

**BOW VALLEY REGIONAL TRANSIT SERVICES COMMISSION  
BYLAW 1- 2011**

**BEING A BYLAW RESPECTING THE APPOINTMENT OF A BOARD OF DIRECTORS AND CHAIRPERSON OF BOW VALLEY REGIONAL TRANSIT SERVICES COMMISSION,**

**WHEREAS** the Bow Valley Regional Transit Services Commission has been established by Alberta Regulation 59/2011, and

**WHEREAS** the first Board of Directors and Chairperson of the Bow Valley Regional Transit Services Commission was appointed through Ministerial Order L:040/11 in accordance with the *Municipal Government Act*, and

**WHEREAS** pursuant to the provisions of Part 15.1, Section 602.07(1) (a) of the *Municipal Government Act*, the Bow Valley Regional Transit Services Commission must pass a bylaw respecting the appointment of its directors and the designation of its Chair, and

**WHEREAS** a bylaw must be passed under Section 602.07(1) (a) of the *Municipal Government Act*, must be approved by the Minister of Municipal Affairs before coming into force,

**NOW THEREFORE** the Commission enacts the following:

**1. DEFINITIONS**

- 1.1. "Act" means the *Municipal Government Act*, R.S.A. 2000, c. M-26;
- 1.2. "Board" means the Board of Directors of the Commission;
- 1.3. "Chair" means the chairperson of the Board;
- 1.4. "Commission" means the *Bow Valley Regional Transit Services Commission*;
- 1.5. "Director" means the representative of a Member of the Board appointed in accordance with this Bylaw;
- 1.6. "Member" or "Members" means those members set out in the Regulation;
- 1.7. "Regulation" means Alberta Regulation No. 59/2011;

## 2. BOARD OF DIRECTORS

2.1. The Board shall consist of Six (6) Directors that shall be appointed as follows:

2.1.1. Two (2) Directors, whom shall be elected officials, from each Member of the Commission.

2.2. A Director's appointment can be revoked through written notification from a Member's Council of a replacement Director.

2.3. Selection of the Chair and Vice-Chair shall be through nomination and the support of the majority of the Voting Members.

2.4. A Chair and Vice-Chair shall occupy the positions for one year.

## 3. AMENDMENTS


3.1. In accordance with Section 191(2) of the Act a bylaw to amend this Bylaw does not come into force until the bylaw is passed by a majority of the Directors of the Board and approved by the Minister of Municipal Affairs.

3.2. The first time that the Bylaw is amended, a notice that contains both the existing Bylaw (in full) and the proposed Bylaw (in full) will be provided to Directors and Members at least one month in advance of when Members will vote on the changes. Thereafter, the notice will only contain new items, items to be changed, or items to be removed from the existing Bylaw.

Read a first time this 15<sup>th</sup> day of June, 2011

Read a second time this 15<sup>th</sup> day of June, 2011

Read a third time this 15<sup>th</sup> day of June, 2011



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Leslie Taylor, Chairperson

Approved by the Minister of Municipal Affairs pursuant to Section 602.07(2) of the *Municipal Government Act*, this 18<sup>th</sup> day of August 2011.



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Minister of Municipal Affairs

**BOW VALLEY REGIONAL TRANSIT SERVICES COMMISSION  
BYLAW No. 2-2011**

**BEING A BYLAW RESPECTING THE FEES TO BE CHARGED BY THE COMMISSION TO ITS CUSTOMERS**

**WHEREAS** the Bow Valley Regional Transit Services Commission has been established by Alberta Regulation 59/2011, and

**WHEREAS** the first Board of Directors and Chairperson of the Bow Valley Regional Transit Services Commission was appointed through Ministerial Order L:040/11 in accordance with the *Municipal Government Act*, and

**WHEREAS** pursuant to the provisions of Part 15.1, Section 602.07(1) (b) of the *Municipal Government Act*, the Bow Valley Regional Transit Services Commission must pass a bylaw governing the fees to be charged by the commission for services provided to its customers or to any class of its customers,

**NOW THEREFORE** the Commission enacts the following:

**1. DEFINITIONS**

- 1.1. "Act" means the *Municipal Government Act*, R.S.A. 2000, c. M-26;
- 1.2. "Board" means the Board of Directors of the Commission;
- 1.3. "Commission" means the *Bow Valley Regional Transit Services Commission*;
- 1.4. "Director" means the representative of a Member of the Board appointed in accordance with this Bylaw;
- 1.5. "Member" or "Members" means those members set out in the Regulation;
- 1.6. "Regulation" means Alberta Regulation No. 59/2011;

**2. BOARD OF DIRECTORS**

- 2.1. The Board shall levy fees annually to its customers to cover the actual costs of the provision of public transit services for those customers, as well as to cover other supporting costs related to those public transit services, including but not limited to the Commission's annual administrative costs, marketing costs, and capital reserve costs. The Board shall apply the cost allocation principles and methodology described in the Bow Valley Regional Transit Services Commission Five-Year Business Plan.

