



Victoria Regional Transit Commission #5 – Q2 Financial and Performance Report

Period Ending September 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.
- September YTD budget reflects originally approved 2020/21 budget; Annual budget reflects Revised 2020/21 budget.

Financial Summary

(figures in thousands)	Sep 2020 Year to Date				Revised 2020/21			
	Original Budget	Actual	Variance		Revised Budget	Forecast	Variance	
Revenues			(Un) Favourable				(Un) Favourable	
Passenger & Advert. Revenue	\$22,089	\$9,975	(\$12,114)	(54.8%)	\$24,738	\$22,970	(\$1,768)	(7.1%)
Safe Restart Funding	-	-	-	0.0%	21,323	21,323	-	0.0%
Provincial Operating Contribution	21,307	19,294	(2,013)	(9.4%)	43,164	41,241	(1,923)	(4.5%)
Fuel Tax Revenue	9,179	9,025	(154)	(1.7%)	18,360	16,990	(1,370)	(7.5%)
Local Contribution	19,517	23,788	4,271	21.9%	29,923	29,703	(220)	(0.7%)
Total Revenue	\$72,092	\$62,082	(\$10,010)	(13.9%)	\$137,508	\$132,227	(\$5,281)	(3.8%)
Expenses								
Operations (excl. Fuel)	34,551	\$32,544	\$2,007	5.8%	\$69,794	\$68,189	\$1,605	2.3%
Fuel	5,131	\$3,116	\$2,015	39.3%	\$10,157	\$7,083	\$3,074	30.3%
Operations	\$39,682	\$35,660	\$4,022	10.1%	\$79,951	\$75,272	\$4,679	5.9%
Maintenance	14,816	13,898	918	6.2%	30,118	30,234	(116)	(0.4%)
Administration	6,986	6,734	252	3.6%	14,530	14,451	79	0.5%
Total Operating Expenses	61,484	56,292	5,192	8.4%	124,599	119,957	4,642	3.7%
Lease Fees	10,608	5,790	4,818	45.4%	12,909	12,270	639	5.0%
Total Expenses	\$72,092	\$62,082	\$10,010	13.9%	\$137,508	\$132,227	\$5,281	3.8%

Revenue and Passenger Trips

<i>(figures in thousands, except ratios)</i>						
	Sep 2020 Year to Date			Revised 2020/21		
	Budget	Actual	Variance (Un) Favourable	Budget	Forecast	Variance (Un) Favourable
Passenger	\$21,749	\$9,637	(\$12,112) (55.7%)	\$24,058	\$22,290	(\$1,768) (7.3%)
Advertising	340	338	(2) (0.6%)	680	680	- 0.0%
Total Passenger & Advertising	\$22,089	\$9,975	(\$12,114) (54.8%)	\$24,738	\$22,970	(\$1,768) (7.1%)
<i>Passenger Trips (Total)</i>	<i>14,047</i>	<i>5,199</i>	<i>(8,848) (63.0%)</i>	<i>13,729</i>	<i>11,474</i>	<i>(2,255) (16.4%)</i>
<i>Passenger Trips (excluding Taxi)</i>	<i>14,008</i>	<i>5,191</i>	<i>(8,817) (62.9%)</i>	<i>13,701</i>	<i>11,446</i>	<i>(2,255) (16.5%)</i>
<i>Average Fare</i>	<i>\$1.55</i>	<i>\$1.86</i>	<i>\$0.31 20.0%</i>	<i>\$1.76</i>	<i>\$1.95</i>	<i>\$0.19 10.8%</i>

Year to Date

- Passenger revenue is \$12.1M below budget due to lower ridership and no collection of fares in April and May.
- Passenger trips are 8.8M below budget or an average of 62% below prior year's YTD actuals.

Forecast

- Passenger revenue is forecast to be \$1.8M below the revised budget at year end due to lower ridership. All passenger fare types (cash, tickets, passes, UPASS) are impacted by lower ridership except for BC Bus Pass which is forecasted to be slightly above budget.
- Passenger trips are forecasted to be 0.2M below revised budget based on projected ridership levels for the remainder of the year at 50% of prior year actuals.

Provincial Operating Contribution, Fuel Tax and Local Contribution

<i>(figures in thousands, except ratios)</i>								
	Sep 2020 Year to Date				Revised 2020/21			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Safe Restart Funding	\$0	\$0	\$0	0.0%	\$21,323	\$21,323	\$0	0.0%
Provincial Operating Contribution	21,307	19,294	(2,013)	(9.4%)	43,164	41,241	(1,923)	(4.5%)
Fuel Tax Revenue	9,179	9,025	(154)	(1.7%)	18,360	16,990	(1,370)	(7.5%)
Local Contribution	19,517	23,788	4,271	21.9%	29,923	29,703	(220)	(0.7%)

Safe Restart Funding will be recognized beginning in November 2020 with half of the allocated \$42.6M forecast to be used by March 31.

