
FUNDING	
Total Operating Costs	\$11,545,104
Operating Reserve Required	\$48,664
Local Flex Funded Amount	\$878,000
Total Shareable Operating Costs	\$10,618,440
Local Share Operating Costs	\$5,660,691
Local Flex Funded Amount	\$878,000
Local Share Lease Fees	\$1,851,327
Less: Total Revenue	\$4,135,019
Less: Municipal Administration	\$188,188
Net Municipal Share of Costs	\$4,066,811
Provincial Share of Operating Costs	\$4,957,750
OPERATING RESERVES	
Projected Opening Operating Reserve Balance*	\$803,516
Operating Reserve Required	\$48,664
Projected Ending Operating Reserve Balance	\$754,852

* Projected March 31, 2016 balance based on December 31, 2015 forecast.
Final actual balance will be provided by June 2016.

Nanaimo Custom Transit

Official AOA 2016/2017

TRANSIT REVENUE	
Farebox Cash	\$206,074
TOTAL REVENUE	\$206,074
EXPENDITURES	
Fixed Costs	\$215,320
Variable Hourly Costs - Scheduled Service	\$1,084,517
Variable Fuel Costs - Scheduled Service	\$165,901
Variable Tire Costs - Scheduled Service	\$8,380
Fleet Maintenance	\$81,859
Major Repairs Contingency	\$6,000
Major Capital Projects Operating Contingency	\$5,317
Accident Repairs	\$5,000
Taxi Supplement	\$40,000
Taxi Saver Program	\$40,000
Taxi Saver Recoveries	-\$20,000
ICBC Insurance	\$18,488
Excess Insurance	\$10,208
Information Systems	\$9,330
P.S.T.	\$1,251
TOTAL DIRECT OPERATING COSTS	\$1,671,571
Training (Education & Seminars)	\$3,426
Marketing	\$14,769
Municipal Administration	\$30,626
BCT Management Services	\$107,209
TOTAL OPERATING COSTS	\$1,827,601
Lease Fees - Vehicles (Local Share)	\$250,473
Lease Fees - Land and Buildings (Local Share)	\$222
Lease Fees - Equipment (Local Share)	\$5,192
TOTAL LEASE FEES - LOCAL SHARE	\$255,886
TOTAL COSTS	\$2,083,487
STATISTICS	
Scheduled Revenue Hours	27,004
Total Passengers	68,318
<i>Custom/Para Passengers - Vans</i>	65,452
<i>Custom/Para Passengers - Taxi Supplement</i>	1,066
<i>Taxi Saver Passengers</i>	1,800
FUNDING	
Total Operating Costs	\$1,827,601
Operating Reserve Required	\$9,424
Local Flex Funded Amount	\$123,984
Total Shareable Operating Costs	\$1,694,193
Local Share Operating Costs	\$564,336
Local Flex Funded Amount	\$123,984
Local Share Lease Fees	\$255,886
Less: Total Revenue	\$206,074
Less: Municipal Administration	\$30,626
Net Municipal Share of Costs	\$707,506
Provincial Share of Operating Costs	\$1,129,857
OPERATING RESERVES	
Projected Opening Operating Reserve Balance*	\$155,601
Operating Reserve Required	\$9,424
Projected Ending Operating Reserve Balance	\$146,177

* Projected March 31, 2016 balance based on December 31, 2015 forecast.
Final actual balance will be provided by June 2016.

SCHEDULE "D" – Payment Schedule

Nanaimo Regional Conventional Transit and Custom Transit 2016/2017 AOA BUDGET

1) Payment Schedule

The Authority agrees to pay the Operating Company a monthly payment, the amount of which is determined on the following basis:

