

**REPORT TO: SAUGEEEN MOBILITY & REGIONAL TRANSIT BOARD OF DIRECTORS,
MEMBER CAOs, CLERKS AND COUNCILLORS**

FROM: ROGER COOK, MANAGER

DATE: JULY 23, 2019

REPORT: RAC2019-19

SUBJECT: 2019 1st HALF OPERATIONAL REPORT

REPORT:

Please find attached 2019 vs 2018 ridership statistics and 'actual versus budget' financial statistics to June 30, 2019.

The first half of 2019 has been busy and steady for SMART.

Overall ridership is down 1.37% to 16179 rides compared to 16407 rides in 2018, 15735 rides in 2017 and 16280 rides in 2016. Average revenue per ride has been \$12.51, essentially unchanged from \$12.53 in 2018.

Ridership in the member areas is up 3.77%. The lower ridership is all in the group rides provided outside the membership area.

Individual ridership is up 5.12% to 13044 rides compared to 12409 rides a year ago (and 12620 rides in 2017) with user fee revenue up 4.04% to \$185,386 compared to \$180,169 and \$162,981 in 2017. Average revenue per individual ride has been \$16.05 compared to \$16.44. This would indicate shorter rides on average.

Group excursion rides are down 21.59% to 3135 versus 3998 in the first half of 2017 with group user fees down 37.93% to \$16,975 compared to \$25,362 in 2018 and \$17,359 in 2017. The higher numbers in 2018 were almost entirely due to SMART providing rides for Home and Community Support Services for their Owen Sound Adult Day program in April 2018 while their building underwent renovations. This was an outlier and will not be a regular occurrence.

The MTO Baseline Local Revenue requirement is now exceeded by municipal contributions. As of June 30, all municipal partners have paid their 2019 contributions.

Total expenses are down 3.29% year over year and have come in at 47.33% of budget for January to June compared to 57.42% in 2018 and 54.53% in 2017. The gross operational deficit for the first half of 2019 is \$630,658 compared to \$655,815 in 2018 and \$576,949 in 2017.

The Gas Tax Reserve account balance at June 30 was just over \$550,000 with the MTO having finally (after a frustrating delay) completed its 2019 payment of \$718,815 (based on 2017 population and ridership) in late April.

ORIGINAL

SMART purchased a new computer server this spring for about \$16,000 and installed a new telephone system to improve client service.

SMART has not yet needed to draw on the Gas Tax account for operational expenses but will in early August and will use all the remaining funds in the account for operational expenses over the remainder of the year.

There will be no new vehicles purchased in 2019 despite the existing fleet's age and high kilometers. SMART has submitted capital projects under the federal-provincial ICI program. These projects have not yet been approved. It is hoped these projects will be approved soon so vehicles can be ordered for delivery in the first quarter of 2020.

SMART is functioning well with efficient dispatching of rides. Clients continue to enjoy a safe and dependable service. However, the issue of SMART's prolonged underfunding (as compared to its peers) by its member municipalities remains a significant barrier to the continued success of this vital service. Years of directing increasing amounts MTO Gas Tax funding for operations while delaying capital purchases may require significant contribution increases by the member municipalities over the next few years to maintain current service levels.

A Strategic Planning committee is reviewing SMART's current operations and future direction.

RECOMMENDATION:

I recommend this report be approved and be sent to member councils.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Roger Cook', is written over a faint, circular official stamp.

Roger Cook
Manager

RIDERSHIP STATISTICS SUMMARY - 2019 versus 2018 to June 30

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	CHANGE
Arran-Elderslie	128 172	115 156	138 190	220 211	207 220	214 175							1022 1124	-9.07%
Brockton	215 187	231 285	344 355	358 339	416 419	412 477							1976 2062	-4.17%
Chatsworth	113 91	110 146	160 140	174 118	207 178	184 146							948 819	15.75%
Hanover	659 620	572 561	691 641	636 569	674 691	626 699							3858 3781	2.04%
Huron-Kinloss	125 187	121 147	237 215	211 207	206 259	190 227							1090 1242	-12.24%
Kincardine	225 184	263 257	263 260	300 331	509 262	371 378							1931 1672	15.49%
Saugeen Shores	474 472	463 478	577 469	572 432	579 462	486 518							3151 2831	11.30%
Southgate	20 61	63 33	58 60	58 58	90 49	66 45							355 306	16.01%
West Grey	206 241	208 219	346 239	293 220	232 271	255 268							1540 1458	5.62%
SUB-TOTALS	2165 2215	2146 2282	2814 2569	2822 2485	3120 2811	2804 2933	0 0	0 0	0 0	0 0	0 0	0 0	15871 15295	3.77%
Grey-Bruce STS	0 0	0 0	0 0	0 0	0 0	22 0							22 0	
HCSS - out of area	20 12	20 20	24 27	20 14	23 24	25 20							132 117	
OTHER	0 0	0 0	0 123	0 586	114 122	40 160							154 991	-84.46%
TOTALS	2185 2227	2166 2302	2838 2719	2842 3085	3257 2957	2891 3113	0 0	0 0	0 0	0 0	0 0	0 0	16179 16403	-1.37%

