

**Report to
Rapport au:**

**Transit Commission
Commission du transport en commun
17 June 2020 / 17 juin 2020**

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**Submitted by
Soumis par:**

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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2020-FSD-FIN-0013

**SUBJECT: 2020 OPERATING AND CAPITAL BUDGET Q1 TRANSIT
COMMISSION STATUS REPORT**

**OBJET: BUDGETS DE FONCTIONNEMENT ET DES IMMOBILISATIONS 2020 –
T1 – RAPPORT D'ÉTAPE DU COMMISSION DU TRANSPORT EN
COMMUN**

REPORT RECOMMENDATIONS

That the Transit Commission receive the 2020 Q1 Status Report for information.

RECOMMANDATIONS DU RAPPORT

Que la Commission du transport en commun prenne connaissance du rapport d'étape du premier trimestre de l'année 2020.

BACKGROUND

Quarterly operating and capital status reports are prepared as part of the reporting framework approved by Council. Operating reports present actual year-to-date revenues and expenditures against the amounts budgeted for the corresponding period. Year-end forecasts are presented in the second and third quarter reports. Capital reports provide a listing of the capital projects / programs, the authorized expenditure budgets, along with the actual expenditures and commitments incurred to date.

The purpose of this report is to present the first quarter operating and capital results for OC Transpo along with providing an overview of any issues or risks that will be monitored during the year and reported in subsequent quarterly reports.

DISCUSSION

First Quarter year-to-Date Results

The year-to-date budget figures are prepared on a "calendarized" basis. Departments have allocated their 2020 budgets on a monthly / quarterly basis based, primarily on past experience.

OC Transpo's operating results for each service area as shown in Document 1, are summarized below in Table 1. Document 1 shows the first quarter actual expenditures and revenues compared to the budget for the same period. For reference purposes, the annual budget for the service areas are provided.

The Q1 operating results ended with a deficit of \$8.005 million, which reflects a revenue shortfall and higher than budgeted expenditures.

The Q2 Status Report, which includes a forecast for the year, will provide a better indication as to the overall year-end position.

All service areas were asked to review their first quarter results to ensure that their respective spending and revenue results were not indicative of any underlying issues needing to be highlighted or addressed at this time. Table 1 provides a summary of the Q1 operating results.

Table 1 - 2020 Q1 Operating Results (\$ Thousands)

	First Quarter Net Budget	First Quarter Net Actual	YTD Net Surplus / (Deficit)
Conventional and Para Transpo Operations	147,210	152,558	-5,348
Revenues	-53,376	-50,719	-2,657
Total	93,834	101,839	-8,005

Highlights of Q1 results:

Costs are higher due to increased staffing costs for service reliability following public feedback about the new route network that was introduced in October as well as S1 bus service that was introduced in early January when there was an insufficient number of trains to meet regular service levels between Tunney's, Hurdman, and Downtown. Increases to Para Transpo service to meet ridership demand and an increase in parts consumption for high capacity buses also contributed to the cost increase. The operational costs were partially offset by reduced fare control system maintenance costs and Presto Fees.

The fare revenue shortfall was due primarily to a reduced number of single-ride fares paid by customers in the second half of March, as the effect of the COVID-19 pandemic began.

Q1 Compensation Results

Document 2 provides compensation information showing the actual salary / benefits and overtime costs incurred by service areas for Q1 versus the full year budget. Overall total actual overall compensation costs for the first quarter were 29 percent of the full year 2020 compensation budget which is normal for the Q1 period. On a branch basis actual overtime costs as a percentage of the annual budget is 50 percent spent, mainly the result of vacant positions and the need to continue to provide backup services such as standby buses and red-vested customer support staff in stations, because of non-performance of RTG in delivery of O-Train 1.

Capital Projects / Programs

Document 3 provides a listing of transit capital projects. The listing identifies the lead department, ward, financial status (approved budget versus actual results) and anticipated completion date. The total for capital works in progress is \$780.3 million, of which \$150.5 million is uncommitted to date.

RURAL IMPLICATIONS

There are no specific rural implications associated with this report.

CONSULTATION

Not applicable

COMMENTS BY THE WARD COUNCILLOR(S)

Not applicable

ADVISORY COMMITTEE(S) COMMENTS

There are no comments by an advisory committee required for this report.

LEGAL IMPLICATIONS

There are no legal impediments to receiving this report for information.

RISK MANAGEMENT IMPLICATIONS

There are no risk impediments to implementing the recommendations in this report.

FINANCIAL IMPLICATIONS

As outlined in the report.

ACCESSIBILITY IMPACTS

There are no accessibility impact implications with this report.

TERM OF COUNCIL PRIORITIES

This report supports the City's on-going commitment to financial sustainability and transparency.

SUPPORTING DOCUMENTATION

Document 1 – Operating Results Summary March 31, 2020

Document 2 – 2020 Q1 Compensation Summary

Document 3 – Capital Works in Progress

DISPOSITION

There are no disposition requirements as this is an administrative report.