



Victoria Regional Transit Commission #6 – Q1 Financial and Performance Summary

Period Ending June 30, 2020

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.
- Forecast assumptions:
 - Passenger revenue assumes overall ridership 50% below budget
 - Gas tax revenue lower by 40% (a 10% change = \$1.9M)
 - Average diesel fuel price is \$1.00/litre for remainder of year; every \$.01/litre = \$50,000 local contribution
 - Operating expense forecast includes \$1.5M for incremental COVID-19 related expenses and corresponding local contribution;
 - Potential funding related to COVID-19 is on-going and therefore not reflected in Financial Summary

Financial Summary

<i>(figures in thousands)</i>	Jun 2020 Year to Date				2020/21			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Revenues								
Passenger & Advert. Revenue	\$10,831	\$3,417	(\$7,414)	(68.5%)	\$44,647	\$22,626	(\$22,021)	(49.3%)
Provincial Operating Contribution	10,416	10,112	(304)	(2.9%)	43,495	43,164	(331)	(0.8%)
Fuel Tax Revenue	4,679	4,525	(154)	(3.3%)	19,360	11,600	(7,760)	(40.1%)
Local Contribution	9,242	14,987	5,745	62.2%	39,619	59,008	19,389	48.9%
Total Revenue	\$35,168	\$33,041	(\$2,127)	(6.0%)	\$147,121	\$136,398	(\$10,723)	(7.3%)
Expenses								
Operations	\$19,446	\$17,810	\$1,636	8.4%	\$80,709	\$78,421	\$2,288	2.8%
Maintenance	7,188	6,950	238	3.3%	30,358	30,738	(380)	(1.3%)
Administration	3,303	3,323	(20)	(0.6%)	14,577	14,689	(112)	(0.8%)
<i>Total Operating Expenses</i>	29,937	28,083	1,854	6.2%	125,644	123,848	1,796	1.4%
Lease Fees	5,231	4,958	273	5.2%	21,477	12,550	8,927	41.6%
Total Expenses	\$35,168	\$33,041	\$2,127	6.0%	\$147,121	\$136,398	\$10,723	7.3%

Revenue and Passenger Trips

(figures in thousands, except ratios)

	Jun 2020 Year to Date				2020/21			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Passenger	\$10,661	\$3,248	(\$7,413)	(69.5%)	\$43,967	\$21,946	(\$22,021)	(50.1%)
Advertising	170	169	(1)	(0.6%)	680	680	-	0.0%
Total Passenger & Advertising	\$10,831	\$3,417	(\$7,414)	(68.5%)	\$44,647	\$22,626	(\$22,021)	(49.3%)
<i>Passenger Trips (Total)</i>	7,013	2,142	(4,871)	(69.5%)	28,721	15,099	(13,622)	(47.4%)
<i>Passenger Trips (excluding Taxi)</i>	6,993	2,136	(4,857)	(69.5%)	28,643	15,061	(13,582)	(47.4%)
<i>Average Fare</i>	\$1.52	\$1.52	\$0.00	0.0%	\$1.53	\$1.46	(\$0.07)	(4.6%)

Year to Date

- Passenger revenue is \$7.4M below budget due to no fares collected for April and May and lower ridership. Advertising revenue is on budget.
- Passenger trips are 4.9M below budget due to COVID-19.

Forecast

- Passenger revenue is forecast to be \$22.0M below budget at year end due to lower service hours and lower ridership. All passenger fare types are impacted by reduced ridership except for BC Bus Pass which is forecasted to be slightly higher than budget.
- Advertising revenue is forecast on budget.
- Passenger trips are forecasted to be 13.6M below budget with projected ridership levels at an average of 55% for remainder of year.

Provincial Operating Contribution, Fuel Tax and Local Contribution

(figures in thousands, except ratios)

	Jun 2020 Year to Date				2020/21			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Provincial Operating Contribution	\$10,416	\$10,112	(\$304)	(2.9%)	\$43,495	\$43,164	(\$331)	(0.8%)
Fuel Tax Revenue	4,679	4,525	(154)	(3.3%)	19,360	11,600	(7,760)	(40.1%)
Local Contribution	9,242	14,987	5,745	62.2%	39,619	59,008	19,389	48.9%

Provincial Operating Contribution is \$0.3M below budget year to date and is forecast to be below budget by \$0.3M by year end due to lower operating costs. 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 \$154,000 below budget. The full year forecast reflects a projected 40% reduction in fuel sales in the Victoria Region related to COVID-19. Ministry of Finance will provide a year to date reconciliation from fuel retailers in October 2020.