- a) For Specified Service in Schedule "B":
 - i) \$80,632.36 for Fixed Monthly Payment for conventional transit service; plus
 - ii) \$17,943.33 for Fixed Monthly Payment for custom transit service; plus
 - iii) \$52.83 per Revenue Hour for conventional transit service; plus
 - iv) \$40.16 per Revenue Hour for custom transit service; plus
 - v) \$0.0307 per Revenue Kilometre for tires for conventional transit service.
 - vi) Variable distance costs for fuel as billed, with satisfactory supporting documentation.
 - vii) Custom transit variable distance costs for tires 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) \$52.83 per Revenue Hour for conventional transit service; plus
 - ii) \$40.16 per Revenue Hour for custom transit service; plus
 - iii) \$0.0307 per Revenue Kilometre for tires for conventional transit service.
 - iv) Variable distance costs for fuel as billed, with satisfactory supporting documentation.
 - v) Custom transit variable distance costs for tires as billed, with satisfactory supporting documentation.
- d) For Maintenance:
 - i) \$46.71 per hour for labour by a licensed mechanic for the maintenance of transit vehicles.
- e) Not applicable.
- f) 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.

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

	Zone 1
a) Single Cash Fares:	
i) Adult	\$2.50
ii) Senior	\$2.25
iii) Youth (6-18 yrs)	\$2.25
iv) University Student	\$2.50
iv) 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: Daniel Pearce
A/Director Transit Operations and
Emergency Planning Services

DATE: May 05, 2016

FROM: Darren Marshall
Manager, Fleet, Projects and Emergency
Planning Services

MEETING: TSC - May 12, 2016

FILE: 0400-01

SUBJECT: **BC Transit 3-Year Expansion - Memorandum of Understanding**

RECOMMENDATION

1. Approve the 3-Year Expansion Memorandum of Understanding (MOU) between BC Transit and the Regional District of Nanaimo.

PURPOSE

To bring forward a Memorandum of Understanding between the Regional District of Nanaimo (RDN) and BC Transit for the RDN Transit's three-year expansion initiatives.

BACKGROUND

On April 20, 2016, the RDN received a Memorandum of Understanding from BC Transit for the RDN's 3-year expansion initiatives, as shown in *Appendix A*. In March of this year, the Provincial Government announced their commitment to \$12.7 million in funding over the next three years to support transit expansion initiatives throughout the province. BC Transit has recognized that the RDN is a candidate for potential expansions and the MOU was provided to formalize the process of securing appropriate expansion funding on the RDN's behalf from the Province. Further, the MOU is to ensure buses are available for future RDN Transit expansions.

BC Transit is communicating the proposed expansion initiatives as early as possible to achieve the following goals:

1. Ensure the proposed 3-year expansion initiatives are aligned with the expectations of the RDN;
2. Attain a commitment from the RDN that will allow BC Transit to proceed with the procurement and management of resources necessary to implement our expansions; and
3. Provide BC Transit with the information necessary to provide the RDN with enhanced 3-year budget forecasts.

The three year expansions cover the Annual Operating Agreement periods of 2017/2018 through to 2019/2020. These plans are primarily derived from the *RDN Future Plan*. The expansion plans include local transit service improvements in Parksville, Qualicum Beach, transit service in Electoral Area 'E' and expand inter-regional service connecting Electoral Area 'H' to the Cowichan Valley Regional District

(CVRD). It also includes developing a rapid transit corridor, a possible connection between downtown Nanaimo, Electoral Area 'A' and Ladysmith and enhancements to the frequent transit corridor between downtown Nanaimo, Vancouver Island University and the north end of Nanaimo.

The 3-Year Expansion MOU does not permanently set expansion plans and the Transit Select Committee (TSC) and the Board will have the final approval for each year's expansion plans. On an annual basis staff will work with BC Transit to conduct analyses of routing and costs to determine the impacts to participants in the transit function.

ALTERNATIVES

1. Approve the 3-Year Expansion Memorandum of Understanding.
2. Do not approve the 3-Year Expansion Memorandum of Understanding and provide alternate direction to staff.

FINANCIAL IMPLICATIONS

The RDN 5-year financial plan has included annual hours for Conventional transit expansions in 2017/2018 through to 2019/2020. It also includes Custom expansion hours in 2017/2018 that can be differed to 2019/2020. Staff believe that, for the 2019/2020 budget year, a Custom expansion could be accommodated within the current Financial Plan.

The expansion initiatives identified are outlined below, along with a high level annual costing.