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**3. AMENDMENTS**

3.1. In accordance with Section 191(2) of the Act a bylaw to amend this Bylaw does not come into force until the bylaw is passed by a majority of the Directors of the Board and approved by the municipal councils or main governing body of the Members.

3.2. The first time that the Bylaw is amended, a notice that contains both the existing Bylaw (in full) and the proposed Bylaw (in full) will be provided to Directors and Members at least one month in advance of when Members will vote on the changes. Thereafter, the notice will only contain new items, items to be changed, or items to be removed from the existing Bylaw.

Read a first time this 15<sup>th</sup> day of June, 2011

Read a second time this 15<sup>th</sup> day of June, 2011

Read a third time this 15<sup>th</sup> day of June, 2011



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Leslie Taylor, Chairperson

**BOW VALLEY REGIONAL TRANSIT SERVICES COMMISSION  
BYLAW 3- 2011  
OPERATING BYLAW**

**BEING A BYLAW RESPECTING THE COMMISSION'S ABILITY TO  
OPERATE, MANAGE AND ADMINISTER SERVICES TO ITS CUSTOMERS**

WHEREAS pursuant to the provisions of the *Municipal Government Act*, the Board of the Commission must pass Bylaws respecting the appointment of its directors and the designation of its Chair, and may pass Bylaws respecting the provision of the Commission's services and the governance of the administration of the Commission; and

NOW THEREFORE the Board enacts the following:

1. DEFINITIONS

- 1.1. "Act" means the *Municipal Government Act*, R.S.A. 2000, c. M-26, as amended or replaced from time to time;
- 1.2. "Annual Organizational Meeting" means the meeting of the Board held once each fiscal year;
- 1.3. "Auditor" means the auditor of the Commission appointed by the Board who shall report to the Board on the annual financial statement of the Commission and on the financial procedures and activities of the Commission
- 1.4. "Board" means the Board of Directors of the Commission as per Bylaw 1-2011 section 2,
- 1.5. "Chair" means the Chairperson of the Board;
- 1.6. "Commission" means the Bow Valley Regional Transit Services Commission;
- 1.7. "Customers" means a municipal authority, federal agency, accommodation facility, or any other organization that is represented on the Commission or receives public transit service from the Commission;
- 1.8. "Director" means the representative of a Member of the Board appointed in accordance with Bylaw 1-2011
- 1.9. "Fare revenue shortfall" means the amount that is collected from public transit service passenger fares below what was budgeted in the Commission's annual budget for each service.

- 1.10. “Fare revenue surplus” is the amount that is collected from public transit service passenger fares above what was budgeted in the Commission’s annual budget for each service.
- 1.11. “Fee” means the amount levied by the Board to each of its customers to cover the costs of providing public transit services, including but not limited to administration, capital reserve, marketing, and service contract costs.
- 1.12. “Financial Plan” means a detailed outline of the Commission’s strategic objectives, capital requirements, budget (which includes the estimated operating and maintenance costs, fare revenues, grant funding, and income from fees and other sources), and the cost-sharing and revenue-sharing framework. Financial plans can be annual, three or five-year rolling plans.
- 1.13. “Manager” means the administrative lead position of the Commission selected by the Board
- 1.14. “Member” or “Members mean those members set out the Regulation
- 1.15. “Non-Voting Representatives” means environmental interest groups, destination marketing groups, and or other groups who would actively participate in the activities of the Commission and who would have representatives on the Board but no voting rights;
- 1.16. “Regulation” means Alberta Regulation No. 59/2011;
- 1.17. “Revenue vehicle hour” is a measure of the scheduled hours of service that are available to passengers for transport. One revenue vehicle hour is equivalent to one transit vehicle traveling in one hour in revenue service.
- 1.18. “Service area” means those service areas set out in the Regulation.
- 1.19. “Transit user satisfaction measures” are indicators that measure how satisfied transit users are with the transit system, and may include level of satisfaction with service frequency, hours of operation, and route coverage.
- 1.20. “Vice-Chair” means Vice-Chair of the Board;
- 1.21. “Voting Members” means the Town of Banff, Town of Canmore, and Improvement District #9, all of whom have voting rights and as described in Bylaw 1-2011 section 2, subsection 2.1 and 2.1.1

## 2. OBJECTIVES

- 2.1. The objectives of the Commission are:

- (a) to provide and or coordinate local and regional transit services within the service area;
- (b) to attract more transit users; and
- (c) to contribute towards improving air quality and the reduction of greenhouse gas emissions.

