



**#6 - Victoria Regional Transit
Financial and Performance Report
Year to Date October 31, 2018**

Financial Presentation

This Financial Summary is presented on the following basis:

- Order in Council 594, approved October 2015, enables BC Transit to establish reserves to carry forward operating savings each year to offset future inflationary increases for base service levels.
- Effective April 1, 2015, both the Province and Local Government funding partners will be invoiced the budgeted amount, the full value of any savings in operating expenses will be held in an operating reserve to be applied against future year costs. This mechanism does not apply to facility and vehicle infrastructure charges (Lease Fees).



Financial Summary

(figures in thousands)

	Oct 2018 Year to Date				2018/19			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Revenues								
Passenger & Advert. Revenue	\$24,611	\$24,942	\$331	1.3%	\$42,355	\$42,622	\$267	0.6%
Provincial Operating Contribution	22,091	22,091	0	0.0%	37,854	37,854	0	0.0%
Fuel Tax Revenue	9,614	9,941	327	3.4%	18,857	19,157	300	1.6%
Local Contribution	18,914	18,062	(852)	(4.5%)	29,226	28,384	(842)	(2.9%)
Operating Reserve Required	5,403	5,403	0	0.0%	9,263	9,263	0	0.0%
Total Revenue	\$80,633	\$80,439	(\$194)	(0.2%)	\$137,555	\$137,280	(\$275)	(0.2%)
Expenses								
Operations	\$47,424	\$44,731	\$2,693	5.7%	\$79,928	\$78,583	\$1,345	1.7%
Maintenance	14,792	13,791	1,001	6.8%	25,674	25,433	241	0.9%
Administration	7,434	7,187	247	3.3%	13,071	13,131	(60)	(0.5%)
<i>Total Operating Expenses</i>	69,650	65,709	3,941	5.7%	118,673	117,147	1,526	1.3%
Lease Fees	10,983	10,789	194	1.8%	18,882	18,607	275	1.5%
Total Expenses	\$80,633	\$76,498	\$4,135	5.1%	\$137,555	\$135,754	\$1,801	1.3%



Revenue and Passenger Trips

(figures in thousands, except ratios)

	Oct 2018 Year to Date				2018/19			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Passenger	\$24,226	\$24,551	\$325	1.3%	\$41,695	\$41,952	\$257	0.6%
Advertising	385	391	6	1.6%	660	670	10	1.5%
Total Passenger & Advertising	\$24,611	\$24,942	\$331	1.3%	\$42,355	\$42,622	\$267	0.6%
<i>Passenger Trips (Total)</i>	15,323	15,709	386	2.5%	26,905	27,206	301	1.1%
<i>Passenger Trips (excluding Taxi)</i>	15,274	15,661	387	2.5%	26,822	27,124	302	1.1%
<i>Average Fare</i>	\$1.59	\$1.57	-\$0.02	(1.3%)	\$1.55	\$1.55	\$0.00	0.0%

Passenger revenue is \$0.03M (1.3 per cent) higher than budget year to date and is forecast to be slightly above budget at year end and 2.7 per cent higher than prior year.

Advertising revenue is 1.6 per cent above budget year to date and is forecast to be 1.5 per cent above target at year end.

Passenger trips are 386,000 (2.5 per cent) higher than budget year to date and are forecast to be 1.1 per cent higher than budget and 3.1 per cent higher than prior year.



Provincial Operating Contribution, Fuel Tax and Local Contribution

(figures in thousands, except ratios)

	Oct 2018 Year to Date				2018/19			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Provincial Operating Contribution	\$22,091	\$22,091	\$0	0.0%	\$37,854	\$37,854	\$0	0.0%
Fuel Tax Revenue	9,614	9,941	327	3.4%	18,857	19,157	300	1.6%
Local Contribution	18,914	18,062	(852)	(4.5%)	29,226	28,384	(842)	(2.9%)
Operating Reserve Required	5,403	5,403	0	0.0%	9,263	9,263	0	0.0%

Provincial Operating Contribution is on budget year to date and forecast to be on budget.

Fuel Tax Revenue generated from a 5.5 cent per litre fuel tax is \$0.33M (3.4 per cent) above budget year to date based on higher than budgeted volume of fuel sales in the Victoria Region. The forecast recognizes most of the year to date variance.

