



#10 - Draft 3 Year Budget 2024/25 - 2026/27

Victoria Regional
Transit
Commission

November 7, 2023



Basis of Presentation

- Base budget passenger revenues for 2024/25 – 2026/27 reflect updated growth projections of 94%, 97%, and 99% compared to 2019/20 passenger revenues.
- No fare increases reflected for 2024/25 – 2026/27 passenger revenues.
- The 3-year outlook base budget operating expenses table for 2024/25 – 2026/27 reflects base levels of service only with no additional service expansion impacts.
- The 3-year outlook Revenue, Funding and Expenses table includes the 3-year impact of 24/25 draft expansion budget which is prorated in 2024/2025 and annualized for 2025/26-2026/27.
- Use of Safe Restart funding is \$5.4M in 2024/25, and \$0 in 2025/26 and 2026/27.
- Proposed transit levies per household included in presentation are examples only and remain at the discretion of the Commission; final budget and transit levies for budget year 2024/25 to be approved in February 2024.

3 Year Outlook – Base Budget Operating Expenses

<i>(figures in thousands)</i>	Base Budget 2023/24	Q2 FCST 2023/24	Draft Base Budget 2024/25	Draft Base Budget 2025/26	Draft Base Budget 2026/27
Expenses					
<i>Operations (excl fuel)</i>	87,053	87,851	95,296	99,834	106,005
<i>Fuel</i>	15,057	13,333	16,264	17,078	17,927
Operations	102,110	101,184	111,560	116,912	123,932
<i>Fleet Maintenance</i>	29,791	31,213	33,767	35,481	36,709
<i>Facilities Maintenance</i>	5,182	6,037	6,685	7,272	7,717
Maintenance	34,973	37,250	40,452	42,753	44,426
Administration	19,189	20,139	22,290	23,091	24,333
Total Operating Expenses	\$156,272	\$158,573	\$174,302	\$182,756	\$192,691
Lease Fees (local share)	16,740	16,702	18,632	21,547	24,201
Total Expenses	\$173,012	\$175,275	\$192,934	\$204,303	\$216,892
Base Service Hours	1,011	968	1,011	1,011	1,011
Operating Cost/Hour	\$ 154.53	\$ 163.82	\$ 172.39	\$ 180.75	\$ 190.58
YOY increase from Budget			12%	5%	5%
Operating Cost (excluding fuel)/Hour	\$ 139.64	\$ 150.04	\$ 156.30	\$ 163.86	\$ 172.85
YOY increase from Budget			12%	5%	5%
Passengers	23,927	24,352	25,770	26,576	27,402

3 Year Operating expenses reflect:

- Labour increases based on general wage increases under the Provincial Shared Recovery Mandate.
- Fuel budgeted at \$2.15/litre in 2024/25 compared to \$2.05 in 2023/24, \$2.26/litre in 2025/26, and \$2.37/litre in 2026/27.
- 10 additional transit operators and 8 maintenance staff in 2024/25 to support base service levels
- Increased fleet maintenance parts and materials based on supply chain constraints and inflation.
- Increased facilities maintenance cost due to increased contract costs for CNG maintenance, electrical, plumbing, snow/ice removal, landscaping and janitorial.
- Increased administrative costs due to IT and marketing and labour.

3 Year Outlook – Revenue, Funding & Expenses

(3 Year base budget including 3-year impact of 24/25 Expansion)

<i>(figures in thousands)</i>	Base Budget 2023/24	Q2 FCST 2023/24	Draft Base Budget 2024/25	Draft Expansion Budget 2024/25	Total Draft Budget 2024/25	Total Draft Budget 2025/26	Total Draft Budget 2026/27
Revenues							
Passenger & Adv Revenue	\$39,019	\$40,312	41,084	337	41,421	42,658	43,699
Provincial Oper Contribution	\$53,881	\$54,600	60,016	485	60,502	63,860	67,264
Fuel Tax Revenue	\$18,360	18,202	18,200		18,200	18,200	18,200
Local Contribution	\$61,752	62,161	73,634	822	74,456	82,455	90,726
Local Contribution - Safe Restart/Addl Contn	7,866	7,866	5,431		5,431	0	0
Local Contribution - Transit Levy	43,621	43,744	64,186	822	65,008	82,877	91,177
Local Contribution - Transit Fund	10,264	10,551	4,017		4,017	(422)	(451)
Total	\$173,012	\$175,275	\$192,934	\$1,644	\$194,578	\$207,173	\$219,889
Expenses							
Operating Costs	\$156,272	\$158,573	\$174,302	\$1,445	\$175,747	\$185,268	\$195,312
Lease Fees (local share)	16,740	16,702	18,632	199	18,831	21,905	24,577
Total	\$173,013	\$175,275	\$192,934	\$1,644	\$194,578	\$207,173	\$219,889
Total % Budget Increase			11.5%	1.0%	12.5%	7.4%	7.6%
Est. Ending Transit Fund Balance	\$14,221	\$13,955			\$4,393	\$4,632	\$4,883
Est. Average Transit Levy per Household	\$195.95	\$196.73	\$286.47	\$3.70	\$290.17	\$367.65	\$401.31
\$ Lift from 2023/24			\$90.52	\$3.70	\$94.22	\$81.18	\$40.18
% Lift from 2023/24			46%	2%	48%	28%	11%
Base Service Hours	1,011	968	1,011	12	1,023	1,031	1,031
Passengers	23,927	24,352	25,770	211	25,981	26,939	27,776
* Estimated Transit Fund Balance each year set to restricted fund balance (2.5% of operating expenses)							