

February 19, 2013

SUBJECT

Financial & Performance Report – Results to December 31, 2012

PURPOSE

This report provides a summary of the Financial and Performance results for the nine months ended December 31, 2012 to the Commission for **INFORMATION**.

BACKGROUND

This report presents financial and performance results for the nine month period ending December 31, 2012 and the full year forecasts to March 31, 2013. It also provides performance and benchmarking statistics for both the conventional and custom service.

DISCUSSION

The significant items to note are:

1. Collective bargaining is substantially complete and cost impacts have been incorporated into the 2012/13 year-end forecast. Labour increases were not included in the approved budget due to negotiations at time of budget approval.
2. The labour action has resulted in lower service hours. As a result:
 - Ridership is projected to be lower than budget by 2%;
 - Operating expenditures are lower; and
 - Provincial and local government contribution requirements are lower.
3. The Transit Fund balance is forecasted at \$5.8M by year-end.
4. Conventional and custom performance benchmarking has been included in the report. Both the conventional and custom transit systems continue to benchmark favourably against peer transit systems across Canada on cost efficiency and effectiveness measures and overall system performance.

RECOMMENDATION

It is recommended that the Victoria Regional Transit Commission receive this report for information.

Respectfully,



Manuel Achadinha
President and Chief Executive Officer

Attachment: Financial & Performance Report



Victoria Regional Transit

February 19, 2013

Financial & Performance Report

Victoria Regional Transit Commission

**December 2012 Year to Date Financial
Results**



Financial Summary

Conventional & Custom Service

Dec Year-to-Date				<i>(figures in thousands)</i>		2012/13	2012/13	Variance	
Budget	Actual	Variance		Budget	Dec Fcst	Budget	Dec Fcst	to Budget	
		(Un) Favourable						(Un) Favourable	
Revenues									
\$27,665	\$27,598	(\$67)	(0%)	Passenger & Advert. Revenue	\$37,128	\$37,090	(\$38)	(0%)	
23,333	22,356	(977)	(4%)	Provincial Operating Contribution	31,625	31,247	(378)	(1%)	
8,722	9,052	330	4%	Fuel Tax Revenue	11,500	11,850	350	3%	
16,975	14,887	(2,088)	(12%)	Local Contribution	25,325	24,007	(1,318)	(5%)	
\$76,695	\$73,893	(\$2,802)	(4%)	Total	\$105,578	\$104,194	(\$1,384)	(1%)	
Expenses									
\$47,055	\$45,083	\$1,972	4%	Operations	\$63,051	\$62,160	\$891	1%	
13,640	13,447	193	1%	Maintenance	19,217	19,538	(321)	(2%)	
6,637	6,048	589	9%	Administration	9,166	8,963	203	2%	
9,363	9,315	48	1%	Lease Fees	14,144	13,533	611	4%	
\$76,695	\$73,893	\$2,802	4%	Total	\$105,578	\$104,194	\$1,384	1%	



Revenue & Ridership

Dec Year-to-Date				<i>(figures in thousands, except ratios)</i>		2012/13	2012/13	Variance	
Budget	Actual	Variance			Budget	Dec Fcst	to Budget		
		(Un) Favourable					(Un) Favourable		
\$27,242	\$27,151	(\$91)	(0%)	Passenger	\$36,562	\$36,492	(\$70)	(0%)	
423	447	24	6%	Advertising	566	598	32	6%	
\$27,665	\$27,598	(\$67)	(0%)	Total Passenger & Advertising	\$37,128	\$37,090	(\$38)	(0%)	
18,265	17,964	(301)	(2%)	Passenger Trips (Total)	24,999	24,379	(620)	(2%)	
18,186	17,899	(287)	(2%)	Passenger Trips (excluding Taxi)	24,894	24,284	(610)	(2%)	
\$1.50	\$1.52	\$0.02	1%	Average Fare	\$1.47	\$1.50	\$0.03	2%	
<i>(Psgr Revenue / Psgr Trips - excl. Taxi)</i>									

Passenger and advertising revenue (unfavourable year to date - \$67,000 or 0%)

Revenue:

Year to date revenue is \$91,000 or less than 1% unfavourable to budget and is forecast to be \$70,000 unfavourable to budget at year end due to labour action and lower service hours.

