

To All Commissioners

Re: Financial Update - Specialized Transit Services – Operating Budget – September 30, 2016

Recommendation

That the report be NOTED and FILED.

Background

Set out in Enclosure I is the Statement of Operations for Specialized Transit Services as well as service related performance targets for the nine month period ending September 30, 2016. The statement sets out actual to budget performance for the period and, where applicable, comparison to the previous year.

As indicated, the service has a net favourable operating budget performance to-date of 1.6% or \$79,600.

The major performance issues relate to:

Revenue

- actual ridership being lower than expected (24,158 trips or 10.2%) creating an unfavourable revenue performance of \$49,800
- actual Provincial Gas Tax revenue being lower than budget (\$32,400) due to the overall lower than budgeted operating costs

Expenditure

- actual contract service expenditure being lower than budget by \$200,900 relating to the timing of the implementation of the additional 2016 hours being later than budgeted, which resulted in a corresponding unfavourable ridership performance

These variances are expected to decline over the remainder of the year as additional service relating to the 2016 service plan is added, noting additions are tied to the receipt of additional vehicles which are expected to become available in November.

It should be noted that the September year-to-date surplus does not include the \$5,000 impact of deferring the 2016 planned fare adjustment.

The administration will continue to monitor operating budget performance reporting on same on a monthly basis including providing recommendations as may be appropriate.

Enclosure

I - Statement of Operations and Service Performance – Specialized Transit Services – September 30, 2016

Recommended by:

Mike Gregor
Director of Finance

Concurred in by:

Kelly S. Paleczny
General Manager

**London Transit Commission
Statement of Operations
Specialized Transit Services
Nine Months Ending September 30, 2016
(000's omitted)**

Statement of Operations (000's omitted)									
Description	Actual	Budget	Amount Better (Worse)	Percent Better (Worse)	Explanation				
					Ridership	Price	Other	Comment	Total
Revenue									
Transportation	\$ 377.4	\$ 427.2	\$ (49.8)	(11.7)%	\$ (43.5)	\$ (6.3)		> lower ridership and lower average fare	\$ (49.8)
Province - provincial gas tax	935.1	967.5	(32.4)	(3.3)%			(32.4)		(32.4)
City of London	3,437.3	3,437.3	-	0.0 %					-
Total revenue	4,749.8	4,832.0	(82.2)	(1.7)%	(43.5)	(6.3)	(32.4)		(82.2)
Expenditure									
Personnel cost	660.1	618.6	(41.5)	(6.7)%			(41.5)	> overtime relating to resource allocation	(41.5)
Contract service cost	3,925.3	4,126.2	200.9	4.9 %	-		200.9	> lower service hours due to timing of service changes	200.9
All other material expense	84.8	87.2	2.4	2.8 %			2.4	> net lower other material costs to-date	2.4
Total expenditure	4,670.2	4,832.0	161.8	3.3 %	-	-	161.8		161.8
Net favourable/(unfavourable) performance	\$ 79.6	\$ -	\$ 79.6	1.6 %	\$ (43.5)	\$ (6.3)	\$ 129.4		\$ 79.6

Performance Summary								
Description	2016 Actual vs. Budget				vs. 2015			Comment
	Actual	Budget	Variance	Percent Variance	Actual	Change	Percent Change	
Eligible passenger trips	192,515	212,700	(20,185)	(9.5)%	181,845	10,670	5.9 %	
Attendant/companion trips	20,427	24,400	(3,973)	(16.3)%	20,314	113	0.6 %	
Total Trips	212,942	237,100	(24,158)	(10.2)%	202,159	10,783	5.3 %	
Average fare	\$ 1.772	\$ 1.802	\$ (0.029)	(1.6)%	\$ 1.817	\$ (0.04)	(2.5)%	
Service Hours	91,043	97,160	6,117	6.3 %	86,267	4,776	5.5 %	
Eligible passenger trips per service hour	2.11	2.19	(0.1)	(3.4)%	2.11	0.01	0.3 %	
Total trips per service hour	2.34	2.44	(0.1)	(4.2)%	2.34	(0.00)	(0.2)%	
Registrants to-date vs. annual basis	7,662				6,838	824	12.1 %	