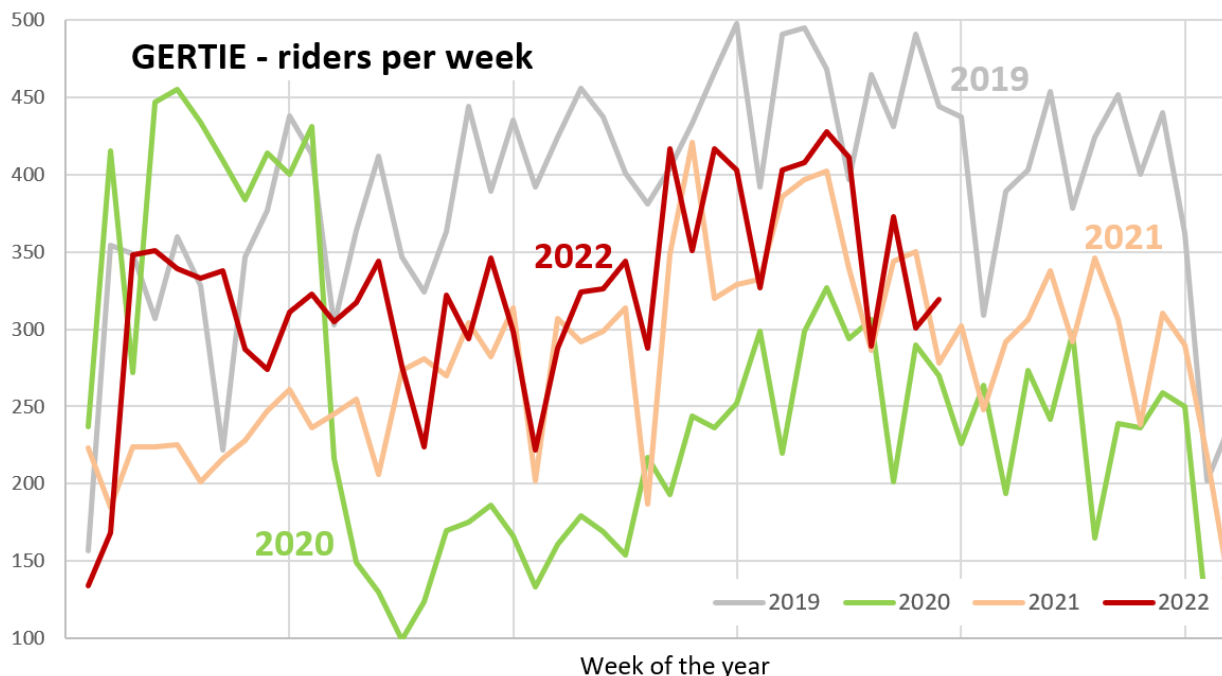


## Financial Report, GCBF AGM November 3, 2022

This year has been very challenging for GERTIE financially. Soaring inflation, mechanical problems with the buses and the lingering effects of the pandemic continue to impact our financial situation.

By the end of September in 2021, all bus routes were restored to pre-pandemic levels of service. Despite a still reduced number of riders, we were able to restore service and make some technological improvements because of the generosity of donors at the end of 2020 and beginning of 2021 and a grant from the RDN early in 2021 to cover COVID-related expenses and losses in 2020. The end-of-the-year audit review by Church and Pickard showed that we were back to our usual revenue proportion of 60% taxpayer funds and 40% service revenue, grants and donations.

The year 2022 began with another winter surge in COVID cases, a situation that always impacts our ridership. The Stepping Up, Stepping Out seniors program charters were suspended until the beginning of March. Heavy snow over the Christmas holiday period and again a month later resulted in some service cancellations. However, as we headed into early spring, COVID retreated again and ridership improved to the point that we are now ahead of last year. By the end of September 2022, there were 1693 riders compared to 1597 at the end of September 2021. Our benchmark is 2,228 in 2019. Ridership is now about 83% of the pre-pandemic level, a figure that is better than most transit systems. Our charter bookings have also increased.



Disaster struck in mid-February when one of our big buses, Bertie, broke a crankshaft which destroyed the engine. A new engine was ordered but because of supply chain issues, Bertie was not back in service until early June. The repair bill was \$31, 635. Inevitably, the other big bus

Peg also broke down in mid-March. With only 1 bus running, we had to reduce service and in some cases cancel it entirely. To honour our commitments including several charters, we had to rent a bus from Victoria for 8 days around the end of May at a cost of close to \$4,000. In September, we had several more significant repair bills and some service cancellations. To the end of September, our repair and maintenance budget is more than \$37,000 over budget, much of which has been covered by the contingency fund, draining it for other uses such as other cost overruns and fleet renewal.

To add to our woes, the price of diesel fuel soared when inflation took off. Although the price has come down from its highest point, the price continues to fluctuate. Unfortunately, the appetites for fuel of our stable of buses do not change accordingly. Our fuel budget has been overspent by about \$10,500 to the end of September.

To offset some of the rising costs, we increased charter fares on May 1, the first time in nine years. Regular charters went from \$75 an hour, minimum 2 hours to \$85 an hour, same minimum. Charters for organizations on Gabriola went from \$70 to \$80, same minimum. Charters booked before May 1 were grandfathered.

After much discussion over the summer, we reluctantly raised passenger fares, effective September 1, again the first time since our inception in 2013. The adult cash fare went up from \$2.50 to \$2.75. Senior and youth (ages 13 to 18) were aligned as a 'concession' fare, meaning the senior cash fare went down but the youth fare went up. Youth fares had been heavily subsidized in GERTIE's earliest days, but when the subsidies ran out, the fares were not increased. We had also followed BC Transit's lead in abolishing fares for children/youth between the ages of 5 and 13, unfortunately without the subsidy that BC Transit likely received. The price for a book of 10 tickets, adult or concession, gives one free ticket in 10. The break-even point of monthly passes is based on approximately 5 single trips a week over 4 weeks in a month, a very good deal if you ride the bus frequently. Day passes remain \$5.

GERTIE and other members of the BC Community Bus Coalition have lobbied the provincial government over the last number of years for provincial support for community buses, unfortunately, to no effect so far. That stance seems increasingly short-sighted in a time of climate crisis when rural and semi-rural communities are seeking transportation options. Ever mindful of our impact on Area B's property taxes and the terms of our 5-year agreements with the RDN, the GCBF keeps costs to the absolute minimum, leaving no fat to trim as costs go up. The only employees, all part-time, are the co-ordinator, drivers and a bookkeeper. The GCBF Board members look after all the administration along with grant writing and other fund-raising activities. While we still believe in the sustainability of the community bus model, it is being challenged by COVID, inflation, and the ageing of a well-used bus fleet.