



Victoria Regional Transit Commission #9 - Financial and Performance Report

YEAR-TO-DATE DECEMBER 31, 2019

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)

	Dec 2019 Year to Date				2019/20			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Revenues								
Passenger & Advert. Revenue	\$32,477	\$32,818	\$341	1.0%	\$43,289	\$44,152	\$863	2.0%
Provincial Operating Contribution	30,059	30,059	0	0.0%	40,256	40,256	0	0.0%
Fuel Tax Revenue	14,715	14,597	(118)	(0.8%)	19,360	19,300	(60)	(0.3%)
Local Contribution	23,288	22,642	(646)	(2.8%)	31,728	30,165	(1,563)	(4.9%)
Operating Reserve Required	4,600	4,600	0	0.0%	6,134	6,134	0	0.0%
Total Revenue	\$105,139	\$104,716	(\$423)	(0.4%)	\$140,767	\$140,007	(\$760)	(0.5%)
Expenses								
Operations	\$59,443	\$58,706	\$737	1.2%	\$79,621	\$78,881	\$740	0.9%
Maintenance	20,450	19,743	707	3.5%	27,609	26,957	652	2.4%
Administration	10,815	9,566	1,249	11.5%	14,259	13,754	505	3.5%
<i>Total Operating Expenses</i>	90,708	88,015	2,693	3.0%	121,489	119,592	1,897	1.6%
Lease Fees	14,431	14,008	423	2.9%	19,278	18,518	760	3.9%
Total Expenses	\$105,139	\$102,023	3,116	3.0%	\$140,767	\$138,110	\$2,657	1.9%

Revenue and Passenger Trips

(figures in thousands, except ratios)

	Dec 2019 Year to Date				2019/20			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Passenger	\$31,952	\$32,307	\$355	1.1%	\$42,589	\$43,473	\$884	2.1%
Advertising	525	511	(14)	(2.7%)	700	679	(21)	(3.0%)
Total Passenger & Advertising	\$32,477	\$32,818	\$341	1.0%	\$43,289	\$44,152	\$863	2.0%
<i>Passenger Trips (Total)</i>	20,483	20,858	375	1.8%	27,538	28,314	776	2.8%
<i>Passenger Trips (excluding Taxi)</i>	20,419	20,795	376	1.8%	27,453	28,235	782	2.8%
<i>Average Fare</i>	\$1.56	\$1.55	(\$0.01)	(0.6%)	\$1.55	\$1.54	(\$0.01)	(0.6%)

Passenger revenue is \$0.36M (1.1 per cent) above budget year to date due to higher than budgeted purchases of tickets, employer pass and BC Bus Pass revenues offset by lower cash and monthly pass sales. Revenue is forecast to follow current trend with higher than expected U-PASS in last quarter and ticket revenue ending the year \$0.88M (2.1 per cent) above budget.

Advertising revenue is 2.7 per cent below budget year to date and is forecast to be \$21,000 (3.0 per cent) below budget which reflects reduced printed advertising sales.

Passenger trips are 375,000 (1.8 per cent) above budget year to date and are forecast to be 2.8 per cent higher than budget at year-end.

Provincial Operating Contribution, Fuel Tax and Local Contribution

(figures in thousands, except ratios)

	Dec 2019 Year to Date				2019/20			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Provincial Operating Contribution	\$30,059	\$30,059	\$0	0.0%	\$40,256	\$40,256	\$0	0.0%
Fuel Tax Revenue	14,715	14,597	(118)	(0.8%)	19,360	19,300	(60)	(0.3%)
Local Contribution	23,288	22,642	(646)	(2.8%)	31,728	30,165	(1,563)	(4.9%)
Operating Reserve Required	4,600	4,600	0	0.0%	6,134	6,134	0	0.0%

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

Fuel Tax Revenue generated from a 5.5 cent per litre fuel tax is \$0.12M (0.8 per cent) below budget year-to-date. The forecast anticipates a partial catch-up by year-end.