Local Contribution is \$5.7M over budget due to significantly lower passenger revenues offset by lower operating expenses and lease fees. Local contribution reflects the Commission's share of operating expenses and lease fees net of passenger, advertising and fuel tax revenues. By year-end, it is estimated the local contribution will be \$19.4M over budget.

Operations

(figures in thousands, except ratios)

	Jun 2020 Year to Date				2020/21			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Operations (excl. Fuel)	\$16,820	\$16,304	\$516	3.1%	\$70,445	\$70,641	(\$196)	(0.3%)
Fuel	2,626	1,506	1,120	42.7%	10,264	7,780	2,484	24.2%
Total Operations	\$19,446	\$17,810	\$1,636	8.4%	\$80,709	\$78,421	\$2,288	2.8%
<i>Service Hours</i>	246	221	(25)	(10.2%)	1,000	920	(80)	(8.0%)
<i>Operations Cost/Service Hour</i>	\$79.05	\$80.59	(\$1.54)	(1.9%)	\$80.71	\$85.24	(\$4.53)	(5.6%)

Year to Date

- Operations expenses are \$0.5M below budget due to fewer service hours delivered and lower taxi costs offset by higher OT, insurance and COVID-19 related expenses.
- Fuel is \$1.1M below budget due to lower service hours and an average diesel price of \$0.83/litre year to date compared to budget of \$1.18/litre and average cost for CNG of \$0.25/diesel litre equivalent (DLE) compared to budget of \$0.27/DLE.
- Service hours are 25,000 (20,000 Conventional and 5,000 Custom) or 10% below budget.

Forecast

- Operations expenses are forecasted to be \$0.2M above budget due to higher OT, benefits, insurance expenses, and COVID-19 related expenses offset by lower service hours.
- Fuel is forecasted to be \$2.5M below budget with an annual average diesel price of \$1.00/litre compared to a budget of \$1.18/litre and average cost for CNG of \$0.26/DLE.
- Service hours are forecast to be 80,000 below budget due to deferred Conventional expansion (9,000 hours) and reduced service hours due to COVID-19 (Conventional = 53,000, Custom = 27,000).

Maintenance

(figures in thousands, except ratios)

	Jun 2020 Year to Date				2020/21			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Fleet Maintenance	\$6,048	\$5,914	\$134	2.2%	\$25,164	\$25,879	(\$715)	(2.8%)
Facilities Maintenance	1,140	1,036	104	9.1%	5,194	4,859	335	6.4%
Total Maintenance	\$7,188	\$6,950	\$238	3.3%	\$30,358	\$30,738	(\$380)	(1.3%)
<i>Service Hours</i>	246	221	(25)	(10.2%)	1,000	920	(80)	(8.0%)
<i>Fleet Maintenance Cost/Service Hour</i>	\$24.59	\$26.76	(\$2.17)	(8.8%)	\$25.16	\$28.13	(\$2.97)	(11.8%)

Year to Date

- Fleet maintenance is \$0.1M under budget due to vacancies and lower overtime offset by COVID-19 expenditures, primarily bus cleaning.
- Facilities maintenance is \$0.1M below budget due to decision to capitalize CNG fueling equipment.

Forecast

- Fleet maintenance is forecasted to be \$0.7M above budget due additional labour and materials costs associated with COVID-19 response.
- Facility maintenance is forecasted to be \$0.3M under budget due to lower CNG equipment operating expenses off set by COVID-19 expenses and higher consulting costs for Facilities Master Plan.

Administration

<i>(figures in thousands)</i>	Jun 2020 Year to Date			2020/21		
	Budget	Actual	Variance (Un) Favourable	Budget	Forecast	Variance (Un) Favourable
Administration	\$3,303	\$3,323	(\$20) (0.6%)	\$14,577	\$14,689	(\$112) (0.8%)

Year to Date

- Administration expenses are on budget.

Forecast

- Administration expenses are forecast on to be \$0.1M above budget.

Lease Fees

(figures in thousands)

	Jun 2020 Year to Date			2020/21		
	Budget	Actual	Variance (Un) Favourable	Budget	Forecast	Variance (Un) Favourable
Lease Fees	\$5,231	\$4,958	\$273 5.2%	\$21,477	\$12,550	\$8,927 41.6%

Lease Fees are \$0.27M below budget due to higher than budgeted Federal funding credits on vehicles and the timing of the CNG facility and equipment/software capitalizations.