Local Contribution is \$0.85M (4.5 per cent) below budget year to date due to higher passenger and fuel tax revenues and lower lease fees. The year end forecast is \$0.84M (2.9 per cent) below budget. Local contribution reflects the Commission's share of budgeted operating expenses and actual lease fees net of passenger, advertising and fuel tax revenues.



Operations

<i>(figures in thousands, except ratios)</i>		Oct 2018 Year to Date				2018/19			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable		
Operations (excl. Fuel)	\$40,074	\$38,142	\$1,932	4.8%	\$67,256	\$67,074	\$182	0.3%	
Fuel	7,350	6,589	761	10.4%	12,672	11,509	1,163	9.2%	
Total Operations	\$47,424	\$44,731	\$2,693	5.7%	\$79,928	\$78,583	\$1,345	1.7%	
<i>Service Hours</i>	560	560	0	0.0%	968	968	0	0.0%	
<i>Operations Cost/Service Hour</i>	\$84.69	\$79.88	\$4.81	5.7%	\$82.57	\$81.18	\$1.39	1.7%	

Operations (excl. Fuel) is \$1.93M (4.8 per cent) below budget year to date and is forecast to be \$0.12M (0.3 per cent) below budget at year end. Year to date variance reflects the timing of the Douglas Street bus lanes project, lower CREST radio network costs and lower labour costs. The forecast reflects lower labour and CREST radio network costs.

Fuel is \$0.76M (10.4 per cent) below budget year to date due to an average fuel price of \$1.23/L compared to budgeted fuel price of \$1.28/L and lower than budgeted fuel consumption. The fuel forecast recognizes year to date savings and lower fuel consumption.

Service hours delivered year to date are on budget and expected to remain on target by year end. Service hours include approved expansion of 10,000 annual service hours effective September 2018 for new routes and improved service levels.



Maintenance

<i>(figures in thousands, except ratios)</i>	Oct 2018 Year to Date				2018/19			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Fleet Maintenance	\$12,604	\$11,766	\$838	6.6%	\$21,869	\$21,664	\$205	0.9%
Facilities Maintenance	2,188	2,025	163	7.4%	3,805	3,769	36	0.9%
Total Maintenance	\$14,792	\$13,791	\$1,001	6.8%	\$25,674	\$25,433	\$241	0.9%
<i>Service Hours</i>	560	560	0	0.0%	968	968	0	0.0%
<i>Fleet Maintenance Cost/Service Hour</i>	\$22.51	\$21.01	\$1.50	6.6%	\$22.59	\$22.38	\$0.21	0.9%

Fleet Maintenance is \$0.84M (6.6 per cent) lower than budget year to date due to vacancies and timing of maintenance activities. The year end forecast is \$0.21M (0.9 per cent) lower than budget at year end due to lower labour costs.

Facilities Maintenance is \$0.16M (7.4 per cent) below budget year to date primarily due to vacancies and timing of activities offset by higher than budgeted facility lease expenses. The forecast for year end is to be on budget with a higher facility lease expenses offset by lower labour costs.



Administration

(figures in thousands)

	Oct 2018 Year to Date			2018/19		
	Budget	Actual	Variance (Un) Favourable	Budget	Forecast	Variance (Un) Favourable
Administration	\$7,434	\$7,187	\$247 3.3%	\$13,071	\$13,131	(\$60) (0.5%)

Administration is \$0.03M (0.6 per cent) higher than budget year to date due to timing of expenditures. The year end forecast reflects higher than anticipated transition and information system costs.



Lease Fees

(figures in thousands)

	Oct 2018 Year to Date			2018/19		
	Budget	Actual	Variance (Un) Favourable	Budget	Forecast	Variance (Un) Favourable
Lease Fees	\$10,983	\$10,789	\$194 1.8%	\$18,882	\$18,607	\$275 1.5%

Lease Fees are \$0.19M (1.8 per cent) below budget due to timing of capitalization and are forecast to be \$0.28M (1.5 per cent) below budget at year end.



