

**REPORT TO: SAUGEEN MOBILITY & REGIONAL TRANSIT BOARD OF DIRECTORS,
MEMBER CAOS, CLERKS AND COUNCILS**

FROM: ROGER COOK, MANAGER

DATE: JANUARY 20, 2017

REPORT: RAC2017-02

SUBJECT: 2016 ANNUAL REPORT

REPORT:

Attached please find the following as at December 31, 2016:

Summary of Ridership Statistics

Budget vs Actual Statement of Operations

2016 was another consistently busy year for SMART with no major changes.

Overall ridership declined 1.13% to 33556 rides compared to 33941 rides in 2015 and 30287 rides in 2014. User fee revenue increased 3.87% to \$383,712 compared to \$369,402 in 2015 and \$257,100 in 2014. The average revenue per ride was \$11.43 compared to \$10.88 in 2015 and \$8.49 in 2014.

Some of the decline in ridership can be attributed to poor weather conditions in both January and December of 2016.

Individual ridership totaled 25760, down 4.5% from 26984 rides in 2015 and 24561 in 2014. Included in this total were 2949 attendant rides and 296 school rides. After deducting attendant and school rides, individual ridership for 2016 was 22515, down 1% from 22735 net individual rides in 2015. The average net individual user fee for 2016 was \$14.57, up 8.5% from \$13.43 in 2015.

It would appear that average rides are getting longer which may indicate clients are finding other ways to travel for their shorter, more local rides. I believe at least some clients find the \$7.50 minimum individual user fee too expensive and recommend the minimum charge be reduced to \$5.00.

Group ridership increased 12.1% to 7796 rides compared to 6957 rides in 2015 and 5726 in 2014. This was the second year of strong growth in the group excursion ridership section.

Unaudited operational expenses were \$1,357,527 compared to \$1,255,215, an increase of 8.15%. On a "per ride" basis, operational expenses increased 9.41% to \$40.46 from \$36.98 in 2015 and \$38.31 in 2014. The 2016 gross operating deficit was \$973,815 or \$29.02 per ride compared to \$885,813 or \$26.10 per ride in 2015 and \$903,274 or \$29.82 per ride in 2014.

Average fuel prices were higher in 2016 than in 2015 and there were higher wage costs due both to longer rides and the implementation of new wage grids for employees.

Municipal funding totaled \$580,000 or 42.7% of operational expenses, down from 44% in 2015. This level of funding is substantially below the average funding for the 22 specialized transit systems in SMART's peer group which was 74.4% in 2015 and 72.4% in 2014. On a per capita basis SMART's municipal funding for 2016 was \$7.46 versus the 2015 peer group average of \$9.44. Closing this gap remains vital for the long term success and financial stability of SMART.

SMART continues to be heavily dependent on user fees to fund its operations. User fees accounted for 39.5% of revenue in 2016 versus 11.76% for its peer group – more than 3 times as much. Municipal funding in 2016 accounted for 59.7% of revenue versus 73.8% for the peer group.

On a per vehicle basis, SMART's 2016 operational expenses were \$56,564 versus the 2015 peer group average of \$108,194.

MTO Gas Tax funding for the 2016-17 program has not begun flowing but SMART should be receiving \$621,921 before March 31 compared to \$509,805 in 2016. SMART is now having its MTO funding capped by its population and ridership numbers rather than by its local revenue which is new. This means that any further increases in MTO funding will require increases in ridership and/or population.

In September, the Government of Canada announced funding for all transit systems in Canada. SMART was allotted \$98,205 to fund up to 50% of approved projects. SMART submitted two projects to the federal government; both have been approved and will be completed during 2017. The remaining 50% funding will be provided by the Gas Tax Reserve account.

SMART continues to provide a high quality, responsive and personalized service to its clients in a way that provides outstanding value to the local taxpayers of the member municipalities.

RECOMMENDATION:

