



Victoria Regional Transit  
Financial & Performance Report

**Victoria Regional Transit Commission**

# **First Quarter Financial Results**



# Financial Summary

## Conventional & Custom Service

Jul Year-to-Date				<i>(figures in thousands)</i>		2011/12	2011/12	Variance	
Budget	Actual	Variance			Budget	Q1 Fcst	to Budget		
		(Un) Favourable					(Un) Favourable		
<b>Revenues</b>									
\$11,503	\$12,188	\$685	6%	Passenger & Advert. Revenue	\$35,594	\$36,173	\$579	2%	
9,791	9,629	(162)	(2%)	Provincial Operating Contribution	30,011	30,243	232	1%	
2,923	3,016	93	3%	Fuel Tax Revenue	11,300	11,390	90	1%	
8,286	7,094	(1,192)	(14%)	Local Taxation	24,254	23,840	(414)	(2%)	
<b>\$32,503</b>	<b>\$31,927</b>	<b>(\$576)</b>	<b>(2%)</b>	<b>Total</b>	<b>\$101,159</b>	<b>\$101,646</b>	<b>\$487</b>	<b>0%</b>	
<b>Expenses</b>									
\$19,324	\$19,655	(\$331)	(2%)	Operations	\$59,175	\$60,044	(\$869)	(1%)	
5,985	5,757	228	4%	Maintenance	18,454	18,421	33	0%	
2,997	2,432	565	19%	Administration	9,238	9,129	109	1%	
4,197	4,083	114	3%	Lease Fees	14,292	14,052	240	2%	
<b>\$32,503</b>	<b>\$31,927</b>	<b>\$576</b>	<b>2%</b>	<b>Total</b>	<b>\$101,159</b>	<b>\$101,646</b>	<b>(\$487)</b>	<b>(0%)</b>	



# Revenue & Ridership

Jul Year-to-Date				<i>(figures in thousands, except ratios)</i>		2011/12	2011/12	Variance	
Budget	Actual	Variance (Un) Favourable				Budget	Q1 Fcst	to Budget (Un) Favourable	
\$11,320	\$12,005	\$685	6%	Passenger		\$35,044	\$35,623	\$579	2%
\$183	\$183	\$0	0%	Advertising		\$550	\$550	\$0	0%
<b>\$11,503</b>	<b>\$12,188</b>	<b>\$685</b>	<b>6%</b>	<b>Total Passenger &amp; Advertising</b>		<b>\$35,594</b>	<b>\$36,173</b>	<b>\$579</b>	<b>2%</b>
7,874	8,069	195	2%	Revenue Passengers (Total)		24,746	25,044	298	1%
7,842	8,034	192	2%	Revenue Passengers (excluding Taxi)		24,647	24,943	296	1%
\$1.47	\$1.52	\$0.05	3%	Average Fare <i>(Total Revenue / Psgrs-excl. Taxi)</i>		\$1.44	\$1.45	\$0.01	1%

## Passenger Revenue:

Passenger revenue is higher than budget year to date \$685,000 (6%) and is forecast to be higher by \$579,000 (2%) for the full year. Higher revenue than planned is attributed to the change in the transfer policy and higher ridership.

Ridership is anticipated to be 298,000 or 1% greater than budget for the full year. Ridership was anticipated to decrease year over year due to the approved Service Plan which called for a 7,000 hour reduction; however, due to ridership gains to date, it is anticipated that ridership will be flat year over year.



# Provincial Operating Contribution & Local Taxation

Jul Year-to-Date					2011/12 Budget	2011/12 Q1 Fcst	Variance	
Budget	Actual	Variance (Un) Favourable					to Budget (Un) Favourable	
\$9,791	\$9,629	(\$162)	(2%)	Provincial Operating Contribution	\$30,011	\$30,243	\$232	1%
\$2,923	\$3,016	\$93	3%	Fuel Tax Revenue ( <i>up to June</i> )	\$11,300	\$11,390	\$90	1%
\$8,286	\$7,094	(\$1,192)	(14%)	Local Taxation	\$24,254	\$23,840	(\$414)	(2%)

## Provincial Operating Contribution:

Provincial operating contribution reflects the provincial share of operating expenditures cost shared.