Transit Fund

VICTORIA REGIONAL TRANSIT SYSTEM <i>(figures in thousands)</i>	2018/19 Budget	2018/19 Forecast
LOCAL CONTRIBUTION		
Funds generated from Transit Levy	\$29,226	\$29,226
Balance added to Transit Fund	\$0	(\$842)
Total Local Contribution	\$29,226	\$28,384
TRANSIT FUND		
Balance, March 31, 2018	\$3,760	\$3,760
Contribution to 2018/19 expenses	0	0
Contribution to Cowichan Commuter	(79)	(56)
Interest & Other	100	100
Higher passenger & advertising revenue than budgeted	0	267
Higher fuel tax revenue than budgeted	0	300
Lower lease fees than budgeted	0	275
Ending Balance	\$3,781	\$4,646
Restricted Balance (2.5% of Operating Costs)	\$2,967	\$2,929
Unrestricted Balance	\$814	\$1,717



Operating Reserve Fund

OPERATING RESERVE FUND <i>(figures in thousands)</i>	2018/19 Budget	2018/19 Forecast
Balance March 31, 2018	\$19,353	\$19,353
Budgeted reserve required	\$9,263	\$9,263
Budgeted operating expenses	\$118,673	\$118,673
Actual operating expenses	\$118,673	\$117,147
Ending Balance	\$10,090	\$11,616

- Order in Council 594, approved October 2015, enables BC Transit to establish reserves to carry forward operating savings each year to offset cost inflationary costs increases for base service levels. This mechanism does not apply to facility and vehicle infrastructure charges (Lease Fees).
- Operating reserve fund is independent of Transit Fund and is to be used for maintaining existing service levels.



Victoria Regional Transit Commission

Performance and Benchmarking



Conventional Transit Performance

(figures in thousands, except ratios)

	Oct 2018 Year to Date				2018/19			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Passenger Trips ('000)	15,091	15,475	384	2.5%	26,510	26,810	300	1.1%
Service Hours ('000)	485	484	(1)	(0.2%)	841	841	0	0.0%
Total Operating Cost ('000)	\$63,557	\$59,797	\$3,760	5.9%	\$108,253	\$106,837	\$1,416	1.3%
Passenger Trips per Service Hour	31.1	32.0	0.9	2.8%	31.5	31.9	0.4	1.1%
Operating Cost per Service Hour	\$131.05	\$123.55	\$7.50	5.7%	\$128.72	\$127.04	\$1.68	1.3%
Operating Cost per Passenger Trip	\$4.21	\$3.86	\$0.35	8.3%	\$4.08	\$3.98	\$0.10	2.5%
Operating Cost Recovery	38.5%	41.5%	3.0%	7.8%	38.9%	39.7%	0.8%	2.0%
Service Hours per Capita	n/a	n/a	n/a	n/a	2.5	2.5	0.0	0.0%
Passenger Trips per Capita	n/a	n/a	n/a	n/a	79.7	80.6	0.9	1.1%

Conventional Service Area Population of 332,748 used in per capita calculations



Custom Transit Performance

(figures in thousands, except ratios)

	Oct 2018 Year to Date				2018/19			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Passenger Trips ('000) (Total)	232	234	2	0.9%	395	396	1	0.3%
Passenger Trips ('000) (excluding Taxi)	183	186	3	1.6%	312	314	2	0.6%
Service Hours ('000)	75	76	1	1.3%	127	127	0	0.0%
Total Operating Cost ('000)	\$6,093	\$5,912	\$181	3.0%	\$10,420	\$10,310	\$110	1.1%
Passenger Trips per Service Hour (excl. Taxi)	2.4	2.4	0.0	0.0%	2.5	2.5	0.0	0.0%
Operating Cost per Service Hour (excl. Taxi)	\$76.96	\$74.00	\$2.96	3.8%	\$77.72	\$81.18	(\$3.46)	(4.5%)
Operating Cost per Passenger Trip	\$26.26	\$25.26	\$1.00	3.8%	\$26.38	\$26.04	\$0.34	1.3%
Operating Cost Recovery (excl. Taxi)	2.7%	2.6%	(0.1%)	(3.4%)	2.6%	2.4%	(0.2%)	(7.9%)
Service Hours per Capita	n/a	n/a	n/a	n/a	0.35	0.35	0.0	0.0%
Passenger Trips per Capita	n/a	n/a	n/a	n/a	1.1	1.10	0.0	0.0%

Custom Service Area Population of 361,745 used in per capita calculations