The year-end forecast includes a six-month debt service holiday from vehicle lease fees and savings in the timing of facilities and equipment projects.

Transit Fund

VICTORIA REGIONAL TRANSIT SYSTEM <i>(figures in thousands)</i>	2020/21 Budget	2020/21 Forecast
LOCAL CONTRIBUTION		
Total Local Contribution	\$39,619	\$59,008
Funds generated from Transit Levy	\$39,619	\$39,619
Balance from / (to) Transit Fund	\$0	\$19,389
TRANSIT FUND		
Balance, March 31, 2020	\$15,763	\$17,055
Contribution to Cowichan Commuter	(96)	(281)
2019/20 YE adjustments	1,288	-
Interest & Other	100	100
Additions/(withdrawal) from Transit Fund	-	(16,874)
Balance, March 31, 2021	\$17,055	\$0
Shortfall if Transit Fund balance at \$0		(\$2,515)
Shortfall if Transit Fund maintains Restricted Balance of \$3,096 (2.5% of Operating Costs)		(\$5,611)
Restricted Balance (2.5% of Operating Costs)	\$3,141	\$3,096

Transit Fund balance as at June 30, 2020 is \$1,810,494 (due to timing of property tax collection and reduced passenger revenues)

Notes:

1. Current VRTC policy is to maintain a restricted balance of 2.5% of total operating costs in the Transit fund.
2. Legislation prohibits the VRTC transit Fund to be in a negative balance as of March 31, 2021.

Victoria Regional Transit Commission

Performance and Benchmarking



Conventional Transit Performance

(figures in thousands, except ratios)

	Jun 2020 Year to Date				2020/21			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Passenger Trips ('000)	6,917	2,117	(4,800)	(69.4%)	28,338	14,916	(13,422)	(47.4%)
Service Hours ('000)	214	194	(20)	(9.3%)	873	820	(53)	(6.1%)
Total Operating Cost ('000)	\$27,053	\$25,677	\$1,376	5.1%	\$113,930	\$112,996	\$934	0.8%
Passenger Trips per Service Hour	32.3	10.91	(21.4)	(66.2%)	32.5	18.19	(14.3)	(44.0%)
Operating Cost per Service Hour	\$126.42	\$132.36	(\$5.94)	(4.7%)	\$130.50	\$137.80	(\$7.30)	(5.6%)
Operating Cost per Passenger Trip	\$3.91	\$12.13	(\$8.22)	(210.2%)	\$4.02	\$7.58	(\$3.56)	(88.6%)
Operating Cost Recovery	39.8%	13.3%	(26.5%)	(66.6%)	39.0%	19.9%	(19.0%)	(48.9%)
Service Hours per Capita	n/a	n/a	n/a	n/a	2.6	2.40	(0.2)	(7.7%)
Passenger Trips per Capita	n/a	n/a	n/a	n/a	83.6	44.0	(39.6)	(47.4%)

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

Custom Transit Performance

(figures in thousands, except ratios)

	Jun 2020 Year to Date				2020/21			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Passenger Trips ('000) (Total)	96	25	(71)	(74.0%)	383	183	(200)	(52.2%)
Passenger Trips ('000) (excluding Taxi)	76	19	(57)	(75.0%)	305	145	(160)	(52.5%)
Service Hours ('000)	32	27	(5)	(15.6%)	127	100	(27)	(21.3%)
Total Operating Cost ('000)	\$2,884	\$2,406	\$478	16.6%	\$11,714	\$10,852	\$862	7.4%
Passenger Trips per Service Hour (excl. Taxi)	2.4	0.7	(1.7)	(70.8%)	2.4	1.5	(0.9)	(37.5%)
Operating Cost per Service Hour (excl. Taxi)	\$83.66	\$87.26	(\$3.60)	(4.3%)	\$85.72	\$103.56	(\$17.84)	(20.8%)
Operating Cost per Passenger Trip	\$30.04	\$96.24	(\$66.20)	(220.4%)	\$30.58	\$59.30	(\$28.72)	(93.9%)
Operating Cost Recovery (excl. Taxi)	2.20%	0.21%	(1.99%)	(90.4%)	2.19%	0.99%	(1.19%)	(54.5%)
Service Hours per Capita	n/a	n/a	n/a	n/a	0.34	0.26	(0.1)	(23.5%)
Passenger Trips per Capita	n/a	n/a	n/a	n/a	1.0	0.5	(0.5)	(50.0%)

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