Advertising revenue is \$24,000 or 6% favourable to budget due to an increase in this year's advertising contract.

Passenger Trips:

Passenger trips are forecast to be 620,000 or 2% below than budget by year end due to labour action and fewer service hours.



Taxation Sources

Dec Year-to-Date				<i>(figures in thousands)</i>	2012/13 Budget	2012/13 Dec Fcst	Variance	
Budget	Actual	Variance (Un) Favourable					to Budget (Un) Favourable	
\$23,333	\$22,356	(\$977)	(4%)	Provincial Operating Contribution	\$31,625	\$31,247	(\$378)	(1%)
\$8,722	\$9,052	\$330	4%	Fuel Tax Revenue	\$11,500	\$11,850	\$350	3%
\$16,975	\$14,887	(\$2,088)	(12%)	Local Contribution	\$25,325	\$24,007	(\$1,318)	(5%)

Provincial Operating Contribution (lower than budget - \$0.98M or 4%)

Provincial operating contribution reflects the legislated provincial share of operating expenditures and is lower than budget due to lower than budgeted expenses.

Fuel Tax Revenue (higher than budget - \$0.33M or 4%)

Fuel tax revenue is higher than budget by \$0.33M or 4% and is forecasted to remain favourable to budget at year end.

Local Contribution (lower than budget - \$2.09M or 12%)

Local contribution reflects the remaining local government contributions after provincial funding, passenger revenues and fuel tax revenues. Local contributions are lower than budget year to date by \$2.09M or 12% (full year forecast by \$1.32M or 5%) primarily due to lower than budgeted fuel expenses and lease fees and higher fuel tax revenues.



Operations

Dec Year-to-Date				(figures in thousands, except ratios)	2012/13	2012/13	Variance	
Budget	Actual	Variance			Budget	Dec Fcst	to Budget	
		(Un) Favourable					(Un) Favourable	
\$38,069	\$37,261	\$808	2%	Operations (excl. Fuel)	\$51,083	\$51,356	(\$273)	(1%)
\$8,986	\$7,822	\$1,164	13%	Fuel	\$11,968	\$10,804	\$1,164	10%
\$47,055	\$45,083	\$1,972	4%	Operations	\$63,051	\$62,160	\$891	1%
691	670	21	3%	Hours	920	898	22	2%
\$68.10	\$67.29	\$0.81	1%	Operations Cost/Hour	\$68.53	\$69.22	(\$0.69)	(1%)

Operations (favourable year to date - \$1.97M or 4%)

Operations (excluding fuel) is \$0.81M or 2% favourable year to date primarily due to lower expenses related to labour action and fewer service hours. The forecast variance is primarily due to labour contract settlements and the approved Transit Priority Planning project which was approved by the Commission at the May 2012 meeting. The Transit Priority Plan was an unbudgeted expense and was approved by the Commission to be funded from the Transit Fund.

Fuel is \$1.16M or 13% favourable year to date due to lower prices related to fuel management strategy and fewer service hours. The forecast reflects price savings to date.

Hours are below budget (21,000 hours or 3% year to date) primarily due to labour action and forecast to be below budget (22,000 hours or 2%) at year end.