Provincial Operating Contribution is \$2.0M below budget year to date and is forecast to be below budget by \$1.8M 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 year to date. The full year forecast reflects a projected 12% reduction in fuel sales compared to prior year in the Victoria Region due to COVID-19.

Local Contribution is \$4.3M over budget year to date due to significantly lower passenger revenues offset by lower operating expenses and lease fees. By year-end, local contribution will on budget due to lower operating costs and lease fees offset by lower passenger and fuel tax revenues.

Operations

<i>(figures in thousands, except ratios)</i>								
	Sep 2020 Year to Date				Revised 2020/21			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Operations (excl. Fuel)	\$34,551	\$32,544	\$2,007	5.8%	\$69,794	\$68,189	\$1,605	2.3%
Fuel	5,131	3,116	2,015	39.3%	10,157	7,083	3,074	30.3%
Total Operations	\$39,682	\$35,660	\$4,022	10.1%	\$79,951	\$75,272	\$4,679	5.9%
<i>Service Hours</i>	491	443	(48)	(9.8%)	991	927	(64)	(6.5%)
<i>Operations Cost/Service Hour</i>	\$80.82	\$80.50	\$0.32	0.4%	\$80.68	\$81.20	(\$0.52)	(0.6%)

Year to Date

- Operations expenses excluding fuel are \$2.0M below budget due to fewer service hours delivered, lower labour and taxi costs offset by higher insurance and unbudgeted Covid-19 related expenses.
- Fuel is \$2.0M below budget with the average year to date litre price of \$0.87 compared to a budget of \$1.18 and lower service hours.
- Service hours are 48,000 (42,000 Conventional and 6,000 Custom) or 10% below budget.

Forecast

- Operations expenses excluding fuel are forecasted to be \$1.6M below budget due to fewer service hours delivered, lower labour and taxi costs partially offset by unbudgeted Covid-19 related expenses.
- Fuel is forecasted to be \$3.1M below budget based on an average diesel price of \$1.00/litre for the remainder of the year, compared to a budget of \$1.18/litre.
- Service hours are forecast to be 64,000 hours below budget reduced service hours due to Covid-19 (54,000 Conventional and 10,000 Custom).

Maintenance

(figures in thousands, except ratios)		Sep 2020 Year to Date				Revised 2020/21			
	Budget	Actual	Variance (Un) Favourable			Budget	Forecast	Variance (Un) Favourable	
Fleet Maintenance	\$12,424	\$11,600	\$824	6.6%		\$24,924	\$24,975	(\$51)	(0.2%)
Facilities Maintenance	2,392	2,298	94	3.9%		5,194	5,259	(65)	(1.3%)
Total Maintenance	\$14,816	\$13,898	\$918	6.2%		\$30,118	\$30,234	(\$116)	(0.4%)
Service Hours	491	443	(48)	(9.8%)		991	927	(64)	(6.5%)
Fleet Maintenance Cost/Service Hour	\$25.30	\$26.19	(\$0.88)	(3.5%)		\$25.15	\$26.94	(\$1.79)	(7.1%)

Year to Date

- Fleet maintenance is \$0.8M under budget due to vacancies and lower labour costs offset by Covid-19 related costs.
- Facilities maintenance is \$0.1M below budget due to the capitalization of CNG fueling equipment.

Forecast

- Fleet maintenance is forecasted to be \$0.5M above budget due to an inventory write-off provision, lower warranty recoveries and increased Covid-19 costs partially offset by savings in labour.
- Facility maintenance is forecasted to be \$0.1M over budget due to higher consulting expenses for Victoria Facilities Master Plan and Covid-19 costs offset by savings by capitalization of the CNG equipment lease.

Administration

<i>(figures in thousands)</i>		Sep 2020 Year to Date			Revised 2020/21		
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable
Administration	\$6,986	\$6,734	\$252	3.6%	\$14,530	\$14,451	\$79 0.5%

Year to Date

- Administration expenses are below budget by \$0.3M due to lower marketing and information system expenditures.

