



# Victoria Regional Transit Commission #6 - Financial and Performance Report

Year Ending March 31, 2021

# Financial Presentation

This Financial Summary is presented on the following basis:

- Effective March 31, 2020, upon instruction from the Ministry, the operating reserve for the Victoria Regional Transit Commission is to be fully drawn down by March 31, 2020 and;
- Effective April 1, 2020 Provincial Operating Contributions are based on actual operating expenses at traditional cost sharing ratios for Conventional and Custom.

# Financial Summary

| <i>(figures in thousands)</i>     | 2020/21          | 2020/21          | 2019/20          | Variance         |               | Variance         |               |
|-----------------------------------|------------------|------------------|------------------|------------------|---------------|------------------|---------------|
|                                   | Budget           | Final            | Actual           | to Budget        |               | Year over Year   |               |
|                                   |                  |                  |                  | (Un) Favourable  |               | (Un) Favourable  |               |
| <b>Revenues</b>                   |                  |                  |                  |                  |               |                  |               |
| Passenger & Advert. Revenue       | \$24,738         | \$22,718         | \$43,542         | (\$2,020)        | (8.2%)        | (\$20,824)       | (47.8%)       |
| Use of Safe Restart Funding       | 21,323           | 21,323           | -                | -                | 0.0%          | 21,323           | -             |
| Provincial Operating Contribution | 43,164           | 41,086           | 35,967           | (2,078)          | (4.8%)        | 5,119            | 14.2%         |
| Fuel Tax Revenue                  | 18,360           | 16,433           | 19,421           | (1,927)          | (10.5%)       | (2,988)          | (15.4%)       |
| Local Contribution                | 29,923           | 30,020           | 30,784           | 97               | 0.3%          | (764)            | (2.5%)        |
| Use of Operating Reserves         | 0                | 0                | 10,423           | -                | -             | (10,423)         | -             |
| <b>Total Revenue</b>              | <b>\$137,508</b> | <b>\$131,580</b> | <b>\$140,137</b> | <b>(\$5,928)</b> | <b>(4.3%)</b> | <b>(\$8,557)</b> | <b>(6.1%)</b> |
| <b>Expenses</b>                   |                  |                  |                  |                  |               |                  |               |
| Operations                        | \$79,951         | \$75,011         | \$78,028         | \$4,940          | 6.2%          | \$3,017          | 3.9%          |
| Maintenance                       | 30,118           | 30,018           | 27,595           | 100              | 0.3%          | (2,423)          | (8.8%)        |
| Administration                    | 14,530           | 14,505           | 13,531           | 25               | 0.2%          | (974)            | (7.2%)        |
| <i>Total Operating Expenses</i>   | 124,599          | 119,534          | 119,154          | 5,065            | 4.1%          | (380)            | (0.3%)        |
| Lease Fees                        | 12,909           | 12,046           | 18,649           | 863              | 6.7%          | 6,603            | 35.4%         |
| <b>Total Expenses</b>             | <b>\$137,508</b> | <b>\$131,580</b> | <b>\$137,803</b> | <b>\$5,928</b>   | <b>4.3%</b>   | <b>\$6,223</b>   | <b>4.5%</b>   |

# Revenue and Passenger Trips

| <i>(figures in thousands, except ratios)</i> | 2020/21         | 2020/21         | 2019/20         | Variance                     |               | Variance                          |                |
|--|-----------------|-----------------|-----------------|------------------------------|---------------|-----------------------------------|----------------|
|  | Budget          | Final           | Actual          | to Budget<br>(Un) Favourable |               | Year over Year<br>(Un) Favourable |                |
| Passenger                                    | \$24,058        | \$22,040        | \$42,863        | (\$2,018)                    | (8.4%)        | (\$20,823)                        | (48.6%)        |
| Advertising                                  | 680             | 678             | 679             | (2)                          | (0.3%)        | (1)                               | (0.1%)         |
| <b>Total Passenger &amp; Advertising</b>     | <b>\$24,738</b> | <b>\$22,718</b> | <b>\$43,542</b> | <b>(\$2,020)</b>             | <b>(8.2%)</b> | <b>(\$20,824)</b>                 | <b>(47.8%)</b> |
| <i>Passenger Trips (Total)</i>               | 13,729          | 11,598          | 27,535          | (2,131)                      | (15.5%)       | (15,937)                          | (57.9%)        |
| <i>Passenger Trips (excluding Taxi)</i>      | 13,701          | 11,577          | 27,459          | (2,124)                      | (15.5%)       | (15,882)                          | (57.8%)        |
| <i>Average Fare</i>                          | \$1.76          | \$1.90          | \$1.56          | \$0.14                       | 8.0%          | \$0.34                            | 21.8%          |

**Passenger revenue** is \$2M under budget and 49% lower than prior year, with no fares collected in the first two months of this fiscal year and lower overall ridership due to the impact of COVID-19. Lower revenues are offset by the receipt of 100% of BC Bus Pass revenue.