## Local Taxation:

Local contributions are lower year to date due to higher passenger revenues and lower than anticipated expenditures to date.

The full year forecast is anticipated to be below budget by \$414,000 due primarily to higher passenger revenue which is credited in full to the Commission as a funding source offset by higher fuel costs.



# Operations

Jul Year-to-Date					2011/12	2011/12	Variance	
Budget	Actual	Variance (Un) Favourable			Budget	Q1 Fcst	to Budget (Un) Favourable	
\$17,195	\$17,578	(\$383)	(2%)	Conventional/Fixed Route	\$52,729	\$53,598	(\$869)	(2%)
261	264	(3)	(1%)	Hours	795	795	-	0%
\$65.94	\$66.67	(\$0.73)	(1.1%)	Cost/Hour	\$66.33	\$67.42	(\$1.09)	(2%)
\$2,129	\$2,077	\$52	2%	Custom/Specialized	\$6,446	\$6,446	\$0	0%
39	38	1	2%	Hours*	118	118	-	0%
\$54.94	\$54.44	\$0.50	1%	Cost/Hour	\$54.63	\$54.63	\$0.00	0%
<b>\$19,324</b>	<b>\$19,655</b>	<b>(\$331)</b>	<b>(2%)</b>	<b>Combined</b>	<b>\$59,175</b>	<b>\$60,044</b>	<b>(\$869)</b>	<b>(1%)</b>

\* excludes taxi supplement hours

## Operations:

Operations expenditures are over budget year to date by \$331,000 (2%) due primarily to significantly higher fuel prices.

The full year forecast is \$869,000 (1%) over budget and reflects a forecast fuel price of \$1.18/litre (budget \$1.10/litre).



# Maintenance & Administration

Jul Year-to-Date				<i>(figures in thousands)</i>		2011/12	2011/12	Variance	
Budget	Actual	Variance				Budget	Q1 Fcst	to Budget	
		(Un) Favourable						(Un) Favourable	
\$4,919	\$4,802	\$117	2%	Fleet Maintenance		\$15,118	\$15,118	\$0	0%
\$1,066	\$955	\$111	10%	Facilities Maintenance		\$3,336	\$3,303	\$33	1%
<b>\$5,985</b>	<b>\$5,757</b>	<b>\$228</b>	<b>4%</b>	<b>Maintenance</b>		<b>\$18,454</b>	<b>\$18,421</b>	<b>\$33</b>	<b>0%</b>

Jul Year-to-Date				<i>(figures in thousands)</i>		2011/12	2011/12	Variance	
Budget	Actual	Variance				Budget	Q1 Fcst	to Budget	
		(Un) Favourable						(Un) Favourable	
\$2,997	\$2,432	\$565	19%	Administration		\$9,238	\$9,129	\$109	1%

## Maintenance:

Results are below budget year to date for both fleet and facilities due to timing of expenditures and are forecast to finish the year on budget.

## Administration:

Results are favourable year to date by \$565,000 (19%) due to timing of expenditures for software, legal, and consulting. The full year forecast is anticipated to be \$109,000 (1%) lower than budget.



# Lease Fees

Jul Year-to-Date				<i>(figures in thousands)</i>	2011/12 Budget	2011/12 Q1 Fcst	Variance	
Budget	Actual	Variance (Un) Favourable	to Budget (Un) Favourable					
\$4,197	\$4,083	\$114 3%	Lease Fees	\$14,292	\$14,052	\$240	2%	

## Lease Fees: favourable \$114,000 (3%)

Results are favourable year to date due primarily to the timing of custom replacement vehicles and the full year forecast reflects this timing of replacement vehicles.

Included in Lease Fees for 2011/12 is PTIP funding which is being amortized. Total proceeds received are \$15.9M of which \$11.75M 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, 2012

*(figures in thousands)*

	2011/12 Budget	2011/12 Forecast	Variance
<b>Fund Beginning Balance</b>	<b>\$2,386</b>	<b>\$2,386</b>	<b>\$0</b>
<b>Commission Sources of Revenue:</b>			
Conventional Revenue	34,690	<b>35,269</b>	579
Custom Revenue	354	<b>354</b>	-
Advertising	550	<b>550</b>	-
Fuel Tax	11,300	<b>11,390</b>	90
Property Tax	24,260	<b>24,260</b>	-
Interest	100	<b>100</b>	-
<b>Total available funds</b>	<b>\$73,640</b>	<b>\$74,309</b>	<b>\$669</b>
<b>Commission Share of Expenses</b>	<b>(71,254)</b>	<b>(71,501)</b>	<b>(247)</b>
<b>Fund Ending Balance, March 31, 2012</b>	<b>\$2,386</b>	<b>\$2,808</b>	<b>\$422</b>