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

Respectfully submitted,



Roger Cook
Manager

RIDERSHIP STATISTICS SUMMARY - 2016 versus 2015 to December 31

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	CHANGE
Arran-Elderslie	109 106	165 91	128 163	176 211	203 228	162 218	164 244	232 198	110 155	164 149	180 215	101 196	1894 2174	-12.88%
Brockton	256 404	263 319	338 300	333 378	367 290	411 285	304 296	378 295	312 302	365 312	320 323	345 373	3992 3877	2.97%
Chatsworth	32	40 4	60 31	57 49	86 34	88 4	104 70	95 6	89 55	94 50	111 45	57 73	913 421	116.86%
Hanover	657 756	615 660	714 862	770 860	759 760	806 843	735 843	900 984	748 741	666 808	671 766	735 914	8776 9797	-10.42%
Huron-Kinloss	36 8	38 1	96 13	112 49	113 59	89 44	80 39	138 45	226 124	165 64	175 123	94 80	1362 649	109.86%
Kincardine	223 290	234 279	297 344	404 297	368 290	389 322	313 452	439 392	341 302	400 243	410 244	348 358	4166 3813	9.26%
Saugeen Shores	443 426	599 446	612 485	595 577	710 541	640 557	435 566	603 458	571 524	678 612	562 662	636 681	7084 6535	8.40%
Southgate	25 69	13 26	37 24	10 31	52 23	27 26	18 30	25 40	30 33	35 56	70 26	57 49	399 433	-7.85%
West Grey	333 343	297 292	306 376	330 366	325 373	333 363	250 410	253 394	192 360	290 395	294 319	299 393	3502 4384	-20.12%
Grey-Bruce STS	24 161	31 145	19 126	29 165	37 128	27 103			30 17	39 32	37 32	23 22	296 931	-68.21%
OTHER	0 0	42 0	36 0	76 42	84 80	194 86	166 156	148 110	160 140	110 110	118 166	38 37	1172 927	26.43%
TOTALS	2138 2563	2337 2263	2643 2724	2892 3025	3104 2806	3166 2851	2569 3106	3211 2922	2809 2753	3006 2831	2948 2921	2733 3176	33556 33941	-1.13%

SAUGEEN MOBILITY

and REGIONAL TRANSIT

2016 OPERATIONAL BUDGET vs ACTUAL as at December 31, 2016 (unaudited)

	ACTUAL 2015 at Dec 31	BUDGET 2016	ACTUAL 2016 at Dec 31	ACTUAL vs BUDGET 100.00%	2016 vs 2015
Individual Rides	26984	25000	26760	103.04%	95.46%
Group Rides	6957	6000	7796	128.93%	112.06%
REVENUE					
Municipal funding					
Arran-Elderslie	\$ 38,282	\$ 44,171.74	\$ 44,172	100.00%	115.39%
Brockton	\$ 89,825	\$ 72,332.95	\$ 72,333	100.00%	80.53%
Chatsworth	\$ 16,000	\$ 20,688.76	\$ 20,689	100.00%	129.31%
Hanover	\$ 139,978	\$ 139,798.63	\$ 139,799	100.00%	99.87%
Huron-Kintoss	\$ 20,666	\$ 20,168.82	\$ 20,169	100.00%	97.60%
Kincardine	\$ 66,692	\$ 75,565.59	\$ 75,566	100.00%	113.31%
Saugeen Shores	\$ 86,866	\$ 103,197.51	\$ 103,197	100.00%	118.80%
Southgate	\$ 21,092	\$ 20,917.92	\$ 20,917	100.00%	99.17%
West Grey	\$ 72,599	\$ 83,158.08	\$ 83,158	100.00%	114.54%
Sub-total	\$ 552,000	\$ 580,000.00	\$ 580,000	100.00%	105.07%
Municipal contracts					
User fees - Individuals	\$ 305,365	\$ 300,000.00	\$ 328,002	109.33%	107.41%
User fees - Group Excursions	\$ 39,843	\$ 35,000.00	\$ 46,956	134.16%	117.85%
User fees - School Transportation	\$ 24,194	\$ 5,000.00	\$ 8,754	175.08%	36.18%
Donations	\$ 6,478	\$ 3,500.00	\$ 4,521	129.17%	69.79%
Other	\$ 1,706	\$ 1,500.00	\$ 2,588	172.53%	151.70%
NET LOCAL REVENUE	\$ 929,586	\$ 925,000.00	\$ 970,821	104.95%	104.44%
MTO BASELINE 'EXPENDITURE'	\$ 458,230	\$ 467,395.00			
EXPENSES					
Audit - not an eligible MTO expense	\$ 12,491	\$ 12,500.00	\$ 12,618	100.94%	101.02%
Advertising	\$ 29,227	\$ 23,000.00	\$ 20,956	91.11%	71.70%
Bad debts & Collection	\$ 58	\$ 3,000.00	\$ 978	32.60%	1686.21%
Bank charges	\$ 888	\$ 1,500.00	\$ 1,672	111.47%	188.29%
Credit/Debit Card charges	\$ 1,244	\$ 1,500.00	\$ 1,274	84.93%	102.41%
Interest	\$ 815	\$ 1,500.00	\$ 1,037	69.13%	127.24%
Insurance - liability & property	\$ 2,094	\$ 5,000.00	\$ 4,618	92.36%	220.53%
Legal	\$ 1,730	\$ 3,000.00	\$ 2,234	74.47%	129.13%
Membership fees	\$ 2,135	\$ 1,500.00	\$	paid in 2017	
Miscellaneous	\$ 4,239	\$ 4,000.00	\$ 7,631	190.78%	180.02%
MTO Liason	\$ 5,000	\$ 7,000.00	\$ 5,098	72.83%	101.96%
Office Supplies & Postage	\$ 10,640	\$ 12,000.00	\$ 13,118	109.32%	123.29%
Computer & Web Site	\$ 7,742	\$ 10,000.00	\$ 7,222	72.22%	93.28%
Rent - Office & Storage	\$ 7,212	\$ 7,500.00	\$ 7,312	97.49%	101.39%
Telephones	\$ 20,718	\$ 22,000.00	\$ 24,040	109.27%	116.03%
Travel, Meals, Parking, etc	\$ 1,368	\$ 2,000.00	\$ 1,037	51.85%	76.36%
Vehicles					
Fuel - cost less federal rebate	\$ 139,806	\$ 140,000.00	\$ 144,211	103.01%	103.15%
Insurance	\$ 57,043	\$ 55,000.00	\$ 49,884	90.70%	87.45%
Licenses	\$ 3,898	\$ 4,000.00	\$ 4,655	116.38%	119.42%
Maintenance	\$ 66,037	\$ 65,000.00	\$ 74,618	114.80%	112.98%
Wages & Benefits					
Group Benefit Plan	\$ 21,557	\$ 37,000.00	\$ 26,527	71.69%	123.06%
Drivers	\$ 604,774	\$ 625,000.00	\$ 673,986	107.64%	111.44%
Office	\$ 146,199	\$ 170,000.00	\$ 159,352	93.74%	109.00%
Statutory Benefits & EHT	\$ 108,310	\$ 122,000.00	\$ 113,449	92.99%	104.74%
NET EXPENSES	\$ 1,255,215	\$ 1,335,000.00	\$ 1,357,527	101.69%	108.15%
NET OPERATING SURPLUS (DEFICIT)	\$ 325,629	-\$ 410,000.00	-\$ 386,706		118.76%
Provincial Gas Tax Funding - operating	\$ 188,960	\$ 410,000.00	\$ 296,009		
NET SURPLUS (DEFICIT)	\$ 136,669	\$	\$ 90,697		66.36%