**Advertising revenue** remained on budget, with only a 0.1% decrease over last year.

**Passenger trips** are 16% below budget and decreased 58% over last year due to the impact on demand from COVID-19 and the reduction in service levels of 6.3%.

# Provincial Operating Contribution, Fuel Tax and Local Contribution

| <i>(figures in thousands, except ratios)</i> | 2020/21  | 2020/21         | 2019/20  | Variance                     |         | Variance                          |         |
|--|----------|-----------------|----------|------------------------------|---------|-----------------------------------|---------|
|  | Budget   | Final           | Actual   | to Budget<br>(Un) Favourable |         | Year over Year<br>(Un) Favourable |         |
| Use of Safe Restart Funding                  | \$21,323 | <b>\$21,323</b> | \$0      | \$0                          | 0.0%    | \$21,323                          | -       |
| Provincial Operating Contribution            | \$43,164 | <b>\$41,086</b> | \$35,967 | (\$2,078)                    | (4.8%)  | \$5,119                           | 14.2%   |
| Fuel Tax Revenue                             | \$18,360 | <b>\$16,433</b> | \$19,421 | (\$1,927)                    | (10.5%) | (\$2,988)                         | (15.4%) |
| Local Contribution                           | \$29,923 | <b>\$30,020</b> | \$30,784 | \$97                         | 0.3%    | (\$764)                           | (2.5%)  |
| Use of Operating Reserves                    | \$0      | <b>\$0</b>      | \$10,423 | \$0                          | -       | (\$10,423)                        | -       |

**Safe Restart Funding** was \$49.5M, including original allocation of \$42.6M, an increase of \$2.3M for additional fuel tax recovery and \$4.6M of contingency funding. \$21.3M of Safe Restart funding was used in 2020/21.

**Provincial Operating Contribution** is \$2.1M below budget due to lower operating expenses. Effective April 1, 2020, Provincial operating contribution is based on actual operating expenditures.

**Fuel Tax Revenue** generated from a 5.5 cent per litre fuel tax is \$1.9M below budget due to lower fuel sales in the Victoria region. Fuel sales were 13% lower than prior year.

**Local Contribution** is on budget due to the use of safe restart funding and lower expenses, offset by lower passenger and fuel tax revenues.

