

The year's financial side

Financial results for 2000

The financial results for 2000 show an excess of revenues over expenses of \$9.1 M. This is mainly attributable to the increase in ridership and to the efforts undertaken to respect the level of authorized expenses. In fact, STCUM ridership rose 1.6 % in comparison with the previous year, from 342 million trips in 1999 to 348 million in 2000. This translated into an increase of \$12 M in passenger revenue.

For its part, Paratransit continued to see an increase in demand, and the STCUM had trouble keeping up with the requests. The Québec Transport Department, which must subsidize 75 % of the eligible expenses, approved a supplementary budget of \$0.4 M for the year 2000. In view of the fact that the actual expenses were more than \$1 M, the municipalities of the CUM agreed to finance the excess of \$0.6 M. This decision enabled us to maintain the planned service despite a major increase in the cost of taxi transportation.

"A (High)" Rating

The Dominion Bond Rating Service (DBRS) once more gave the STCUM an "A (High)" rating. This rating is higher than that given to the government of Québec, Bombardier and Hydro-Québec. The agency thus recognizes the quality of the company's management.

Budget process for 2001

On November 15 the Board of Directors adopted the 2001 budget, a critical budget for the relaunch of public transit. It will allow for the addition of 20,000 hours of service. The 2001 budget will reach \$699 M, an increase of 3.5 % from the previous year. To deal with the increase in expenses, related primarily to the explosion in energy costs and the indexation of salaries, the municipalities of the CUM will inject an additional \$5 M into public transit, and some fares will increase slightly. In addition, the projected growth in ridership and the increase in fares will result in an increase of \$9 M in passenger revenue.

The STCUM plans to invest \$453 M in the maintenance and renewal of its equipment. The 2001-2003 three-year investment programme calls for the sum of \$392 M to carry out major projects and \$61 M for periodic major maintenance of equipment. Spread over some 100 projects, these amounts will be used primarily for purchasing buses, replacing fixed equipment in the métro and for a series of measures designed to improve customer service. Replacement of the Paratransit telephone reservation system, the implementation of preferential measures for buses, optimization of the terminuses and waiting areas and continuation of the escalator replacement programme are the priority projects for the coming years.

The increase in operating expenses will amount to \$25.7 M. Energy costs alone represent \$10 M of this amount. However, one must remember that the STCUM signed a swap agreement in August 1998, which ended in September 2000, an agreement that protected the STCUM against fluctuations in gas prices and enabled the company to save in excess of \$3.4 M over the market price.

The 2001 budget for Paratransit will amount to \$27.2 M. However, this sum is insufficient to meet the ever-growing customer demands which require expenditures in the order of \$29.3 M, \$3.4 M more than the budget authorized by the Transport Dept. in 2000. Aware that it cannot completely meet the demand, the STCUM is trying to maximize the sums allocated by Québec to this sector by implementing various measures including better planning and coordination of trips.