### 3. MANAGEMENT

- 3.1. There shall be a Manager and other officers as determined by the Board at its discretion.
- 3.2. The Board may select as Manager:
  - (a) an individual who will be an employee of the Commission;
  - (b) an individual municipality; or
  - (c) an organization engaged on a contractual basis to the Commission.
- 3.3. The Manager will be the sole administrative direct report to the Board through the Chair (as the Board's primary representative)
- 3.4. The Manager shall act as the administrative head of the Commission and carry out the following duties including, but not limited to:
  - (a) introducing policies and procedures for Board approval
  - (b) ensuring that the policies and programs of the Commission are implemented;
  - (c) advising and informing the Board on the operations and affairs of the Commission;
  - (d) performing the duties and exercising the powers assigned to the Manager in this Bylaw;
  - (e) performing the duties and exercising the powers required of the Manager in the *Act* or any other applicable legislation;
  - (f) ensuring the funds of the Commission are received and disbursed in accordance with the directives of the Board, subject to this Bylaw;

- (g) managing finances to effectively operate the Commission including establishing bank account(s), establishing good cash management practices/ protocols, and exercising purchase of goods and services as per policies and procedures
- (h) ensuring detailed accounts of all income and expenditures are kept;
- (i) ensuring an account of all transactions of the Commission and the financial position of the Commission are rendered to the Board at meetings or whenever required by the Board;
- (j) ensuring all books, papers, records, correspondence, contracts and other documents belonging to the Commission are maintained and disclosed in accordance with applicable legislation; and
- (k) carrying out any lawful direction of the Board.
- (l) advising the Board on staffing requirements to effectively administer Commission business
- (m) being solely responsible for the supervision/ management of all the staff of the Commission

3.5 The Board and or the Manager may, from time to time, may appoint an acting manager who shall be authorized, in the absence of the Manager, to perform such duties of the Manager; further the Board and or the Manager may define the parameters of the acting manager when an appointment is made

#### 4. BOARD

- 4.1. The proceedings of the Board shall be conducted in accordance with the *Act* and Bylaw No. 1-2011
- 4.2. The term of each Director shall be for one year.
- 4.3. Selection of the Chair shall be through nomination and the support of the majority of the Directors.
- 4.4. Selection of the Vice-Chair shall be through a nomination and the support of the majority of the Directors.
- 4.5. The Chair and Vice-Chair must be municipal representatives.
- 4.6. Chair and Vice Chair shall occupy the positions for one year as per Bylaw 1-2011 section 2.4



- 4.7. A Chair may be removed through a majority vote of Directors.
- 4.8. If the Chair resigns from the Board, the Vice-Chair shall assume the position of Chair until the Directors elect a new chair from their Members.
- 4.9. Any tie vote results in that motion being defeated
- 4.10 A quorum shall be minimum four (4) Directors present at the meeting of which must include the Chair or Vice Chair.
- 4.11 A Director shall not miss more than three consecutive Regular Board meetings (does not include Annual General Meeting and Special Meetings). In the event of this occurrence, the Chair or Vice Chair will request Section 2, subsection 2.2, of Bylaw 1-2011 to be exercised and seek a permanent replacement for that Director from the respective representing municipality. Exceptions may be considered by the Board provided circumstances for absences are considered extraordinary and or for emergency circumstances.
- 4.12 The Board shall be responsible for:
  - a) strategic transit plans;
  - b) annual and three-year financial plans pursuant to Section 11 hereof;
  - c) regional transit policies, performance standards, and transit user satisfaction measures;
  - d) the fare schedule of the services provided by the Commission;
  - e) service marketing plans;
  - f) the contracting of work to public or private organizations, which when applicable are to be rewarded through a competitive bidding process;
  - g) ensuring appropriate programs and policies are created, administered and monitored on a regular basis;
  - h) hiring and supporting the Manager
  - i) considering measures to ensure the regional transit system is integrated to the greatest extent possible