# Operations

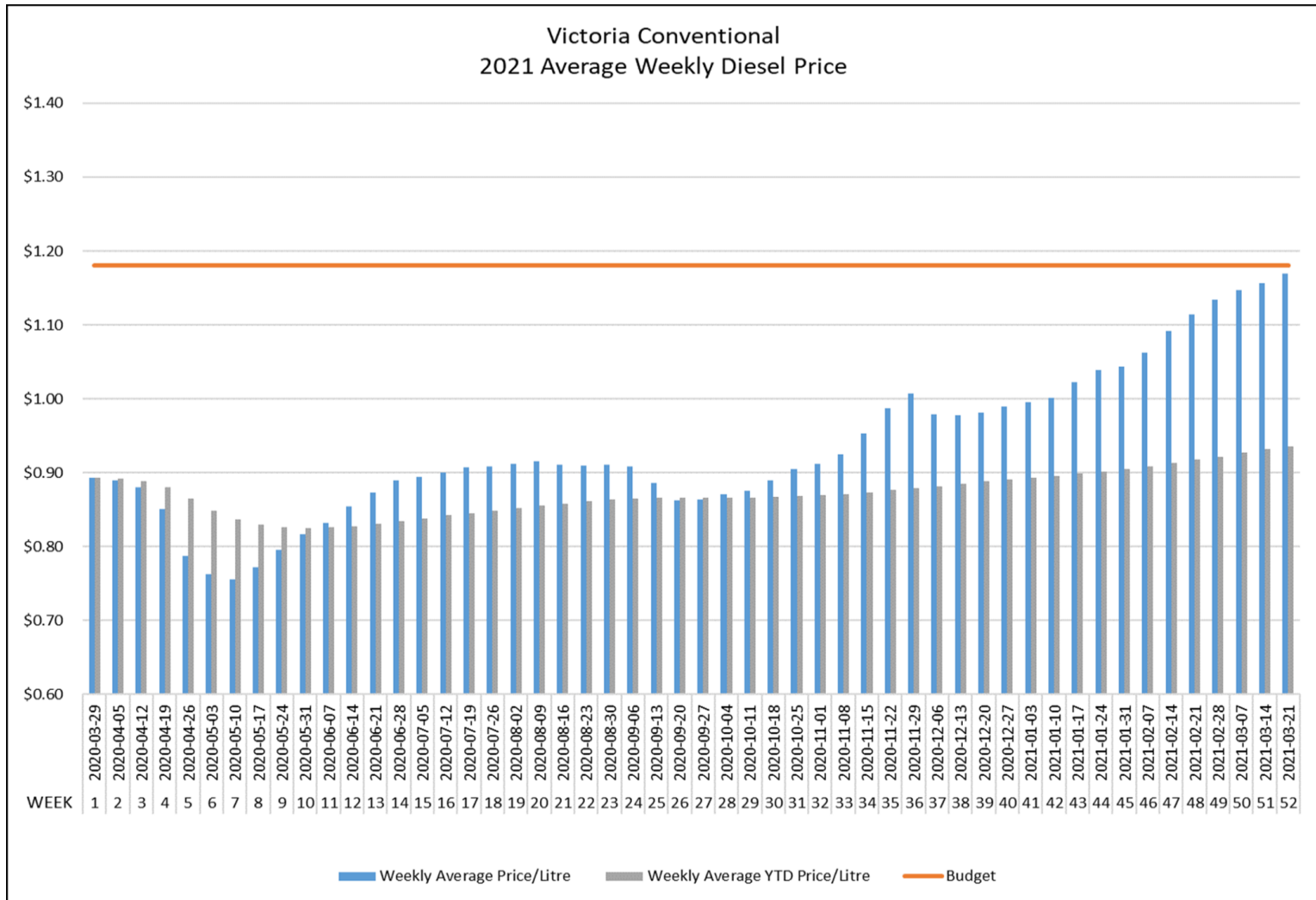
| <i>(figures in thousands, except ratios)</i> | 2020/21         | 2020/21         | 2019/20         | Variance                     |             | Variance                          |             |
|--|-----------------|-----------------|-----------------|------------------------------|-------------|-----------------------------------|-------------|
|  | Budget          | Final           | Actual          | to Budget<br>(Un) Favourable |             | Year over Year<br>(Un) Favourable |             |
| Operations (excl. Fuel)                      | \$69,794        | \$68,077        | \$67,384        | \$1,717                      | 2.5%        | (\$693)                           | (1.0%)      |
| Fuel   | 10,157          | 6,934           | 10,644          | 3,223                        | 31.7%       | 3,710                             | 34.9%       |
| <b>Total Operations</b>                      | <b>\$79,951</b> | <b>\$75,011</b> | <b>\$78,028</b> | <b>\$4,940</b>               | <b>6.2%</b> | <b>\$3,017</b>                    | <b>3.9%</b> |
| <i>Service Hours</i>                         | 991             | 912             | 973             | (79)                         | (8.0%)      | (61)                              | (6.3%)      |
| <i>Operations Cost/Service Hour</i>          | \$80.68         | \$82.25         | \$80.19         | (\$1.57)                     | (1.9%)      | (\$2.06)                          | (2.6%)      |

**Operations (excl. Fuel)** is \$1.7M under budget at year end due to fewer service hours delivered, lower labour and taxi costs offset by unbudgeted COVID-19 related expenses and higher insurance costs. Year over year increases include COVID-19 related expenses, Nextride program and Transit Priority project.

**Fuel** is \$3.2M below budget at year end due to an average litre price of \$0.93 compared to a budget of \$1.18/L and lower service hours. CNG diesel litre equivalent (DLE) is \$0.29 compared to budget of \$0.27. The average fuel price in prior year was \$1.13/L.

**Service Hours** are 79,000 (71,000 Conventional and 8,000 Custom) below budget reflecting planned service reductions due to COVID-19, lower service hours due to heavy snowfall in Feb 2021, and scheduling efficiencies made for the January – March 2021 period. Service hour are 6% lower than prior year.

