



# 2017 STATUTORY ANNUAL REPORT



**SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY  
2017 STATUTORY ANNUAL REPORT**

The *South Coast British Columbia Transportation Authority* (TransLink) is required to provide an annual report and audited financial statements to the Mayors' Council on Regional Transportation by March 31st. This report fulfills the reporting obligation to provide:

- A. A summary of operations during the year with comparison to the strategic transportation plan and the applicable service, capital and operational plans;
- B. The audited financial statements for the year;
- C. A summary of the nature of complaints received in the year and actions taken in response to those complaints;
- D. A summary of the results of the customer satisfaction survey process;
- E. Amendments to the articles of the Authority;
- F. A summary of the date, type and outcome of meetings of TransLink's Board of Directors held during the year;
- G. Fare Collection Bylaw; and
- H. A summary of tickets issued and collection under Section 248.

**This report should be read in conjunction with the 2017 Annual Report, in order to get a full understanding of the organization and its financial and operational performance. The 2017 Annual Report will be posted on TransLink's website.**

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## EXECUTIVE SUMMARY

Under the *South Coast British Columbia Transportation Authority Act*, TransLink is required to prepare an annual report that includes a summary of operations for the year along with a comparison to the organization's applicable strategic, service, capital and operational plans. This 2017 Statutory Annual Report meets that requirement and includes other reporting obligations such as audited financial statements, complaints and customer satisfaction summaries. This report should be read in conjunction with the 2017 Annual Report to obtain a full understanding of the organization and the strategic platform that drives its financial and operational performance. The 2017 Annual Report will be posted on the TransLink website.

TransLink's current strategic plan, applicable to 2017, as defined by legislation, is the Update to Phase One of the 10-Year Vision, the 2017-2026 Investment Plan (the "Plan") approved by the Mayors' Council on Regional Transportation on July 27, 2017. This 2017 Statutory Annual Report makes reference to the first year of update to Phase One of the 10-Year Vision which was approved in mid-2017.

## A. OPERATIONS SUMMARY

### 1 Transit Service Levels

The table below provides a summary of conventional transit service hours, Access Transit trips and ridership numbers while comparing 2017 actual results to the Plan.

|   | Actual<br>2017 | Investment Plan<br>2017 | Fav/(Unfav)<br>Over Plan | % Change      |
|---|----------------|-------------------------|--------------------------|---------------|
| <b>Conventional Transit</b><br><i>(thousands of service hours)</i>  |                |                         |                          |               |
| Conventional Bus  | 4,354          | 4,378                   | (24)                     | (0.5%)        |
| Community Shuttle   | 617            | 618                     | (1)                      | (0.2%)        |
| West Vancouver Conventional Bus   | 136            | 139                     | (3)                      | (2.2%)        |
| SkyTrain Expo and Millennium Lines  | 1,335          | 1,336                   | (1)                      | (0.1%)        |
| SkyTrain Canada Line  | 202            | 204                     | (2)                      | (1.0%)        |
| SeaBus  | 12             | 12                      | -                        | -             |
| West Coast Express  | 36             | 38                      | (2)                      | (5.3%)        |
| <b>Total Conventional Transit</b>   | <b>6,692</b>   | <b>6,725</b>            | <b>(33)</b>              | <b>(0.5%)</b> |
| <b>Access Transit Trips</b><br><i>(thousands of trips)</i>  |                |                         |                          |               |
| HandyDART   | 1,120          | 1,185                   | (65)                     | (5.5%)        |
| Taxi Supplement   | 130            | 102                     | 28                       | 27.5%         |
| <b>Total Access Transit Trips</b>   | <b>1,250</b>   | <b>1,287</b>            | <b>(37)</b>              | <b>(2.9%)</b> |
| <b>Ridership</b><br>Ridership (millions of transit journeys)  | 248            | 242                     | 6                        | 2.6%          |
| <i>Note: Ridership in this table is based on delivery of total conventional transit service hours and HandyDART Access Transit service.</i> |                |                         |                          |               |

#### Conventional Transit Service Levels

Conventional transit service hours were mainly consistent with the 2017 year of the Plan as a result of the successful execution of service expansion as committed to in Phase One of the 10-Year Vision. The expansion increased the frequency and capacity on the SeaBus, Expo, Millennium and Canada Lines and added new bus routes and service hours.

#### Access Transit Service Levels

HandyDART service was severely impacted by unpredictable winter conditions during the first quarter which resulted in a lower number of trips compared to the 2017 Plan. The shortfall was partly recovered by an increase in taxi supplement trips during the year and increased service hours and demand for the remainder of 2017.

**Ridership**

Journeys for conventional transit service and Access Transit were 248 million and consistent with the 2017 Plan. Journeys represent a complete transit trip using Compass fare media or other proof of payment regardless of the number of transfers. The exceptional growth in Journeys is a result of improved transit service, a strong economy with low unemployment rates and higher gas prices which are influencing commuters to use more public transportation. Ridership growth continued throughout the year suggesting that the July 1, 2017 transit fare increase did not negatively impact customer behaviour.