## 5. MEETINGS

- 5.1. The Board shall hold Regular Meetings at least once every two months or more often at regular intervals as approved by the Board as per section 5.4.
- 5.2. Special Meetings (outside of the definition of section 5.1) may be called by the Chair at any time with the provision of minimum 5 working days advanced notice to all Directors and with a confirmation of a quorum as per section 4.10
- 5.3. The Board shall hold an Annual Organizational Meeting, which shall be held no later than October 30th of each year. At each Annual Organizational Meeting, the next year's financial and strategic plans, shall be voted on and adopted.
- 5.4. A schedule of regular meetings shall be established by resolution at the Annual Organizational Meeting. The location and time of the Regular and Annual Organizational Meetings shall be determined.
- 5.5. Notification of the Annual Organizational Meeting shall be provided to each Director and Non-Voting representatives no less than thirty (30) days prior to the date of the Annual Organizational Meeting.
- 5.6. At a Regular Meeting held no later than April 30<sup>th</sup> of each year, the Auditor shall present the audited financial statements of the Commission for approval, and the Chair shall report on the activities of the past year of the Board and the future plans of the Commission.
- 5.7. An agenda shall be established for all meetings of the Board by submitting a written request to the Manager no later than noon 5 business days prior to the meeting date. Only Board members as defined in Bylaw 1-2011 section 2, and the Manager shall be entitled to add items to the proposed agenda.
- 5.8. The Manager shall ensure copies of the agenda and supporting documents are available to the Board and the public no later than 5:00 p.m. three days before a meeting.
- 5.9. If an agenda item is submitted past the deadline it may be added to the agenda through the Chair and then carried by a majority vote.
- 5.10. The Directors shall elect from among themselves the Chair and Vice-Chair of the Board at the first meeting in November after the municipal elections.

## 6. THE COMMISSION

- 6.1. The Commission shall apply for appropriate Operating Certificate(s) from the Government of Alberta, and or other authorizing jurisdictions in order to operate transit service as needed, defined and mandated as the regional transit commission
- 6.2. The Commission may assume responsibility of any existing and new contracts, operating and any others between its Members, private operators and other entities, and renew, cancel, or amend them as needed
- 6.3. The Commission may form committees and working groups as needed. The composition of these committees and work groups may be determined by the Commission

## 7. EXCLUSIVITY RIGHTS OF COMMISSION

- 7.1. The Commission has exclusive rights to operate transit services from specified stops, transit exchanges and hubs that service public transportation needs as determined by the Commission. No other services may use the stops, transit hubs or exchanges designated for the purpose of the Commission's services without the prior written permission of the Commission.

## 8. TRANSIT SERVICES PROVIDED

- 8.1. The transit services and the means by which the costs will be shared by Customers shall be determined on an annual basis.
- 8.2. The Local Banff ROAM Transit Service is envisioned to be operated year-round within the boundaries of the Town of Banff and outside the town boundaries if approved by the Board.
- 8.3. The Regional Canmore-Banff Transit Service envisioned to be operated year-round between the Town of Canmore and the Town of Banff and shall be connected to Banff ROAM services and other Commission services that may operate in the Towns of Banff and Canmore.
- 8.4. The Park ROAM Transit Service is envisioned to serve park residents and visitors to destinations in Banff National Park outside of the Town of Banff.
- 8.5. Other new regional and local transit services may be developed and implemented by the Commission.

- 8.6. All vehicles used by the public transit services shall be accessible to persons with disabilities and capable of accommodating bicycles and skis/snowboards.

## 9. COSTS AND PASSENGER REVENUES OF TRANSIT SERVICES AND OTHER COSTS OF THE COMMISSION

- 9.1. As per Bylaw No. 2-2011 section 2, 2.1 The Board shall levy fees annually to its customers to cover the actual costs of the provision of public transit services for those customers, as well as to cover other supporting costs related to those public transit services, including but not limited to the Commission's annual administrative costs, marketing costs, and capital reserve costs. The Board shall apply the cost allocation principles and methodology described in Schedule A, which shall be reviewed and revised every three years if necessary, to determine the amounts of these levy fees (see 9.2).
- 9.2. If amendments are to be made to Schedule A, Bylaw No 2-2011 section 2, 2.1 may need to be revised and amended accordingly.
- 9.3. Each of the Voting Members shall pay for any passenger fare revenue shortfall for any public transit service provided by the Commission. The amount shall be in accordance with their share of the net direct operating costs agreed upon in that year's financial plan.
- 9.4. For any transit service provided by the Commission, the Commission shall distribute revenue surpluses greater than 5% of the year's total direct operating costs to the contributing parties of that service. The amount shall be in accordance with their share of the net direct operating costs agreed upon in that year's financial plan and for the purposes of impacting the net contributions from that member. If the surplus is less than 5% of the total direct operating costs, the Commission shall put the funds in a reserve to be used to cover future cost overruns.

## 10. TRANSIT SERVICE MARKETING

- 10.1. The Commission shall market the public transit services described in Section 8 through avenues including but not limited to:
  - (a) Consistent regional branding with distinct names or colours for each service;
  - (b) Other appropriate and innovative means that will effectively reach local and international markets.