# Fuel Price



# Maintenance

| <i>(figures in thousands, except ratios)</i> | 2020/21         | 2020/21         | 2019/20         | Variance        |             | Variance         |               |
|--|-----------------|-----------------|-----------------|-----------------|-------------|------------------|---------------|
|  | Budget          | Final           | Actual          | to Budget       |             | Year over Year   |               |
|  |                 |                 |                 | (Un) Favourable |             | (Un) Favourable  |               |
| Fleet Maintenance                            | \$24,924        | \$24,780        | \$23,439        | \$144           | 0.6%        | (\$1,341)        | (5.7%)        |
| Facilities Maintenance                       | 5,194           | 5,238           | 4,156           | (44)            | (0.8%)      | (1,082)          | (26.0%)       |
| <b>Total Maintenance</b>                     | <b>\$30,118</b> | <b>\$30,018</b> | <b>\$27,595</b> | <b>\$100</b>    | <b>0.3%</b> | <b>(\$2,423)</b> | <b>(8.8%)</b> |
| <i>Service Hours</i>                         | 991             | 912             | 973             | (79)            | (8.0%)      | (61)             | (6.3%)        |
| <i>Fleet Maintenance Cost/Service Hour</i>   | \$25.15         | \$27.17         | \$24.09         | (\$2.02)        | (8.0%)      | (\$3.08)         | (12.8%)       |

**Fleet Maintenance** is \$0.1M under budget due to lower labour costs offset by COVID-19 expenses. Year over year increase primarily due to COVID-related expenses.

**Facilities Maintenance** is 0.8% over budget with COVID-19 expenses offset with savings due to the capitalization of CNG equipment. Year over year increase of \$1.1M primarily due to facility master plan, COVID-19 expenses and CNG operating costs.



# Administration

| <i>(figures in thousands)</i> | 2020/21  | 2020/21  | 2019/20  | Variance                     |      | Variance                          |        |
|-------------------------------|----------|----------|----------|------------------------------|------|-----------------------------------|--------|
|                               | Budget   | Final    | Actual   | to Budget<br>(Un) Favourable |      | Year over Year<br>(Un) Favourable |        |
| <b>Administration</b>         | \$14,530 | \$14,505 | \$13,531 | \$25                         | 0.2% | (\$974)                           | (7.2%) |

**Administration** expenses are on budget due to lower marketing and information system costs offset by COVID-19 expenses and staffing increases. Year over year increase of \$1.0M due to COVID-19 related expenses, information system costs and approved initiative positions.

# Lease Fees

| <i>(figures in thousands)</i> | <u>2020/21</u>  | <u>2020/21</u>  | <u>2019/20</u>  | <u>Variance</u>        |             | <u>Variance</u>        |              |
|-------------------------------|-----------------|-----------------|-----------------|------------------------|-------------|------------------------|--------------|
|                               | <b>Budget</b>   | <b>Final</b>    | <b>Actual</b>   | <b>to Budget</b>       |             | <b>Year over Year</b>  |              |
|                               |                 |                 |                 | <i>(Un) Favourable</i> |             | <i>(Un) Favourable</i> |              |
| <b>Lease Fees</b>             | <b>\$12,909</b> | <b>\$12,046</b> | <b>\$18,649</b> | <b>\$863</b>           | <b>6.7%</b> | <b>\$6,603</b>         | <b>35.4%</b> |

**Lease Fees** are \$0.9M below budget due to in-service timing for equipment, information system and building projects. Lease fees are \$6.6M lower year over year due to the 6 month vehicle lease fee reduction from July – December 2020.

# Transit Fund

| <b>VICTORIA REGIONAL TRANSIT SYSTEM</b><br><i>(figures in thousands)</i> | <b>2020/21<br/>Revised<br/>Budget</b> | <b>2020/21<br/>Final</b> |
|--|---------------------------------------|--------------------------|
| <b>LOCAL CONTRIBUTION</b>  |                                       |                          |
| Total Local Contribution Required  | \$29,923                              | \$30,020                 |
| Funds generated from Transit Levy  | \$34,528                              | \$34,700                 |
| Balance from / (to) Transit Fund   | (\$4,605)                             | (\$4,680)                |
| <b>TRANSIT FUND</b>  |                                       |                          |
| <b>Final Balance, March 31, 2020</b>                                     | <b>\$17,080</b>                       | <b>\$17,080</b>          |
| Budgeted Contribution  | 4,605                                 | 4,605                    |
| Additional property tax revenue  |                                       | 172                      |
| Lower operating costs (Commission share)                                 |                                       | 2,987                    |
| Lower lease fees   |                                       | 863                      |
| Lower fuel tax revenue   |                                       | (1,927)                  |
| Lower passenger revenue  |                                       | (2,020)                  |
| Contribution to Cowichan Valley Commuter                                 | (62)                                  | (101)                    |
| <b>Other</b>   |                                       |                          |
| Safe Restart funding contribution  | 42,646                                | 49,529                   |
| Safe Restart funding usage (2020/21)                                     | (21,323)                              | (21,323)                 |
| Interest & Other   | 100                                   | 274                      |
| <b>Balance, March 31, 2021</b>   | <b>\$43,046</b>                       | <b>\$50,140</b>          |