Maintenance

Dec Year-to-Date				(figures in thousands)	2012/13	2012/13	Variance	
Budget	Actual	Variance			Budget	Dec Fcst	to Budget	
		(Un) Favourable					(Un) Favourable	
\$11,258	\$11,201	\$57	1%	Fleet Maintenance	\$15,963	\$16,208	(\$245)	(2%)
\$2,382	\$2,246	\$136	6%	Facilities Maintenance	\$3,254	\$3,330	(\$76)	(2%)
\$13,640	\$13,447	\$193	1%	Maintenance	\$19,217	\$19,538	(\$321)	(2%)
\$16.29	\$16.72	(\$0.43)	(3%)	Fleet Maintenance Cost/Hour	\$17.35	\$18.05	(\$0.70)	(4%)

Maintenance (favourable to budget \$0.19M or 1%)

Fleet maintenance is favourable \$0.06M or 1% year to date due to timing of expenditures and a reduction in costs due to labour action. The full year forecast is to be unfavourable by \$0.25M or 2% by year end due primarily to the labour contract settlements.

Facility maintenance is favourable \$0.14M or 6% and is forecast to be unfavourable by \$0.08M or 2% due to higher than anticipated property tax assessments at the Victoria Transit Centre and property insurance.



Administration

Dec Year-to-Date				<i>(figures in thousands)</i>	2012/13	2012/13	Variance	
Budget	Actual	Variance (Un) Favourable			Budget	Dec Fcst	to Budget (Un) Favourable	
\$6,637	\$6,048	\$589	9%	Administration	\$9,166	\$8,963	\$203	2%

Administration (favourable to budget - \$0.59M or 9%)

Results are favourable year to date by \$0.59M or 9% due to timing in hiring and expenditure management strategy and is forecast to be favourable by \$0.20M or 2% by year end.



Lease Fees

Dec Year-to-Date				(figures in thousands)	2012/13	2012/13	Variance	
Budget	Actual	Variance			Budget	Dec Fcst	to Budget	
		(Un) Favourable					(Un) Favourable	
\$9,363	\$9,315	\$48	1%	Lease Fees	\$14,144	\$13,533	\$611	4%

Lease Fees (favourable to budget - \$0.05M or 1%)

Results are favourable year to date \$0.05M or 1% and is forecast to be favourable by \$0.61M or 4% at year end due to timing of vehicle replacements and major capital repairs.

Included in Lease Fees for 2012/13 is PTIP funding which is being amortized to March 31, 2018. Total proceeds received are \$15.8M of which \$9.60M remains unamortized. This balance is amortized over the life of the related assets (acquisition cost and major capital maintenance).



Transit Fund

VICTORIA REGIONAL TRANSIT SYSTEM TRANSIT FUND FOR MARCH 31, 2013

(figures in thousands)

	2012/13 Budget	Dec Forecast	Variance
Fund Beginning Balance	\$4,761	\$4,761	\$0
Commission Sources of Revenue:			
Conventional Revenue	36,212	36,147	(65)
Custom Revenue	350	345	(5)
Advertising	566	598	32
Fuel Tax	11,500	11,850	350
Property Tax	24,946	24,946	-
Interest	100	100	-
Total available funds	\$78,435	\$78,747	312
Commission Share of Expenses	(74,015)	(72,972)	1,043
Fund Ending Balance, March 31, 2013	\$4,420	\$5,775	\$1,355



Victoria Regional Transit Commission

Performance and Benchmarking



Conventional Performance

Dec Year-to-Date			Victoria Conventional Transit	2012/13	2012/13	Variance
Budget	Actual	Variance (Un)Favourable		Budget	Dec Fcst	to Budget (Un)Favourable
17,967	17,672	(295)	Passenger Trips ('000)	24,600	23,980	(620)
600	582	18	Service Hours ('000)	800	778	22
\$60,976	\$58,555	\$2,421	Total Operating Cost ('000)	\$82,999	\$82,647	352
29.9	30.4	0.5	Passenger Trips per Service Hour	30.7	30.8	0.1
\$101.55	\$100.65	\$0.90	Operating Cost per Service Hour	\$103.69	\$106.09	(\$2.40)
\$3.39	\$3.31	\$0.08	Operating Cost per Passenger Trip	\$3.37	\$3.45	(\$0.08)
44.9%	46.7%	1.8%	Operating Cost Recovery	44.3%	44.5%	0.2%
n/a	n/a	n/a	Service Hours per Capita	2.2	2.2	0.0
n/a	n/a	n/a	Passenger Trips per Capita	68.3	66.6	(1.7)