**Victoria Regional Transit Commission**

# **2012/13 Budget Outlook**



# 2012/13 Budget Outlook

	Budget 2011/12	Projection 2012/13	% Increase
<b>Expenses</b>			
Operations	\$86,867	\$90,911	4.7%
Lease Fees (local share only)	14,292	14,800	3.6%
<b>Total</b>	<b>\$101,159</b>	<b>\$105,711</b>	<b>4.5%</b>

## Fuel:

Significant volatility and escalating prices.

The forecast for 2011/12 is \$1.18/litre and the budget is \$1.10/litre. Budget for 2012/13 is \$1.26/litre or a 7% increase.

## General Inflationary Pressures and Risks:

Collective agreements expire March 31, 2012

Inflationary pressures on maintenance, historical trend is 3.4%

Insurance premiums impacted by global events and exposures, inflationary increase of 2%

Victoria Regional Transit System continues to benchmark favourably to comparable systems

## Lease Fees:

Represents local share of capital and interest cost on transit system asset costs

Increase year over year attributed to high risk or regulatory investments including seismic, oil water separator and fuel bunker upgrades.



# 2012/13 Budget Outlook

	Budget 2011/12	Projection 2012/13	% Increase
<b>Revenues</b>			
Passenger & Advert. Revenue	\$35,594	\$36,270	1.9%
Provincial Operating Contribution	30,011	31,438	4.8%
Fuel Tax Revenue	11,300	11,300	0.0%
Property Tax Revenue/Other	24,254	26,703	10.1%
<b>Total</b>	<b>\$101,159</b>	<b>\$105,711</b>	<b>4.5%</b>

## Passenger and Advertising Revenue:

Increase based on approved fare increase

Passenger revenues credited to the Commission as a funding source; accordingly, risk and reward of gains or losses accrues to the Commission

## Provincial Operating Contribution:

Reflects the provincial share of generating expenditures cost shared with the Province

## Fuel Tax Revenue:

Anticipated to remain at 2011/12 levels

3.5 cents / litre fuel tax

## Property Taxation:

Service Plan, budget and taxation options to be presented in future Commission meeting

Property tax projection for 2012/13 presented in the March 2011 Commission meeting was \$30.4M.



**Victoria Regional Transit Commission**

# **Performance and Benchmarking**



# Conventional Performance

Jul Year-to-Date			Victoria Conventional Transit	2011/12	2011/12	Variance
Budget	Actual	Variance (Un)Favourable		Budget	Forecast	to Budget (Un)Favourable
7,741	7,935	194	Revenue Passengers ('000)	24,341	24,639	298
261	264	3	Service Hours ('000)	795	795	-
29.7	30.1	0.4	Passengers per Service Hour	30.6	31.0	0.4
\$98.53	\$95.88	\$2.65	Operating Cost per Service Hour	\$99.27	\$100.18	(\$0.91)

## Passengers per service hour: 30.1/Hr

Results are favourable year to date due to higher ridership and are forecast to be at 31.0 passengers per service hour at year end.

## Operating cost per service hour: \$95.88/Hr

Results are favourable year to date due to timing of expenditures and are forecast to be unfavourable at year end due primarily to significantly higher fuel prices



# Custom Performance

Jul Year-to-Date			Victoria Custom Transit	2011/12	2011/12	Variance
Budget	Actual	Variance (Un)Favourable		Budget	Forecast	to Budget (Un)Favourable
133	134	1	Revenue Passengers - Van & Taxi ('000)	405	405	0
101	99	(2)	Revenue Passengers Van only ('000)	306	304	(2)
39	38	(1)	Service Hours ('000)	118	118	0
2.6	2.6	0.0	Passengers per Service Hour (Van only)	2.6	2.6	0.0
\$62.08	\$61.86	\$0.22	Operating Cost per Service Hour (Van only)	\$61.77	\$61.81	(\$0.04)