Local Contribution is \$0.65M (2.8 per cent) below budget year-to-date due to higher passenger and lower lease fees. The year-end forecast is \$1.56M (4.9 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

(figures in thousands, except ratios)

	Dec 2019 Year to Date				2019/20			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Operations (excl. Fuel)	\$50,410	\$50,229	\$181	0.4%	\$67,477	\$67,352	\$125	0.2%
Fuel	9,033	8,477	556	6.2%	12,144	11,529	615	5.1%
Total Operations	\$59,443	\$58,706	\$737	1.2%	\$79,621	\$78,881	\$740	0.9%
Service Hours	734	731	(3)	(0.4%)	988	984	(4)	(0.4%)
Operations Cost/Service Hour	\$80.99	\$80.31	\$0.68	0.8%	\$80.59	\$80.16	\$0.42	0.5%

Operations (excl. Fuel) is \$0.18M (0.4 per cent) below budget year to date and is forecast to be \$0.13M below budget at year end. Year-to-date variance reflects lower benefit costs and the timing of expenses associated with the new CREST radio network costs.

Fuel is \$0.56M (6.2 per cent) below budget year to date due to an average fuel price of \$1.18/L compared to budgeted fuel price of \$1.27/L. Fuel is forecast to be \$0.62M below budget based on annual average fuel price of \$1.21/L.

Service hours delivered year to date are 3,000 hours (0.4 per cent) below budget and forecasted to be 4,000 hours (0.4 per cent) below budget. The variance is due mainly to lower custom hours with service offset by an increase in taxi supplement. Conventional service hours include the approved expansion of 20,000 annual service hours effective September 2019 for new routes and improved service levels.

Maintenance

(figures in thousands, except ratios)

	Dec 2019 Year to Date				2019/20			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Fleet Maintenance	\$17,428	\$16,924	\$504	2.9%	\$23,558	\$22,851	\$707	3.0%
Facilities Maintenance	3,022	2,819	203	6.7%	4,051	4,106	(55)	(1.4%)
Total Maintenance	\$20,450	\$19,743	\$707	3.5%	\$27,609	\$26,957	\$652	2.4%
<i>Service Hours</i>	734	731	(3)	(0.4%)	988	984	(4)	(0.4%)
<i>Fleet Maintenance Cost/Service Hour</i>	\$23.74	\$23.15	\$0.59	2.5%	\$23.84	\$23.22	\$0.62	2.6%

Fleet Maintenance is \$0.50M (2.9 per cent) lower than budget due to vacancies and lower benefit costs for Victoria Conventional service, and lower parts and materials costs for Custom service. The year-end forecast is \$0.71M (3.0 per cent) lower than budget at year-end due to lower labour, parts and material costs.

Facilities Maintenance is \$0.20M (6.7 per cent) below budget year-to-date due to vacancies and a one time building lease credit from prior year. The forecast for year-end is \$0.06M (1.4 per cent) below budget due to lease credit offset by timing of facility and property maintenance expenditures.

Administration

<i>(figures in thousands)</i>	Dec 2019 Year to Date				2019/20			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Administration	\$10,815	\$9,566	\$1,249	11.5%	\$14,259	\$13,754	\$505	3.5%

Administration is \$1.25M (11.5 per cent) below budget year-to-date due to timing for consulting, lower information technology (IT) expenditures, benefits costs and vacancies. The year-end forecast of \$0.51M (3.5% per cent) below budget due lower IT expenditures and consulting offset by higher employee learning and development expenditures.

Lease Fees

<i>(figures in thousands)</i>	Dec 2019 Year to Date			2019/20		
	Budget	Actual	Variance (Un) Favourable	Budget	Forecast	Variance (Un) Favourable
Lease Fees	\$14,431	\$14,008	\$423 2.9%	\$19,278	\$18,518	\$760 3.9%

Lease Fees are \$0.42M (2.9 per cent) below budget due to the receipt of higher than budgeted Federal funding credits on vehicles and the timing of facility and equipment capitalizations. The forecast is below budget by \$0.76M (3.9 per cent).