Population of 360,063 used in per capita calculations - CRD 2011 estimate



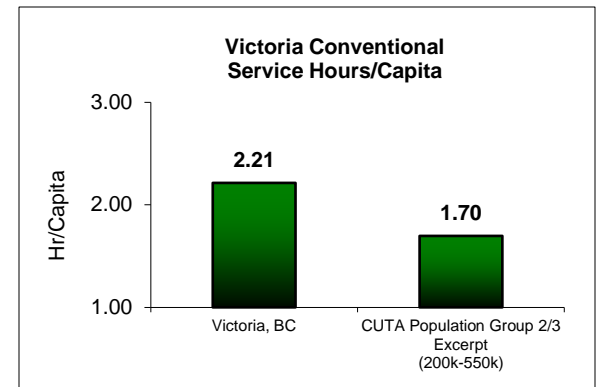
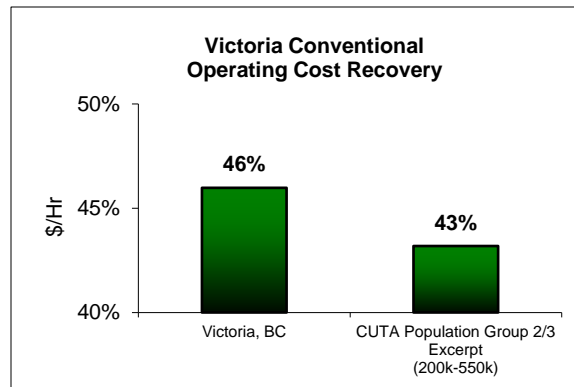
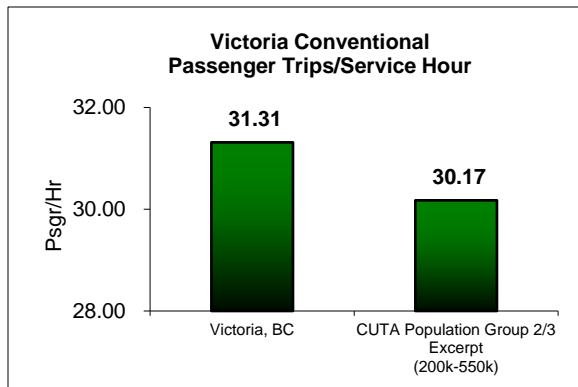
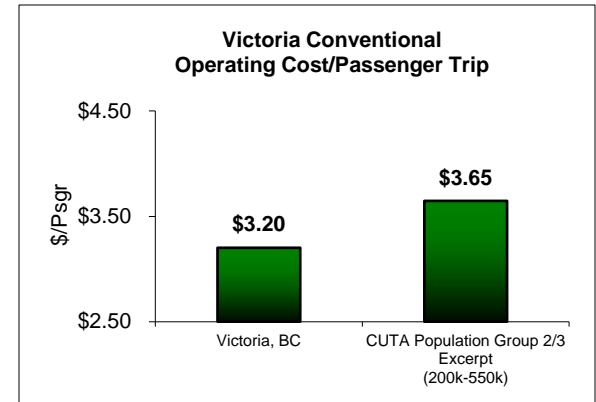
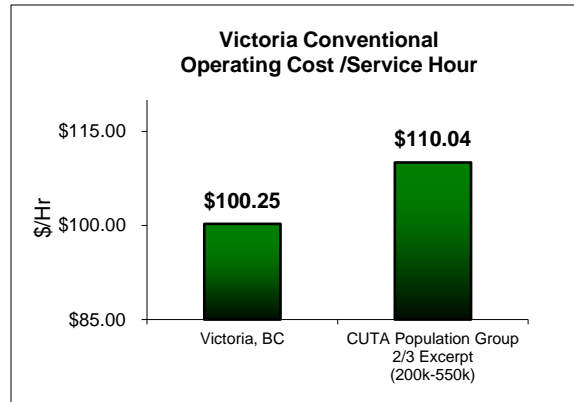
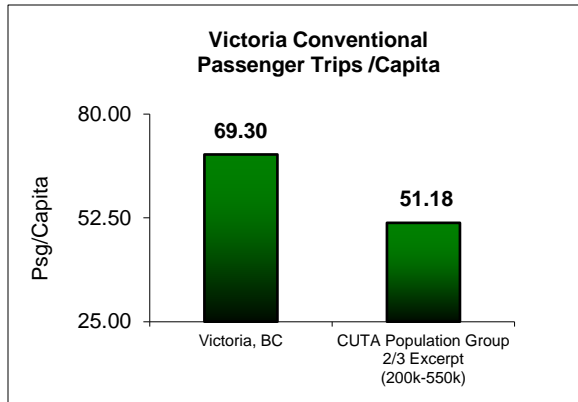
Custom Performance