# Victoria Regional Transit Commission

Performance and Benchmarking



# Conventional Transit Performance

| <i>(figures in thousands, except ratios)</i> | 2020/21   | 2020/21   | 2019/20   | Variance                     |         | Variance                          |          |
|--|-----------|-----------|-----------|------------------------------|---------|-----------------------------------|----------|
|  | Budget    | Final     | Actual    | to Budget<br>(Un) Favourable |         | Year over Year<br>(Un) Favourable |          |
| Passenger Trips ('000)                       | 13,580    | 11,453    | 27,163    | (2,127)                      | (15.7%) | (15,710)                          | (57.8%)  |
| Service Hours ('000)                         | 864       | 793       | 848       | (71)                         | (8.2%)  | (55)                              | (6.5%)   |
| Total Operating Cost ('000)                  | \$112,884 | \$109,327 | \$107,974 | \$3,557                      | 3.2%    | (\$1,353)                         | (1.3%)   |
| Passenger Trips per Service Hour             | 15.7      | 14.4      | 32.0      | (1.3)                        | (8.1%)  | (17.6)                            | (54.9%)  |
| Operating Cost per Service Hour              | \$130.65  | \$137.87  | \$127.33  | (\$7.22)                     | (5.5%)  | (\$10.54)                         | (8.3%)   |
| Operating Cost per Passenger Trip            | \$8.31    | \$9.55    | \$3.98    | (\$1.24)                     | (14.9%) | (\$5.57)                          | (139.9%) |
| Operating Cost Recovery                      | 21.9%     | 20.7%     | 40.1%     | (1.2%)                       | (5.3%)  | (19.4%)                           | (48.4%)  |
| Service Hours per Capita                     | 2.50      | 2.34      | 2.56      | (0.16)                       | (6.4%)  | (0.22)                            | (8.6%)   |
| Passenger Trips per Capita                   | 40.10     | 33.78     | 81.88     | (6.32)                       | (15.8%) | (48.10)                           | (58.7%)  |

Conventional Service Area Population of 339,026 used in per capita calculations

# Custom Transit Performance

| <i>(figures in thousands, except ratios)</i>  | 2020/21  | 2020/21  | 2019/20  | Variance                     |        | Variance                          |          |
|---|----------|----------|----------|------------------------------|--------|-----------------------------------|----------|
|   | Budget   | Final    | Actual   | to Budget<br>(Un) Favourable |        | Year over Year<br>(Un) Favourable |          |
| Passenger Trips ('000) (Total)                | 149      | 145      | 372      | (4)                          | (2.7%) | (227)                             | (61.0%)  |
| Passenger Trips ('000) (excluding Taxi)       | 121      | 124      | 296      | 3                            | 2.5%   | (172)                             | (58.1%)  |
| Service Hours ('000)                          | 127      | 119      | 125      | (8)                          | (6.3%) | (6)                               | (4.8%)   |
| Total Operating Cost ('000)                   | \$11,715 | \$10,207 | \$11,180 | \$1,508                      | 12.9%  | \$973                             | 8.7%     |
| Passenger Trips per Service Hour (excl. Taxi) | 1.0      | 1.0      | 2.4      | 0.0                          | 0.0%   | (1.4)                             | (58.3%)  |
| Operating Cost per Service Hour (excl. Taxi)  | \$85.72  | \$85.77  | \$82.93  | (\$0.05)                     | (0.1%) | (\$2.84)                          | (3.4%)   |
| Operating Cost per Passenger Trip             | \$78.62  | \$70.39  | \$30.05  | \$8.23                       | 10.5%  | (\$40.34)                         | (134.2%) |
| Operating Cost Recovery (excl. Taxi)          | 0.59%    | 0.72%    | 2.29%    | 0.13%                        | 22.5%  | (1.6%)                            | (68.6%)  |
| Service Hours per Capita                      | 0.34     | 0.35     | 0.38     | 0.01                         | 2.9%   | (0.03)                            | (7.9%)   |
| Passenger Trips per Capita                    | 0.40     | 0.40     | 1.10     | -                            | 0.0%   | (0.70)                            | (63.6%)  |

Custom Service Area Population of 379,088 used in per capita calculations