SAUGEEN MOBILITY

and REGIONAL TRANSIT

2019 OPERATIONAL BUDGET vs ACTUAL as at June 30, 2019

	UNAUDITED 2018 at Jun 30	BUDGET 2019	UNAUDITED 2019 at Jun 30	ACTUAL vs BUDGET 50%	2019 vs 2018
Individual Rides	12409	25300	13044	51.56%	105.12%
Group Rides	3998	7200	3135	43.54%	78.41%
REVENUE					
Municipal funding					
Arran-Elderslie	\$ 44,306	\$ 48,466.48	\$ 48,466	100.00%	109.39%
Brockton	\$ 74,593	\$ 86,385.28	\$ 86,385	100.00%	115.81%
Chatsworth	\$ 35,651	\$ 40,028.70	\$ 40,029	100.00%	112.28%
Hanover	\$ 130,921	\$ 137,054.90	\$ 137,055	100.00%	104.69%
Huron-Kinloss	\$ 43,042	\$ 52,893.83	\$ 52,895	100.00%	122.89%
Kincardine	\$ 74,482	\$ 78,891.88	\$ 78,892	100.00%	105.92%
Saugeen Shores	\$ 129,512	\$ 113,984.28	\$ 113,984	100.00%	88.01%
Southgate	\$ 26,348	\$ 26,332.17	\$ 26,332	100.00%	99.94%
West Grey	\$ 71,145	\$ 75,962.48	\$ 75,962	100.00%	106.77%
Sub-total	\$ 630,000	\$ 660,000.00	\$ 660,000	100.00%	104.76%
Municipal contracts					
User fees - Individuals	\$ 178,184	\$ 350,000.00	\$ 185,386	52.97%	104.04%
User fees - Group Excursions	\$ 27,347	\$ 44,000.00	\$ 16,975	38.58%	62.07%
User fees - School Transportation	\$ -	\$ -	\$ -		
Donations	\$ 2,450	\$ 4,000.00	\$ 2,044	51.10%	83.43%
Other	\$ 939	\$ 2,000.00	\$ 642	32.10%	68.37%
NET LOCAL REVENUE	\$ 838,920	\$ 1,060,000.00	\$ 865,047	81.61%	103.11%
MTO BASELINE 'EXPENDITURE'	\$ 486,278	\$ 496,004.00			
EXPENSES					
Audit - not an eligible MTO expense	\$ 14,023	\$ 14,000.00	\$ -		
Advertising & Website	\$ 6,888	\$ 10,000.00	\$ 5,264	52.64%	76.42%
Bad debts & Collection	\$ 444	\$ 4,000.00	\$ 997	24.93%	224.55%
Bank charges	\$ 771	\$ 2,000.00	\$ 1,266	63.30%	164.20%
Credit/Debit Card charges	\$ 858	\$ 2,000.00	\$ 1,007	50.35%	117.37%
Interest	\$ 483	\$ 1,500.00	\$ 1,512	100.80%	313.04%
Insurance - liability & property	\$ 3,781	\$ 5,000.00	\$ 3,260	65.20%	86.22%
Legal	\$ -	\$ 3,000.00	\$ -		
Membership fees	\$ 2,384	\$ 2,500.00	\$ 2,523	100.92%	105.83%
Driver Miscellaneous	\$ 1,285	\$ 6,000.00	\$ 1,566	26.10%	121.87%
MTO Liason	\$ -	\$ 8,000.00	\$ -		
Office Supplies & Postage	\$ 7,807	\$ 15,000.00	\$ 8,821	58.81%	112.99%
Computer System	\$ 4,066	\$ 20,000.00	\$ 6,577	32.89%	161.76%
Office Rent	\$ 3,079	\$ 7,000.00	\$ 3,128	44.69%	101.59%
Telephones	\$ 13,377	\$ 27,000.00	\$ 15,910	58.93%	118.94%
Travel, Meals, Parking, etc	\$ 636	\$ 2,000.00	\$ 1,100	55.00%	172.96%
Vehicles					
Fuel - cost less federal rebate	\$ 100,289	\$ 200,000.00	\$ 85,363	42.68%	85.12%
Insurance	\$ 23,565	\$ 50,000.00	\$ 27,203	54.41%	115.44%
Licenses	\$ 50	\$ 5,000.00	\$ 50		
Maintenance	\$ 52,423	\$ 110,000.00	\$ 54,128	49.21%	103.25%
Wages & Benefits					
Group Benefit Plan	\$ 17,199	\$ 40,000.00	\$ 15,974	39.94%	92.88%
Drivers	\$ 443,181	\$ 886,000.00	\$ 415,640	46.91%	93.79%
Office	\$ 95,901	\$ 200,000.00	\$ 118,693	59.35%	123.77%
Statutory Benefits & EHT	\$ 68,856	\$ 140,000.00	\$ 63,037	45.03%	91.55%
NET EXPENSES	\$ 861,346	\$ 1,760,000.00	\$ 833,019	47.33%	96.71%
NET OPERATING SURPLUS (DEFICIT)	\$ (22,426)	-\$ 700,000.00	\$ 32,028	-4.58%	-142.82%
Provincial Gas Tax Funding - operating	\$ -	\$ 700,000.00	\$ -		
NET SURPLUS (DEFICIT)	\$ (22,426)	\$ -	\$ 32,028		

2019 Amortization of Capital Assets will be approximately \$200,000