

# SAINT JOHN TRANSIT COMMISSION

2024 Draft Operating Budget



**SAINT JOHN  
TRANSIT**

# Background

---

## 2020

- A Stantec report / Service review was completed
- 103 Recommendations
- Pandemic is full swing, Ridership / revenue is low, decreased staff and service hours

## 2021 & 2022

- Still in Pandemic
- Ridership / revenue is low
- KV cancelled a Comex route (500 Service Hours)
- Increased revenue slightly
- Added numerous Technology items to add value to service.
  - Spare App – On demand
  - Opti-Bus – Scheduling
  - Transit Royale - Way finding and Payment integration
  - Masabi – Electronic Fare Payment

**Note:** 2022 finished with a (\$216k) deficit.

# Current Day

---

- Fleet fit up to Transit tender awarded and project to start early January 2023.
- January **2023** Implementing On-demand service West. In July, service is enabled in the North. Intuitively we are saving on fuel costs, however this is to be quantified as a part of the Pilot findings.
- Technology - we have acquired a CAD / AVL System.
- We will finish the year with **89,500** Service hours.
- Projecting a deficit YE finish largely due to over budgeted Revenue and under budgeted Fuel expense. Trending toward a **\$772K**

# New Cost Model

	Calculation	2023 June	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Cost of Operations</b>		\$ 5,046,828	\$ 9,932,510	\$ 8,015,628	\$ 8,869,104	\$ 10,826,510	\$ 10,569,051	\$ 10,105,385	\$ 10,293,370	\$ 10,004,689	\$ 10,473,464
<b>Revenue</b>		\$ 1,864,460	\$ 3,750,946	\$ 2,857,092	\$ 3,071,541	\$ 4,813,284	\$ 4,861,008	\$ 4,551,288	\$ 4,494,426	\$ 4,582,170	\$ 4,781,539
<b>Revenue as % of Total Operating Costs</b>		36.94%	37.76%	35.64%	34.63%	44.46%	45.99%	45.04%	43.66%	45.80%	45.65%
			Exiting Pandemic	Enter Pandemic		AVG 45%					
<b>Service Hours as of December 31<sup>st</sup></b>			72928	73403	80926	97721	96243	96243	97395	97785	102028
<b>Net Cost per Service Hour</b>	(Total Cost of Operations - Revenue) / Service Hours		\$ 84.76	\$ 70.28	\$ 71.64	\$ 61.53	\$ 59.31	\$ 57.71	\$ 59.54	\$ 55.45	\$ 55.79
<b>Revenue per Service Hour</b>	Revenue / Service Hours		\$ 51.43	\$ 38.92	\$ 37.95	\$ 49.26	\$ 50.51	\$ 47.29	\$ 46.15	\$ 46.86	\$ 46.86
<b>City Funding Requirement</b>			\$ 6,181,564	\$ 5,158,535	\$ 5,797,563	\$ 6,013,226	\$ 5,708,043	\$ 5,554,097	\$ 5,798,944	\$ 5,422,519	\$ 5,691,925

# 10 Year Strategic Plan

---

- ✓ Build a reliable, convenient public transit service to increase ridership by 10% over pre-pandemic levels
- ✓ Create a long-term strategic plan for Saint John Transit that includes stable, predictable funding levels
- ✓ Migrate buses and City vehicles to low carbon fuel in accordance with the Public Transit and Fleet Low Carbon Migration Strategy
- ✓ Create an Uptown hub system to support the efficient movement of transit buses

# Zero Emission Transit Fund

---

- ✓ Zero Emission Transit Funding application for **\$22,580,000** was approved at Finance Committee March 2021
- ✓ Application submitted early July 2023 – clarification questions are being asked
- ✓ The application includes 24 zero emission buses - operational cost impact to be determined
- ✓ Application includes an uptown charging facility – operational cost impact to be determined

# 2024 Operating Budget Challenges

---

- We are in process with collective bargaining
- Net operational cost implication of Fleet moving into Transit to be rationalized
- Fuel costs are erratic and high.
- We have added annual Technology costs of **\$345,000** – too early to realize service value
- Revenue / Ridership has not returned to pre-pandemic levels – while changing positively, rate of change is unpredictable
- Assuming success with the ZETF application, operational cost impact is not yet known

# Saint John Transit Commission 2024 Draft Operating Budget

<b>Transit Commission</b>	<b>2023 Budget \$</b>	<b>2024 Budget \$</b>	<b>Variance \$</b>
<b>Operating Revenues</b>	<b>4,301,961</b>	<b>4,141,483</b>	<b>(160,478)</b>

### **Priorities/Key Highlights/Variations**

- Revenue projections are more in line with ridership rate of change
- Time is needed to mature our technology implementation and unlock full ridership / revenue value
- Fare Policy approved at last Transit Commission meeting July 27<sup>th</sup>
- Continued communications with UNBSJ and NBCCSJ on UPass potential



# Saint John Transit Commission 2024 Draft Operating Budget

<b>Transit Commission</b>	<b>2023 Budget \$</b>	<b>2024 Budget \$</b>	<b>Variance \$</b>
<b>Operating Expenditures</b>	<b>9,932,601</b>	<b>10,604,103</b>	<b>671,502</b>

## Priorities/Key Highlights/Variations

- Collective Bargaining
- Taken a best conservative estimate on Fuel costs
- Time is needed to mature our technology implementation and unlock full cost benefit / return
- Rationalize the financial impact of Fleet occupying a portion of the Transit Facility
- The 2024 Operating budget draft has zero additional service hours built in

# Saint John Transit Commission Draft 2024 Operating Budget

---

<b>Transit Commission</b>	<b>2023 Budget \$</b>	<b>2024 Budget \$</b>	<b>Variance \$</b>
<b>Operating Revenues</b>	<b>4,301,961</b>	<b>4,141,483</b>	<b>(160,478)</b>
<b>Operating Expenditures</b>	<b>9,932,601</b>	<b>10,604,103</b>	<b>671,502</b>
<b>Total Transit Operating Deficit</b>	<b>(5,630,640)</b>	<b>(6,462,620)</b>	<b>(831,980)</b>
<b>City Operating Subsidy</b>	<b>5,630,640</b>	<b>6,462,620</b>	<b>831,980</b>
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Saint John Transit 2024 Draft Operating Budget

---

Questions?