Transit Fund

VICTORIA REGIONAL TRANSIT SYSTEM <i>(figures in thousands)</i>	2019/20 Budget	2019/20 Forecast
LOCAL CONTRIBUTION		
Funds generated from Transit Levy	\$31,595	\$31,666
Balance from / (to) Transit Fund	\$133	(\$1,501)
Total Local Contribution	\$31,728	\$30,165
TRANSIT FUND		
Balance, March 31, 2019	\$6,389	\$6,389
Contribution to 2019/20 expenses	(133)	(133)
Contribution to Cowichan Commuter	(96)	(37)
Interest & Other	100	100
Higher passenger & advertising revenue than budgeted	0	863
Lower fuel tax revenue than budgeted	0	(60)
Lower lease fees than budgeted	0	760
Higher transit levy (Grants in Lieu) received than budgeted	0	71
Ending Balance	\$6,260	\$7,953
Restricted Balance (2.5% of Operating Costs)	\$3,037	\$2,990
Unrestricted Balance	\$3,223	\$4,963

Operating Reserve Fund

OPERATING RESERVE FUND <i>(figures in thousands)</i>	2019/20 Budget	2019/20 Forecast
Balance March 31, 2019	\$15,893	\$15,893
Budgeted reserve required	\$6,134	\$6,134
Budgeted operating expenses	\$121,489	\$121,489
Projected operating expenses	\$121,489	\$119,592
Ending Balance	\$9,759	\$11,656

- 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 the Transit Fund and is to be used for maintaining existing service levels.

Victoria Regional Transit Commission

Performance and Benchmarking



Conventional Transit Performance

<i>(figures in thousands, except ratios)</i>	Dec 2019 Year to Date				2019/20			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Passenger Trips ('000)	20,180	20,566	386	1.9%	27,134	27,930	796	2.9%
Service Hours ('000)	638	637	(1)	(0.2%)	860	860	0	0.0%
Total Operating Cost ('000)	\$81,863	\$79,655	\$2,208	2.7%	\$109,681	\$108,354	\$1,327	1.2%
Passenger Trips per Service Hour	31.6	32.29	0.7	2.1%	31.6	32.48	0.9	2.9%
Operating Cost per Service Hour	\$128.31	\$125.05	\$3.26	2.5%	\$127.54	\$125.99	\$1.55	1.2%
Operating Cost per Passenger Trip	\$4.06	\$3.87	\$0.19	4.7%	\$4.04	\$3.88	\$0.16	4.0%
Operating Cost Recovery	39.4%	41.0%	1.5%	3.9%	39.2%	40.5%	1.3%	3.3%
Service Hours per Capita	n/a	n/a	n/a	n/a	2.6	2.60	0.0	0.0%
Passenger Trips per Capita	n/a	n/a	n/a	n/a	81.8	84.2	2.4	2.9%

Conventional Service Area Population of 331,745 used in per capita calculations

Custom Transit Performance

<i>(figures in thousands, except ratios)</i>	Dec 2019 Year to Date				2019/20			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Passenger Trips ('000) (Total)	303	292	(11)	(3.6%)	404	384	(20)	(5.0%)
Passenger Trips ('000) (excluding Taxi)	239	229	(10)	(4.2%)	319	305	(14)	(4.4%)
Service Hours ('000)	96	94	(2)	(2.1%)	128	124	(4)	(3.1%)
Total Operating Cost ('000)	\$8,845	\$8,360	\$485	5.5%	\$11,808	\$11,238	\$570	4.8%
Passenger Trips per Service Hour (excl. Taxi)	2.5	2.4	(0.1)	(4.0%)	2.5	2.5	0.0	0.0%
Operating Cost per Service Hour (excl. Taxi)	\$85.58	\$82.62	\$2.96	3.5%	\$85.70	\$84.15	\$1.55	1.8%
Operating Cost per Passenger Trip	\$29.19	\$28.63	\$0.56	1.9%	\$29.23	\$29.27	(\$0.04)	(0.1%)
Operating Cost Recovery (excl. Taxi)	2.28%	2.27%	(0.01%)	(0.4%)	2.28%	2.28%	0.00%	0.1%
Service Hours per Capita	n/a	n/a	n/a	n/a	0.34	0.33	(0.0)	(2.9%)
Passenger Trips per Capita	n/a	n/a	n/a	n/a	1.1	1.0	(0.1)	(9.1%)

Custom Service Area Population of 373,031 used in per capita calculations