## 11. FINANCIAL

- 11.1. Without limiting the requirements for the budget pursuant to the *Act*, Part 15.1, s. 602.2 and 602.23, on or before September 1<sup>st</sup> of each year the Board shall prepare an annual and three-year rolling financial plan that shall set out the expected:
  - (a) estimated expenditures for the:
    - (i) purchase of operating services, which would include maintenance services;
    - (ii) administration of the Commission, including salaries for the transit manager and any other Commission staff;
    - (iii) marketing activities of the Commission; and
    - (iv) 10 year capital investments (for vehicle and/or non-vehicle assets);
  - (b) the fees levied to each contributing party (using the cost allocation principles and methodology described in Schedule A, which shall be reviewed every three years after the initiation of the Commission);
  - (c) Proposed fare schedule for the next three years;
  - (d) expected ridership and resulting fare revenues for each transit service for the next three years; and
  - (e) expected grants for the next three years.
- 11.2. Directors shall be required to distribute the annual and three-year rolling financial plans to their respective organizations and constituents and consult with them on these plans, and the Voting Members shall be entitled to vote on these plans after the consultations have been completed
- 11.3. The annual and three-year rolling financial plans shall require at least a fifty percent (50%) majority vote and support from at least one representative from each municipality to pass. The financial plans shall be revised if they are not passed and the revised plans shall be voted on by the Board again.
- 11.4. Any Voting Member, Non-Voting representative, or member of the public may submit comments and questions to the Board in writing in relation to the annual and three-year rolling financial plans within thirty (30)

days immediately following the date of distribution of the proposed financial plan.

- 11.5. Subject to the *Act*, the Manager may, during any financial year, present to the Board, amendments to the annual financial plan for the current year. Any amendments to the annual financial plan shall be made in accordance with the procedure set forth in this bylaw.

## 12. PUBLIC INPUT

- 12.1. The Commission shall seek and encourage public input in the formulation of new transit services or enhancement of existing transit services, and in the development of the strategic and financial plans.
- 12.2. Regular and Annual Meetings shall be open to the public except during discussions about real property, personnel issues, internal issues of the board, or when receiving advice from a solicitor involving potential litigation issues, subject to the provisions of the *Freedom of Information and Protection of Privacy Act* of Alberta.
- 12.3. If a matter to be discussed is within one of the exceptions to disclosure in Division 2 of Part 1 of the *Freedom of Information and Protection of Privacy Act* (Alberta), the Chair shall ensure that any part of a meeting during which discussions are closed to the public through a motion shall include the reason for the closure to be identified in the motion

## 13. CANCELLATION/ADDITION OF SERVICES

- 13.1. A cancellation or addition of services of a permanent nature involving greater than a 25% change in the cost of a service provided to a member or members will require the approval by at least a two thirds majority of the Directors and approval by the Voting Member(s) most impacted by this service change.

## 14. MEMBERSHIP AND REPRESENTATION

- 14.1. A municipality or organization may attain membership and voting rights in the Commission if the following is attained:
  - (a) approval by at least two thirds majority of the Board; and
  - (b) a resolution or bylaw by the board of directors of that municipality or organization, specifying their approval of the Regulation, this Bylaw, and the annual and three-year financial plans of the BVRTSC, and their commitment to fund the BVRTSC's transit services and related costs as specified in the financial plans.

- (c) Amending the existing Order of Council 161/2011, amending Regulation 59/2011 and Bylaw 1-2011
  - (d) Receiving approval from the Minister of Municipal Affairs in accordance to Section 191(2) of the Act
- 14.2. A Voting Member may withdraw from membership of the Commission if the following is attained:
- (a) As per Section 14.1 (c) and (d)
  - (b) the voting member has fully met its financial and other obligations for one calendar year; and
  - (c) the revision(s) and or approval of any other Commission regulations and or policies to reflect the withdrawal;
- 14.3. Within two months of a representative of a Voting Member leaving the Commission, the empty position shall be filled.
- 14.4. Board may appoint with the approval of at least a fifty 50% majority vote of the Board, non-voting representation from groups that regularly contribute to the Commission's activities, including but not be limited to environmental interest groups and destination marketing groups, who may have representatives on the Board but will not have voting rights.

## 15. AMENDMENTS

- 15.1. An amendment to this Bylaw may be passed by the Board upon approval by at least a two thirds majority of the Directors.
- 15.2. The first time the Bylaw is amended, a notice that contains both the existing Bylaw (in full) and the proposed Bylaw (in full) will be provided to the Voting Members at least one month in advance of when Directors will vote on the changes. Thereafter, the notice will only contain new items, items to be changed, or items to be removed from the existing Bylaw.