2016 Amortization of Capital Assets will be approximately \$150,000

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January 19, 2017

Mr. Larry C. Adams, AMCT
CAO/Deputy Clerk
Municipality of West Grey
402813 Grey Road 4, RR 2
Durham, ON
N0G 1R0

Dear Larry:

Re – Rockwood Terrace Long Term Care Facility

Please be advised that the Hanover Council passed the following resolution regarding long term care beds at Rockwood Terrace at their Council meeting held on January 16, 2017.

Moved by COUNCILLOR HAMBLY | Seconded by COUNCILLOR HOPKINS
THAT Hanover Council supports the resolution from the Municipality of West Grey to support the Long Term Care beds remaining in the former Town of Durham within the Municipality of West Grey;
AND FURTHER THAT copies of same be sent to Grey County Council and MPP Bill Walker. **CARRIED**

I trust this is satisfactory, however should you require further clarification, please do not hesitate to contact me.

Yours truly,

Brian Tocheri
CAO/Clerk

BT:mz

c.c. Alan Barfoot, Warden
Sharon Vokes, Clerk / Director of Council Services
Bill Walker, MPP – Bruce – Grey – Owen Sound
Mayor Sue Paterson & Hanover Council



The Corporation of the Municipality of West Grey

January 17, 2017

Grey County Council

Attn: Warden Alan Barfoot

Dear Warden Alan

At its Council meeting on January 16, 2017 the Council of The Corporation of the Municipality of West Grey passed the following resolution:

"Moved by Lawrence Seconded by Thompson

Whereas the removal from Durham of the Long Term Care beds presently in Rockwood Terrace, as recommended by the Sienna report to Grey County Council, would be very detrimental to residents, families and staff, and

Whereas, the removal of such beds would leave the west side of Grey County from Mount Forest to Owen Sound without any municipal Long Term Care beds to serve the residents of that area;

Now therefore be it resolved that the Council of the Municipality of West Grey seek resolutions of support from the surrounding municipalities, namely Hanover, Chatsworth, Southgate and Grey Highlands, to support the Long Term Care beds remaining in the former Town of Durham within the Municipality of West Grey; And further that copies of same be sent to Grey County Council and MPP Bill Walker.

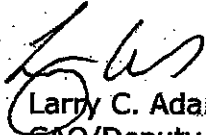
Recorded Vote

**For: Deputy Mayor Bell, Councillor Cutting, Mayor Eccles, Councillor Hutchinson, Councillor Lawrence, Councillor Cutting
... #29-17 Carried."**



Subsequently I am requesting your written support for this resolution as your respective Council timelines permit.

Respectfully



Larry C. Adams, AMCT
CAO/Deputy Clerk

Cc MPP Walker, Grey County Councillors, Grey County CAO's, Grey County Lower tier municipalities