



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

<b>TO:</b>	Chair and Members Public Works Committee
<b>COMMITTEE DATE:</b>	July 7, 2016
<b>SUBJECT/REPORT NO:</b>	D.A.R.T.S. 2015 Variance Funding (PW16057) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	George Brovac Manager of Accessible Transportation Services (905) 546-2424, Extension 1666 David Dixon Director of Transit (905) 546-2424, Extension 1860
<b>SUBMITTED BY:</b>	Christine Lee-Morrison Acting Director of Transit 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 \$205,319 from account 12607-006100 for services provided for the year 2015, over and above those funds approved within the 2015 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 2015 are as follows:

	Trips	Actual	Comment
Budget	564,721	\$15,428,504	Increase in trips in accordance with Council approved service level enhancements
Actual	579,124	\$15,633,823	
Net Variance	14,403	\$(205,319)	D.A.R.T.S. year-end

In 2015 DARTS provided an additional 14,403 customer trips over the estimated budget. At an average cost of \$27 per trip DARTS would have avoided \$388,881 of

expenses if they did not provide the customer trips; an option staff did not consider. Transferring trips from buses to accessible vans and vans allowed DARTS to mitigate \$183,562 in costs (the difference between the variance and the cost of providing the 14,403 additional trips).

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 2015 service plan.

***Alternatives for Consideration - See Page 2***

**FINANCIAL - STAFFING - LEGAL IMPLICATIONS**

Financial: The recommendation has no 2016 cost implications, as the expenditure and associated liability was recorded in the 2015 year-end financial statements of the City.

Staffing: None

Legal: Approval of the recommendation has no legal implications, although failure to approve funding of the variance 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 Division of Corporate Services.

**ANALYSIS AND RATIONALE FOR RECOMMENDATION**

The overall 2015 financial position for Transit includes the D.A.R.T.S. variance of \$205,319. A liability payable to D.A.R.T.S. is accrued for 2015 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 \$205,319 variance.

**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 variance; 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**

N/A