Read a first time this 16<sup>th</sup> day of November, 2011

Read a second time this 16<sup>th</sup> day of November, 2011

Read a third time this 16<sup>th</sup> day of November, 2011

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Leslie Taylor, Chairperson

**SCHEDULE A**  
**ALLOCATION OF THE BOW VALLEY REGIONAL TRANSIT**  
**SERVICES COMMISSION'S**  
**TRANSIT OPERATING COSTS**

**Cost and Revenue Sharing Principles**

The guiding principles below will be used to determine the distribution BVRTSC's various operating and capital costs. These principles will be reviewed every three years.

**Cost Sharing Principles**

- **Direct Operating Costs:**
  - **Direct Operating Costs:** Annual direct operating costs for each service will be calculated based on the cost per revenue vehicle hour, with the cost of the driver, maintenance, deadhead and other non-productive time built into this charge. If the buses are provided by a contracted private operator, then the capitalization cost of the buses will be included in the hourly charge
  - For the Regional ROAM service, the distribution of the operating costs will be split evenly between the Towns of Banff and Canmore. This assumes that the level of ridership and level of service (i.e., the benefits received) will be approximately the same in the two towns (currently, the sums of the residential population and number of accommodation beds are nearly equal between the two towns). The ratio may be changed based on ridership or level of service information, or additional funders.
  - As it will be difficult for Parks Canada to obtain approval from Parliament to pay for general overhead costs (e.g. overall Commission marketing and general operating administrative costs), Parks Canada will only be able to pay for the direct operating cost of the Park ROAM service. However, it is assumed that it will cover 100% of the net direct operating cost (i.e., total direct operating cost minus fare and other revenue) of this service. Furthermore, to compensate the other contributing members, Parks Canada may purchase fully accessible buses (unless the contracted private bus operators have accessible buses) for the Park ROAM service. These buses will be available to be leased by the Commission for a nominal fee (e.g. \$1) so that they can be used for other services outside of the summer season. If the purchase of buses is not necessary, then another method of compensation will be arranged.
- **Marketing and Administrative Costs:**
  - All contributing parties (except for Parks Canada) will pay for the general overhead costs,
  - Parks Canada will be responsible to pay their portion of the operating costs which are deemed direct costs in order to implement the Parks Roam Service
  - If a contributing party is contributing *less* than \$50,000 to the direct operating costs of a given year (i.e., it is receiving less direct service), it will make a



base level contribution of \$10,000 to each of the marketing and administrative budgets. It will not have to make additional contributions to these two budgets.

- If a contributing party is contributing *more* than \$50,000 to the direct operating costs of a given year (i.e., it is receiving more direct service), it will make an advanced level of contribution, which will be a percentage of the remaining marketing and administrative budgets. This percentage will be based on the level of service (i.e., percent share of total revenue vehicle hours) it directly receives from the transit services the BVRTSC provides (not applicable to the Park ROAM services).
- **Capital Reserve Fund:**
  - The annual amount to be placed into the capital reserve fund will depend on present and future capital requirements (i.e., for infrastructure expansion and/or replacement). All of the bus hardware (e.g. fare collection equipment) the Commission will purchase will also be paid for through the capital reserve.
  - If a contributing party is contributing *less* than \$50,000 to the direct operating costs of a given year, it will make a base level contribution of \$40,000 to the capital reserve. It will not have to make additional contributions to the capital reserve.
  - If a contributing party is contributing \$50,000 or *more* to the direct operating costs of a given year, it will contribute \$10,000 *plus* a percentage of the remaining capital reserve budget, based on the percent share of revenue vehicle hours received.
- Later in the five-year period, the BVRTSC could conduct annual passenger surveys or use on-board bus equipment to measure ridership, trip origins and destinations, kilometres traveled, and hours of service to determine if the fees collected from the contributing parties need to be rebalanced.

### **Revenue Sharing Principles**

- Any annual fare or advertising revenue in excess of the budgeted amount for a specific transit service will be used first to cover any outstanding marketing or administrative costs. To minimize the administrative burden on the Commission from having to return small amounts of funds to the contributing parties, if the surplus for a service is less than 5% of the total annual revenue for all the services of a given year, it will be retained by the Commission to cover future cost overruns. For example, if the total annual revenue for a given year is \$1 million, the remaining surplus for any provided transit service will be retained by the Commission if it is less than \$50,000. If, however, the surplus for a particular service is over 5% of the total annual revenue, it will be paid to the contributing parties of that service on the basis of the cost-sharing formula used to fund the direct operating cost of that service that year.
- To encourage more residents and visitors to use transit for their daily trips, transfer policies between some of the services will be designed and implemented accordingly by the General Manager.