PROPOSED CONVENTIONAL EXPANSIONS INITIATIVES						
AOA PERIOD	IN SERVICE DATE	ANNUAL HOURS	VEHICLE REQUIREMENTS	ESTIMATED REVENUE	ESTIMATED TOTAL COSTS	ESTIMATED NET MUNICIPAL SHARE
2017/18	Sept 2017	5,000	3	\$32,430	\$549,603	\$305,665
		Description	RDN Transit Future Plan recommendations – General service increases to the routes that make up the local transit network. This would include expanded local bus service in Parksville and Qualicum Beach.			
2018/19	Sept 2018	5,000	2	\$72,067	\$549,172	\$257,136
		Description	Transit Future Plan recommendations focus on Frequent Transit Network route 40 and Rapid Transit Route 50 expansions. These proposed service expansions require relocation and expansion of the Downtown Exchange and improvements to the Woodgrove Centre Exchange.			
2019/20	Mar 2020	5,000	2	\$83,493	\$570,576	\$258,136
		Description	Transit Future Plan Recommendations.			

*All costs shown above are cost shared at a rate of 46.69% BC Transit and 53.31% RDN.

PROPOSED CUSTOM EXPANSIONS INITIATIVES						
AOA PERIOD	IN SERVICE DATE	ANNUAL HOURS	VEHICLE REQUIREMENT	ESTIMATED REVENUE	ESTIMATED TOTAL COSTS	ESTIMATED NET MUNICIPAL SHARE
2019/20	Sept 2019	1,700	1	\$7,784	\$132,639	\$49,727
		Description Increase handyDART service based on Transit Future Plan.				

*All costs shown above are cost shared at a rate of 66.69% BC Transit and 33.31% RDN.

STRATEGIC PLAN IMPLICATIONS

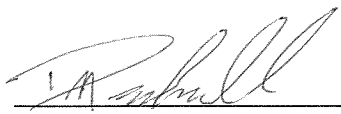
The Board Vision expresses a desire to build a future where the environment is healthy for future residents. Transit service throughout the RDN allows each resident the option to leave their personal vehicle at home, helping to reduce emissions and particulate matter. Further, an enhanced transit service allows a greater number of residents to access the transit service and further reduce environmental emissions sustaining the future for others.

In terms of Strategic Priorities, expanded transit service throughout the region promotes economic viability and Regional Collaboration. Expanding transit service allows a greater number of residents to access the transit service, which in turn allows them to access economic opportunities throughout the RDN. Regarding Regional Relationships, the RDN Transit Service links the communities in the RDN and also has the possibilities of linking communities outside the RDN to communities inside the RDN, which would allow residents greater access to the surrounding areas.

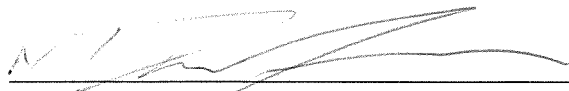
SUMMARY/CONCLUSIONS

BC Transit has sent the RDN an MOU for the RDN Transit’s 3-year expansion initiatives covering the periods of 2017/2018 to 2019/2020. The MOU was provided to formalize the process of securing appropriate expansion funding on the RDN’s behalf from the Province for the next three fiscal years.

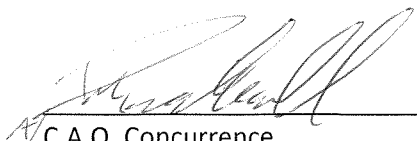
BC Transit is trying to achieve the following goals with the 3-Year Expansion MOU. First, they are attempting to ensure that the 3-year expansion initiatives are aligned with the expectations of the RDN. Secondly they are trying to obtain a commitment from the RDN that will allow BC Transit to proceed with the procurement and management of resources necessary to implement RDN expansions. Lastly, BC Transit needs information to provide the RDN with enhanced 3 year budget forecasts.



 Report Writer



 Director Concurrence



 C.A.O. Concurrence

April 20, 2016

Attn: Daniel Pearce,
A/Director, Transportation and Emergency Planning Services
Regional District of Nanaimo
6300 Hammond Bay Road
Nanaimo, BC
V9T 6N2

Re: 3 Year Expansion Initiatives

Dear Daniel,

Last month, the Provincial Government announced their commitment to \$12.7 million in funding over the next three years to support transit expansion initiatives throughout the province. Because your transit system has been identified as a candidate for potential expansion, the attached Memorandum of Understanding (MOU) is provided to formalize the process of securing appropriate expansion funding on your behalf. Preliminary interactions with partners indicate there is a possibility that expansion requests may exceed the available funding.