Dec Year-to-Date			Victoria Custom Transit	2012/13	2012/13	Variance
Budget	Actual	Variance (Un)Favourable		Budget	Dec Fcst	to Budget (Un)Favourable
298	292	(6)	Passengers Trips - Total ('000)	399	399	0
219	227	8	Passenger Trips - excl. Taxi ('000)	294	304	10
91	88	3	Service Hours ('000)	120	120	0
\$6,354	\$6,023	\$332	Total Operating Cost ('000)	\$8,435	\$8,013	\$422
2.4	2.6	0.2	<i>Passenger Trips per Service Hour (excl. Taxi)</i>	2.5	2.5	0.0
\$65.02	\$63.06	\$1.96	<i>Operating Cost per Service Hour (excl. Taxi)</i>	\$65.13	\$62.30	\$2.83
\$26.87	\$24.58	\$2.29	<i>Operating Cost per Passenger Trip (excl. Taxi)</i>	\$26.57	\$24.59	\$1.98
9.8%	12.1%	2.3%	<i>Operating Cost Recovery</i>	9.7%	11.1%	1.4%
n/a	n/a	n/a	<i>Service Hours per Capita</i>	0.3	0.3	0.0
n/a	n/a	n/a	<i>Passenger Trips per Capita</i>	1.1	1.1	0.0