- Fare revenues may be allocated through a fare allocation policy. The ability to effectively allocate and reconcile portions of fares or in its entirety based on boardings and transfers of passengers will depend on the capabilities of the Electronic Fare Collection technology and/ or other technology that can assist in tracking such movement and revenues generated. Further, the fare allocation model may change depending on the fare strategy and the fare products that are developed for the BVRTSC.

## **Cost Allocation Methodology**

For any given year, the distribution of the BVRTSC’s direct operating costs and overhead costs (e.g. marketing and administrative costs, and capital reserve) will be calculated using the methodology outlined below. This methodology will be used to estimate the fees to be paid by each contributing member for the upcoming year, and to track the accuracy of these estimates throughout the year and to determine if additional fees need to be collected.

### **Step 1: Key Inputs**

**1.1.** Collect the following key inputs.

<b>Input</b>	<b>Comment</b>
#1 Annual direct operating cost of each service	As per annual budget and/ or as projected by administration
#2 Annual revenue vehicle hours for each service	Will depend on hours of service and frequency.
#3 Annual fare revenue collected from each service	As per annual budget and/ or as projected by administration
#4 Annual advertising revenue collected from each service	As per annual budget and/ or as projected by administration
#5 Allocation of revenue vehicle hours for each service	Will depend on which contributing parties are subsidizing each service. The following assumptions are made about the Banff ROAM, Regional ROAM (Canmore-Banff) and Parks ROAM services: <ul style="list-style-type: none"> <li>○ 100% of the Banff ROAM’s revenue vehicle hours are spent in the Town of Banff.</li> <li>○ 50% of the Regional ROAM’s revenue vehicle hours are spent in the Town of Banff.</li> <li>○ 50% of the Regional ROAM’s revenue vehicle hours are spent in the Town of Canmore.</li> <li>○ 100% of the Park ROAM’s revenue vehicle hours are spent within the Banff National Park (i.e., within Parks Canada’s area of interest).</li> </ul>
#6 Total annual marketing costs	as per identified in the annual budget
#7 Total annual administrative costs	as per identified in the annual budget

<b>Input</b>	<b>Comment</b>
#8 Total annual capital reserve budget	Will depend on the capital requirements of present and future years.
#9 Total annual capital purchases by Parks Canada	As per capital budget for Parks Roam service and/ or as projected by administration
#10 Total annual capital grants received	For capital projects and purchased as identified in the capital budget projections and other capital project plans.

### **Step 2: First Set of Calculations**

**2.1.** Calculate the **total for all services** for each of the following:

- Annual direct operating cost (using input #1)
- Annual revenue vehicle hours (using input #2)
- Annual fare revenue received (using input #3)
- Annual advertising revenue received (using input #4)

**2.2.** Calculate the following **percentages for each individual service**:

- Percentage of total annual direct operating cost (using input #1)
- Percentage of total annual revenue vehicle hours (using input #2)

**2.3.** Calculate the **total revenue vehicle hours** each contributing member is receiving (using input #5).

### **Step 3: Distribution of Direct Operating Costs**

NOTE: the percentages used in this step may change if, for example, new funders become available. If that is the case, then similar equations will be used (with the appropriate percentages) to determine the other funders' contribution to the direct operating costs of each service. Likewise, similar equations will also be used if other services are provided.

**3.1.** Banff ROAM:

- Assign the Town of Banff 100% of the net direct operating cost of the Banff ROAM service (see Equation 1).

#### **Equation 1: Town of Banff's Contribution to Banff ROAM's Operating Cost**

$$\left( \begin{array}{l} \text{Banff ROAM} \\ \text{Annual Direct} \\ \text{Operating Cost} \end{array} - \begin{array}{l} \text{Banff ROAM} \\ \text{Annual Fare} \\ \text{Revenue} \end{array} - \begin{array}{l} \text{Banff ROAM} \\ \text{Annual Advertising} \\ \text{Revenue} \end{array} \right) \times 100\% = \begin{array}{l} \text{Town of Banff's Contribution} \\ \text{to Banff ROAM's Direct} \\ \text{Operating Cost} \end{array}$$

**3.2.** Regional ROAM (Canmore-Banff):

- Split the net direct operating cost of the Regional ROAM service 50/50 between the Towns of Banff and Canmore (see Equation 2).