Forecast

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

Lease Fees

<i>(figures in thousands)</i>		Sep 2020 Year to Date			Revised 2020/21		
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable
Lease Fees	\$10,608	\$5,790	\$4,818	45.4%	\$12,909	\$12,270	\$639 5.0%

Lease Fees are \$4.8M below budget year to date due primarily to the suspension of vehicle lease fee charges from July to September 2020.

The annual budget has been adjusted to reflect the six month suspension of lease fees for vehicles. The year-end debt service forecast is \$0.6M under the revised budget due to timing of facilities and equipment projects.

Transit Fund

VICTORIA REGIONAL TRANSIT COMMISSION <i>(figures in thousands)</i>	2020/21 Original Budget	2020/21 Revised Budget	2020/21 Forecast
LOCAL CONTRIBUTION			
Total Local Contribution Required	\$39,619	\$29,923	\$29,703
Funds generated from Transit Levy	\$34,528	\$34,528	\$34,528
Balance from / (to) Transit Fund	\$5,091	(\$4,605)	(\$4,825)
TRANSIT FUND			
Final Balance, March 31, 2020	\$17,051	\$17,080	\$17,080
Victoria Regional Transit System			
Budgeted Contribution	(5,091)	4,605	4,605
Lower lease fees			639
Lower operating costs (Commission share)			2,719
Lower fuel tax revenue			(1,370)
Lower passenger revenue			(1,768)
Cowichan Valley Commuter			
Budgeted Contribution	(96)	(62)	(62)
Other			
Safe Restart funding contribution		42,646	42,646
Safe Restart funding usage (2020/21)		(21,323)	(21,323)
Interest & Other	100	100	100
Balance, March 31, 2021	\$11,964	\$43,046	\$43,266

Victoria Regional Transit Commission

Performance and Benchmarking



Conventional Transit Performance

<i>(figures in thousands, except ratios)</i>								
	Sep 2020 Year to Date				Revised 2020/21			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Passenger Trips ('000)	13,856	5,145	(8,711)	(62.9%)	13,580	11,325	(2,255)	(16.6%)
Service Hours ('000)	428	386	(42)	(9.8%)	864	810	(54)	(6.3%)
Total Operating Cost ('000)	\$55,681	\$51,662	\$4,019	7.2%	\$112,884	\$109,687	\$3,197	2.8%
Passenger Trips per Service Hour	32.4	13.3	(19.0)	(58.8%)	15.7	14.0	(1.7)	(11.0%)
Operating Cost per Service Hour	\$130.10	\$133.84	(\$3.74)	(2.9%)	\$130.65	\$135.42	(\$4.77)	(3.7%)
Operating Cost per Passenger Trip	\$4.02	\$10.04	(\$6.02)	(149.8%)	\$8.31	\$9.69	(\$1.38)	(16.6%)
Operating Cost Recovery	39.5%	19.3%	(20.2%)	(51.1%)	21.9%	20.9%	(1.0%)	(4.5%)
Service Hours per Capita	n/a	n/a	n/a	n/a	2.5	2.4	(0.1)	(4.0%)
Passenger Trips per Capita	n/a	n/a	n/a	n/a	40.1	33.4	(6.7)	(16.7%)

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

Custom Transit Performance

<i>(figures in thousands, except ratios)</i>								
	Sep 2020 Year to Date				Revised 2020/21			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Passenger Trips ('000) (Total)	191	54	(137)	(71.7%)	149	149	-	0.0%
Passenger Trips ('000) (excluding Taxi)	152	46	(106)	(69.7%)	121	121	-	0.0%
Service Hours ('000)	63	57	(6)	(9.5%)	127	117	(10)	(7.9%)
Total Operating Cost ('000)	\$5,803	\$4,630	\$1,173	20.2%	\$11,715	\$10,270	\$1,445	12.3%
Passenger Trips per Service Hour (excl. Taxi)	2.4	0.8	(1.6)	(66.7%)	1.0	1.0	0.0	0.0%
Operating Cost per Service Hour (excl. Taxi)	\$85.54	\$82.49	\$3.05	3.6%	\$85.72	\$86.48	(\$0.76)	(0.9%)
Operating Cost per Passenger Trip	\$30.38	\$85.74	(\$55.36)	(182.2%)	\$78.62	\$68.93	\$9.69	12.3%
Operating Cost Recovery (excl. Taxi)	2.21%	0.34%	(1.87%)	(84.6%)	0.59%	0.63%	0.04%	7.6%
Service Hours per Capita	n/a	n/a	n/a	n/a	0.34	0.31	(0.0)	(8.8%)
Passenger Trips per Capita	n/a	n/a	n/a	n/a	0.4	0.4	0.0	0.0%

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