The MOU lists the specific initiatives for the Annual Operating Agreement periods of 2017-2018 through to 2019-2020 derived primarily from recent service plans approved by your local government. Order-of-magnitude costing is provided to define the scope of transit service initiatives based on the proposed annual expansion hours. If the proposed expansion is dependent on other infrastructure investment, this dependency will be identified in a separate table.

If your proposed expansion requires additional vehicles in 2017-2018, a signed commitment from your Board is required by mid-June to ensure sufficient time for BC Transit to procure buses. Please keep in mind that should your plans change after this date and you determine that expansion is no longer desired, you will be billed the lease fees related to the new buses for a minimum of a one year period.

Upon confirmation of your Board's commitment to the expansion initiatives, we will include your request in BC Transit's draft Service Plan to the Province to seek the matching funding required for operating and capital costs. Following confirmation of the provincial budget, BC Transit will inform you of allowable funding and initiate an implementation plan, including the development of more detailed costing based on routing and schedules.

By communicating proposed expansion initiatives as far in advance as possible we are trying to achieve three important goals:

1. Ensure 3 year expansion initiatives are aligned with the expectations of local governments
2. Attain a commitment from local governments that allow BC Transit to proceed with the procurement and management of resources necessary to implement transit service expansions
3. Provide local government partners with enhanced 3 year forecasts that identify longer term funding requirements.

I look forward to working with you on the continued improvement of your transit service and encourage you to contact me if you have any questions regarding these proposed expansion initiatives.

Yours truly,

A handwritten signature in black ink that reads "M. Moore". The signature is written in a cursive style with a large, looped initial "M".

Myrna Moore
Senior Regional Transit Manager
BC Transit

Expansion Memorandum of Understanding

Date	April 20, 2016
Expiry	June 15, 2016
System	Regional District of Nanaimo

Expansion Initiatives Agreement

The following outlines expansion initiatives identified for your transit system along with a high level annual costing based on the hourly rates of your system. Please confirm these initiatives are aligned with the expectations of your local government. Upon confirmation of your local government's intent to commit to the expansion and budget, we will proceed with the request to secure funding from the Province on your behalf.

PROPOSED CONVENTIONAL EXPANSION INITIATIVES						
AOA Period	In Service Date	Annual Hours	Vehicle Requirements	Revenue	Total Costs*	Net Municipal Share
2017/18	Sept 2017	5,000	3	\$32,430	\$549,603	\$305,665
		Description Transit Future Plan recommendations – General service increases to the routes that make up the local transit network. This would include expanded local bus service in Parksville and Qualicum Beach.				
2018/19	Sept 2018	5,000	2	\$72,067	\$549,172	\$257,136
		Description TFP recommendations focus on Frequent Transit Network route 40 and Rapid Transit Route 50 expansions. These proposed service expansions require relocation and expansion of the Downtown Exchange and improvements to the Woodgrove Mall Exchange.				
2019/20	Mar 2020	5,000	2	\$83,493	\$570,576	\$258,316
		Description Transit Future Plan Recommendations				

* Vehicle costs do not reflect Standardized Lease Fees

PROPOSED CUSTOM EXPANSION INITIATIVES						
AOA Period	In Service Date	Annual Hours	Vehicle Requirements	Revenue	Total Costs*	Net Municipal Share
2019/20	Sept 2019	1,700	1	\$7,784	\$132,639	\$49,727
		Description Increased handyDART service based on TFP				

* Vehicle costs do not reflect Standardized Lease Fees

Approval

On behalf of the Regional District of Nanaimo, I am confirming to BC Transit to proceed with the request for funding to the province on our behalf and that we are committed to budget accordingly as per the advice provided and with the knowledge a more detailed budget will follow as service details are confirmed.

Signature: _____

Date: _____

Name: Daniel Pearce

Position: A/Director, Transportation and Emergency
Planning Services

On behalf of BC Transit, prepared by

Signature: 

Date: April 20, 2016

Name: Myrna Moore

Position: Senior Regional Transit Manager