## Passengers per service hour: 2.6/Hr

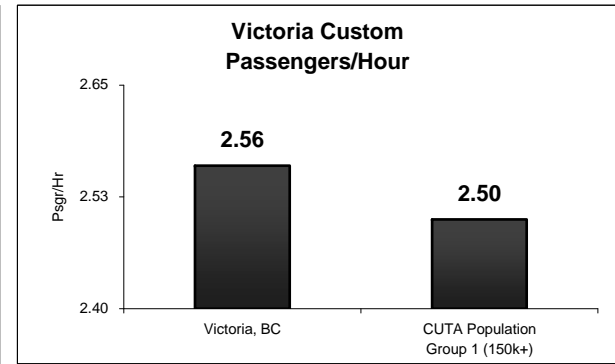
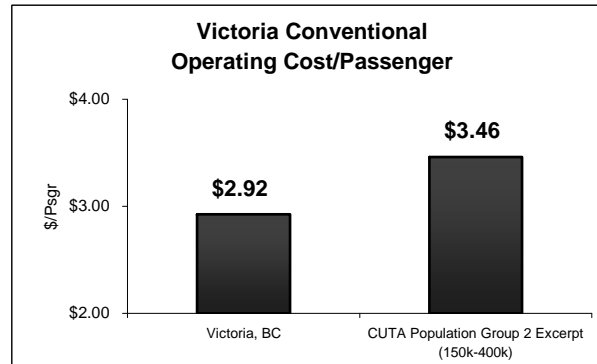
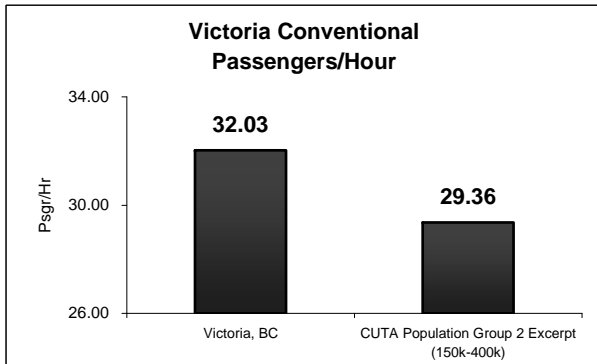
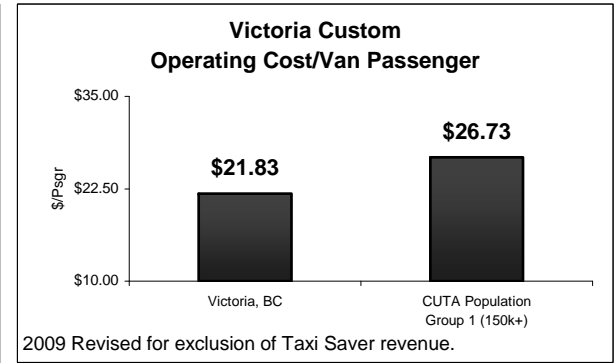
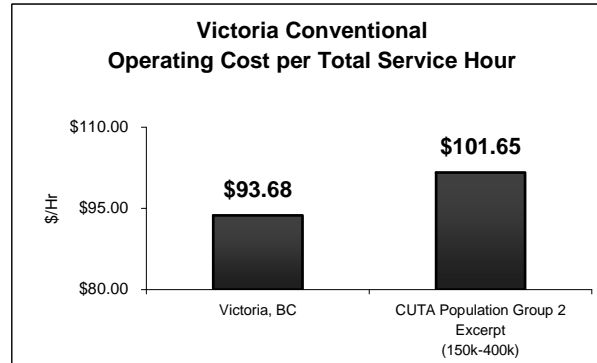
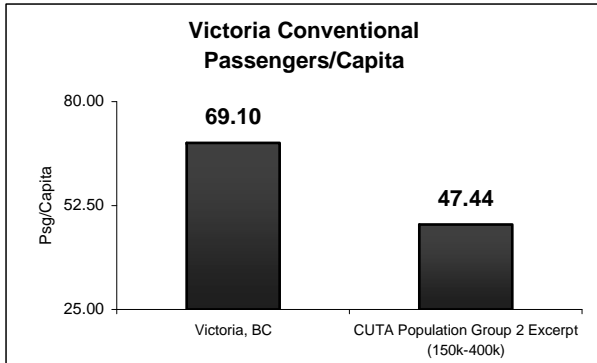
Results are on budget year to date and are forecast to be at 2.6 passengers per service hour at year end.

