



**CITY OF HAMILTON**  
**PUBLIC WORKS DEPARTMENT**  
Transit Division

<b>TO:</b>	Chair and Members Public Works Committee
<b>COMMITTEE DATE:</b>	July 9, 2015
<b>SUBJECT/REPORT NO:</b>	D.A.R.T.S. 2014 Deficit Funding - (PW15054) - (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	George Brovac Manager of Accessible Transportation Services (905) 546-2424, Extension1666
<b>SUBMITTED BY:</b>	David Dixon Acting General Manager Public Works Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

That the General Manager of Public Works be authorized to pay D.A.R.T.S. an additional \$904,522 from account 12607-006100 for services provided for the year 2014, over and above those funds approved within the 2014 City budget.

**EXECUTIVE SUMMARY**

D.A.R.T.S., a not-for-profit corporation, provides the City's specialized transportation services to persons with disabilities, under an Agreement with the City. D.A.R.T.S. uses best efforts to provide the service in the most efficient and effective manner. City staff monitors D.A.R.T.S. performance on a monthly basis to ensure adherence to the best effort philosophy.

Results for 2014 are as follows:

**2014 DARTS Deficit**

	<b>Trips</b>	<b>Actual</b>	<b>Comment</b>
<b>Budget</b>	509,721	\$14,459,801	Increase in trips in accordance with Council approved service level enhancements
<b>Actual</b>	529,876	\$15,369,255	
<b>Net Variance</b>	20,155	\$(904,522)	D.A.R.T.S. year-end variance report attached as Appendix "A"

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Driving factors contributing to the expenditure:

	Budget	Actual	Variance	Comment
<b>Driver Wages</b>			\$(340,038)	Due to the increase trip count, DARTS was over on driver wages
<b>Call Centre Wages (reservation, dispatch, scheduling functions)</b>			\$(234,575)	Due to the implementation of fare parity (AODA) and the increased work required administering the fare reconciliation.
<b>DARTS Vehicle Maintenance</b>	\$720,603	\$1,018,518	\$(297,915)	DARTS fleet is at an average age of 4.5 years with an expected fleet life cycle of 7 years.

D.A.R.T.S. year-end variance report is attached as Appendix "A".

As a not-for-profit organization, D.A.R.T.S. maintains no reserves to deal with budget variances. The staff recommendation will allow D.A.R.T.S. to carry out its 2014 service plan as set forward in the 2014 approved budget.

***Alternatives for Consideration - See Page 3***

**FINANCIAL - STAFFING - LEGAL IMPLICATIONS**

Financial: The recommendation has no financial implications, as the liability is dealt with as part of the year-end overall financial position of the City.

Staffing: None

Legal: Approval of the recommendation has no legal implications, although failure to approve funding of the deficit may be cause for cancellation of the agreement between the City and D.A.R.T.S.

**HISTORICAL BACKGROUND**

Under the terms of the contract between the City and D.A.R.T.S., Council has authority over budget and service levels.

D.A.R.T.S. is accountable for delivering the agreed level of service within the approved budget. City staff takes these variances into account in providing an assessment of financial performance.

**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

There are no policies affecting the proposal.

## **RELEVANT CONSULTATION**

Consultation has been undertaken with the Finance and Administration Section of the Finance, Administration and Revenue Generation Division of the Finance and Corporate Services Department and they are supportive of the Report's recommendation.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

The overall 2014 financial position for Transit includes the D.A.R.T.S. deficit of \$904,522. A liability payable to D.A.R.T.S. is accrued for 2014 year-end, and approval of this recommendation will allow the City to reimburse D.A.R.T.S. As such, it is recommended that Council approve the funding of the outstanding \$904,522 deficit.

## **ALTERNATIVES FOR CONSIDERATION**

Non-acceptance of the recommendation will effectively serve to cancel the agreement between the City and D.A.R.T.S., as D.A.R.T.S. maintains no reserves to deal with a net expenditure deficit; as such, there are no alternatives to the recommendation.

## **ALIGNMENT TO THE 2012 - 2015 STRATEGIC PLAN**

### **Strategic Priority #2**

#### **Valued & Sustainable Services**

*WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.*

### **Strategic Priority #3**

#### **Leadership & Governance**

*We work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.*

#### **Strategic Objective**

- 3.1 Engage in a range of inter-governmental relations (IGR) work that will advance partnerships and projects that benefit the City of Hamilton.

## **APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" – 2014 Year End Variance Report