



**Date** Nov. 7, 2011

## **City Council Committee Report**

**To: Mayor Canfield & Members of Council**

**Fr: Charlotte Edie**

**Re: One Time Handi Transit Funding request**

### **Recommendation:**

That Council consider the request by the Handi Transit Board to provide one time funding to be applied to the accumulated deficit of \$25,658 of the Kenora Handi Transit at December 31, 2009.

That the recommended contribution be one half of the accumulated deficit at December 31, 2009 or \$12,829 subject to the restriction of future surpluses being transferred to the City held bus replacement reserve.

**Background:** Every year the Kenora Handi Transit Board submits an operating budget to the Kenora City Council for the next year's funding request. The 2011 budget request represents 65% of the total Handi Transit budget. In recent history the City of Kenora's contribution has been approximately 60% of total revenue.

In addition to operating subsidies the city has also subsidized bus purchases by redirecting transit capital funding received by the City for the purchase of Handi Transit buses. As well \$5,493 of the City's CRF funding was transferred to the vehicle replacement reserve for a number of years to assist with the purchase of buses.

The accumulated deficit of the Kenora Handi Transit was \$25,658 at December 31, 2009. The operating surplus for the year was \$6,077. The contribution to the vehicle replacement reserve was \$7,766 increasing the accumulated deficit by \$1,689 in 2009.

In 2010 the operating surplus was \$16,919. Net appropriations to the vehicle replacement reserve were \$5,457 reducing the accumulated deficit by \$11,462 to \$14,196 by the end of 2010. In 2011 the operating surplus to the end of September is \$17,780. Contributions to the Community Foundation are \$2,065 in 2010 and \$1,414 in 2011.

The recommendation to make a one time contribution of \$12,829 would be conditional on the Handi Transit transferring future surpluses to the City held vehicle replacement reserve for bus purchases in lieu of contributing to the Community Foundation.

**Budget:** Additional contribution to be appropriated from the Transit MCORF reserve fund.

### **Communication Plan/Notice By-law Requirements:**

The Handi Transit Board would be advised of Council's decision on this matter.