## Operating cost per service hour: \$61.86/Hr

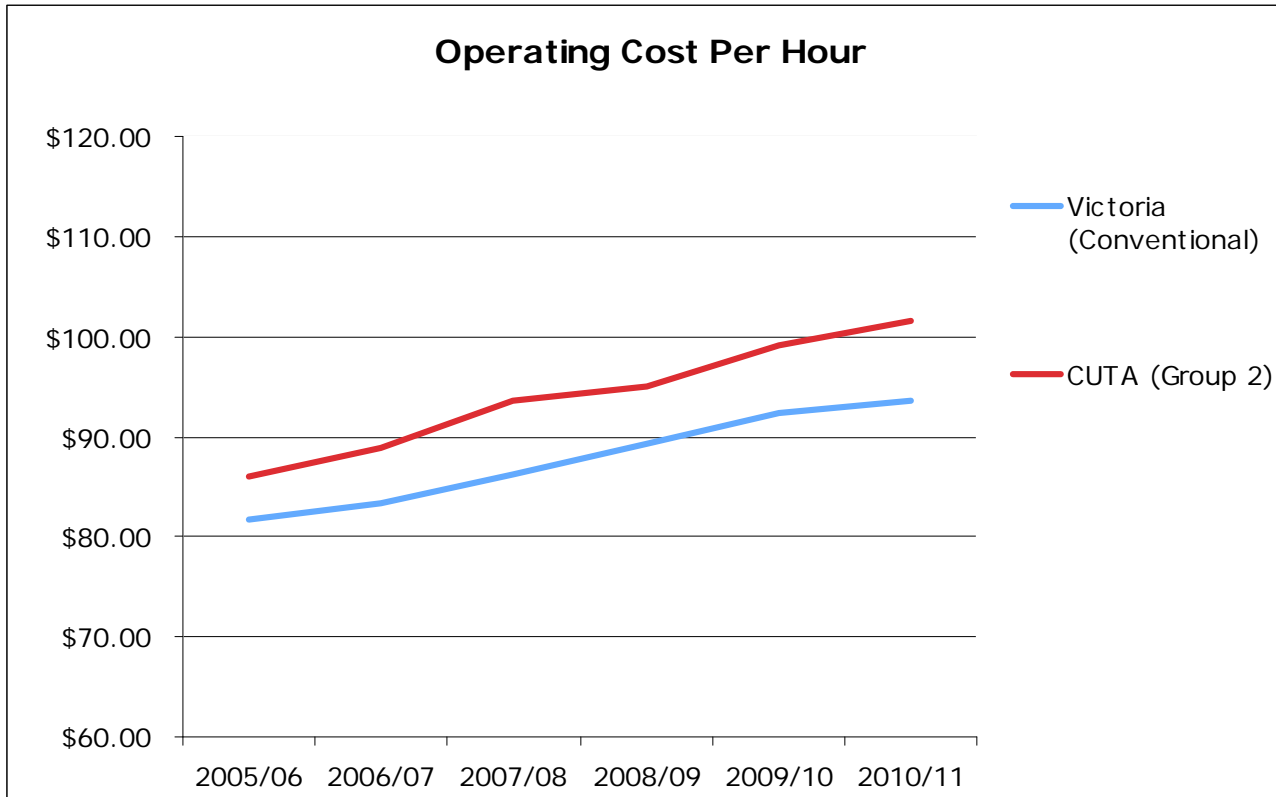
Results are favourable year to date due to timing of expenditures and are forecast to be unfavourable at year end due primarily to significantly higher fuel prices



# CUTA Performance Comparison



# Performance – Cost Efficiency



## Operating costs per hour:

Annual rate of increase is lower than peer groups

### **BC Transit:**

- Victoria average 2.9% per annum

### **CUTA:**

- Group 2 population average 4.4% per annum

source: 2009 CUTA Fact Book

Excerpt of benchmark systems in Groups 2 and 3