#### **Equation 2: Town of Banff/Canmore's Contribution to Regional ROAM's Direct Operating Cost**

$$\left( \begin{array}{l} \text{Regional ROAM} \\ \text{Annual Direct} \\ \text{Operating Cost} \end{array} - \begin{array}{l} \text{Regional ROAM} \\ \text{Annual Fare} \\ \text{Revenue} \end{array} - \begin{array}{l} \text{Regional ROAM} \\ \text{Annual Advertising} \\ \text{Revenue} \end{array} \right) \times 50\% = \begin{array}{l} \text{Town of Banff/Canmore's} \\ \text{Contribution to Regional} \\ \text{ROAM's Direct Operating} \\ \text{Cost} \end{array}$$

**3.3. Park ROAM:**

- Assign Parks Canada 100% of the net direct operating cost of the Park ROAM

**Equation 3: Parks Canada's Contribution to Park ROAM's Direct Operating Cost**

$$\left( \begin{array}{l} \text{Park ROAM} \\ \text{Annual Direct} \\ \text{Operating Cost} \end{array} - \begin{array}{l} \text{Park ROAM} \\ \text{Annual Fare} \\ \text{Revenue} \end{array} - \begin{array}{l} \text{Park ROAM Annual} \\ \text{Advertising} \\ \text{Revenue} \end{array} \right) \times 100\% = \begin{array}{l} \text{Parks Canada's} \\ \text{Contribution to Park} \\ \text{ROAM's Direct Operating} \\ \text{Cost} \end{array}$$

service (see Equation 3)

**3.4. Summary:**

- Sum up each contributing party's total contribution to direct operating costs.

**Step 4: Distribution of Marketing and Administrative Costs**

**4.1. Calculate Base Level Contributions:**

- If a contributing party is contributing *less* than \$50,000 to the direct operating costs of a given year, it will make a base level contribution of \$10,000 to each of the administrative and marketing budgets. It will not have to make additional contributions to these two budgets.
- If a contributing party is contributing \$50,000 or *more* to the direct operating costs of a given year, it will contribute a percentage of the remaining marketing and administrative budgets, based on level of service received.

**4.2. Calculate Advanced Level Contributions:**

- Calculate the remaining marketing and administrative budgets.
- Using the results of step 2.3, divide the total revenue vehicle hours each contributing party directly receives by the total revenue vehicle hours the Commission is providing, not including the Park ROAM service.
- Multiply each contributing party's percent share of the total revenue vehicle hours (not including the Park ROAM service) by the annual marketing costs and the annual administrative costs (see Equation 4).

**Equation 4: Advanced Level Contribution to Marketing/Administrative Costs**

$$\left( \frac{\begin{array}{l} \text{Total Revenue Vehicle Hours} \\ \text{Received by Contributing Member} \end{array}}{\begin{array}{l} \text{Total Revenue Vehicle Hours Provided by} \\ \text{BVRSTC not including Park ROAM} \end{array}} \right) \times \left( \begin{array}{l} \text{Annual} \\ \text{Marketing/} \\ \text{Administrative} \\ \text{Budget} \end{array} - \begin{array}{l} \text{Total Base} \\ \text{Level} \\ \text{Contributions} \end{array} \right) = \begin{array}{l} \text{Contributing} \\ \text{Member's} \\ \text{Contribution to} \\ \text{Marketing/} \\ \text{Administrative Cost} \end{array}$$

**4.3. Summary:**

- Sum up each contributing party's total contribution to the capital reserve.

**Step 5: Distribution of Capital Reserve Budget**

**5.1. Calculate Base Level Contribution:**

- If a contributing party is contributing *less* than \$50,000 to the direct operating costs of a given year, they will make a base level contribution of \$40,000 to the capital reserve. They will not have to make an additional contribution to the capital reserve.
- If a contributing party is contributing *more* than \$50,000 to the direct operating costs of a given year, they will contribute \$10,000 *plus* a percentage of the remaining capital reserve budget.

**5.2. Calculate the remaining capital reserve budget.**

**5.3. Calculate Additional Contribution:**

- Multiply each contributing party’s percent share of the total revenue vehicle hours (not including the Park ROAM service) by the remaining capital reserve budget (see Equation 5).

**Equation 5: Each Municipality's Additional Contribution to Capital Reserve**

$\left( \frac{\text{Total Revenue Vehicle Hours Received by Contributing Member}}{\text{Total Revenue Vehicle Hours Provided by BVRSTC not including Park ROAM}} \right)$	X	$\left( \begin{array}{l} \text{Total Capital Reserve Budget} \\ - \\ \text{Base Level Contributions Made by All Contributing Parties} \end{array} \right)$	=	Contributing Party’s Additional Contribution to Capital Reserve
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**5.4. Summary:**

- Sum up each contributing party’s total contribution to the capital reserve