Population of 360,063 used in per capita calculations - CRD 2011 estimate



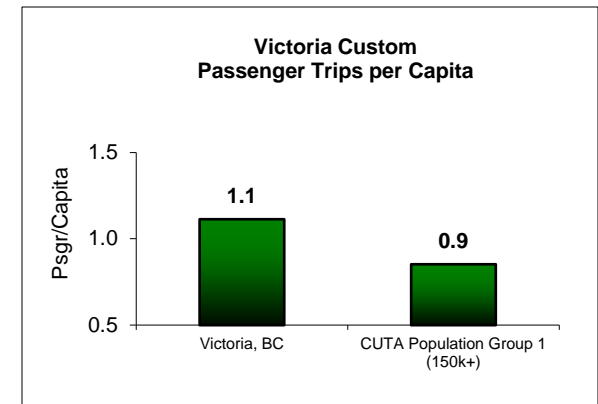
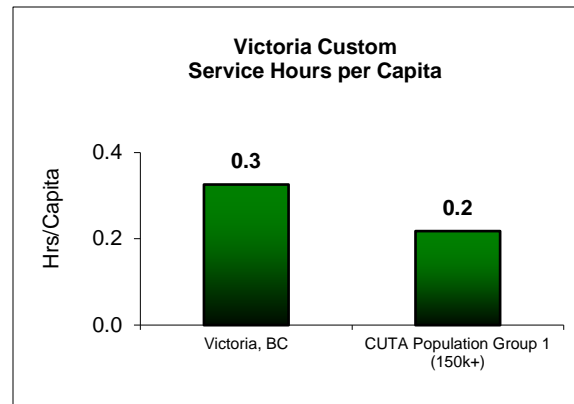
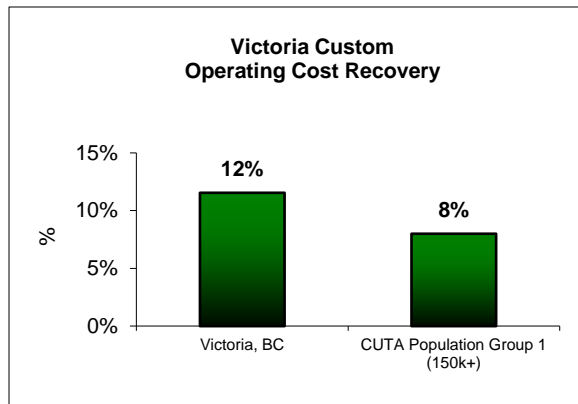
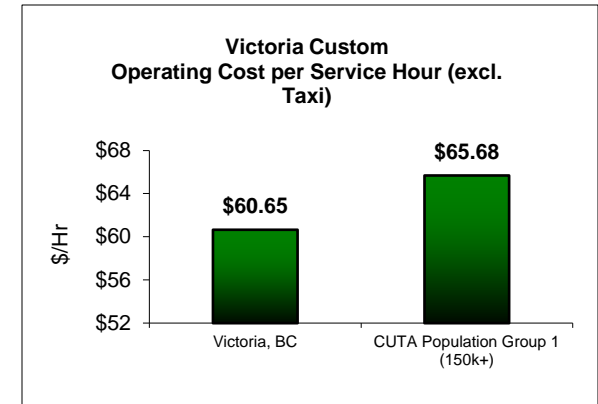
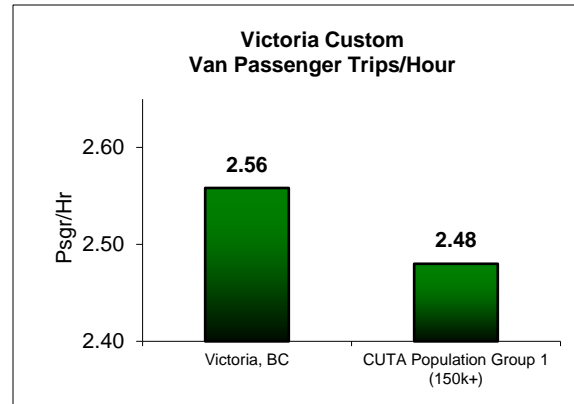
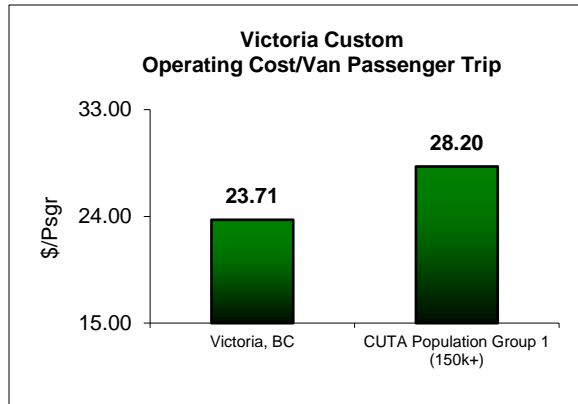
CUTA Benchmarks – Conventional Transit Performance



Source: 2011 Canadian Urban Transportation Association Fact Book



CUTA Benchmarks – Custom Transit Performance



Source: 2011 Canadian Urban Transportation Association Fact Book