## 2 2017 Investment Plan Status Report

Phase One of the 10-Year Vision includes expanded operating and capital investments to increase transit services and to improve roads, cycling and walking infrastructure across Metro Vancouver. A status update of the Plan is provided below.

### Invest to Maintain and Grow the Transportation System

The Plan invests in state of good repair projects, transit operations and capital projects, including walking, cycling, roads and bridges infrastructure. In addition, it helps prepare the region for future transportation investment.

#### *Invest in State of Good Repair*

- The Enterprise Asset Management program at British Columbia Rapid Transit Company Ltd. (BCRTC) made substantial progress in 2017 through the development of a detailed implementation and resourcing plan as well as securing budget approvals to launch project implementation. Project management and change management frameworks were also developed.
- BCRTC conducted rail system maintenance by replacing running rail and rail pads. In addition, rail grinding was completed on the Expo and Millennium Lines.
- Of the 20 recommendations from the SkyTrain Independent Review, 11 were implemented and the remaining nine recommendations are at various stages of completion.
- The Coast Mountain Bus Company (CMBC) Safety Management System was implemented in the Maintenance Division and is in progress in the Operations Division.

#### *Invest in Transit Operations*

- CMBC delivered 5.1 million service hours as targeted in the Plan. Weekday peak and weekend service was improved for 23 bus routes and bus service coverage expanded to the five new areas as planned (Burke Mountain, Clayton and Morgan Creek, Silver Valley and Willoughby).
- HandyDART increased service by adding 22,600 more trips in 2017.
- CMBC increased the frequency of SeaBus sailings to every 15 minutes throughout the day.
- The planning of four new B-Line routes was initiated in 2017.
- A pilot for double decker buses was launched to help address overcrowding on select longer-distance routes.
- Service hours on the Expo and Millennium Lines were increased during weekday peak service, midday and evening weekend service and the number of trains increased during morning peak service.

#### *Invest in Transit Capital*

##### *Bus and SeaBus Fleet*

- In accordance with the 2017 Plan, 117 expansion buses have been ordered along with over 300 replacement buses including Community Shuttles and HandyDART vehicles.
- The construction of a new SeaBus vessel began in 2017.
- In accordance with the Plan, 13 HandyDART expansion vehicles arrived in 2017.

##### *Rail Fleet*

- Bombardier was awarded a contract in fall 2017 to supply 28 Mark III rail cars in addition to the 28 rail cars ordered in 2016.
- A contract was executed in fall 2017 to manufacture and supply 24 new rail cars to the Canada Line.
- Planning work was performed in 2017 to facilitate the delivery of two additional locomotives and refurbishment of the six existing West Coast Express locomotives.

#### *Station and Exchange Upgrades*

- In 2017, several operations and maintenance sites were upgraded including Surrey, Burnaby, Vancouver, Richmond and Port Coquitlam transit centres. Additional design and construction upgrades are in progress for SeaBus terminals and SkyTrain operations and maintenance centres.
- In 2017, SkyTrain station upgrades were completed for the Joyce-Collingwood East Station House and the Metrotown Centre Station entrance was opened and new elevators were installed. The schematic design for many bus exchanges were also completed in addition to 50 per cent completion of the University of British Columbia (UBC) Bus Exchange and full completion of the 29<sup>th</sup> Ave Bus Exchange.
- Construction of the King Edward Station bicycle parkade was nearly completed at the end of year and will open in early 2018. The bicycle parkade designs were 90 per cent complete for four more stations along the Evergreen Extension of the Millennium Line (Evergreen Extension), two West Coast Express stations and the Carvolth Exchange.

#### *Other Transit Infrastructure*

- The development of a Transit Priority Toolkit and a Transit Signal Priority study were initiated to inform a framework for locations and levels of investment in signal infrastructure.
- TransLink worked with stakeholders in 2017 and piloted all-door boarding on the 95 and 96 B-Lines.
- Bus stops were installed for the new service coverage areas, including Silver Valley, Clayton Heights and Morgan Creek.

#### *Invest in Walking & Cycling*

- TransLink entered into an agreement with municipalities across Metro Vancouver to provide \$2.5 million new regional funding for pedestrian infrastructure around transit in line with the 2017 Plan. Total spend in 2017 was \$1.0 million. A total commitment of \$12.5 million is expected by the end of 2019.
- TransLink exceeded the 2017 Plan of \$6.0 million with a \$6.9 million commitment for municipal cycling infrastructure with a total spend of \$2.7 million in 2017. A total commitment of \$29.8 million is planned by the end of 2019.

#### *Invest in Roads & Bridges*

- TransLink committed \$7.6 million of the \$10.0 million plan in 2017 for Major Road Network (MRN) infrastructure upgrades. A total commitment of \$50.0 million is expected by the end of 2019.
- TransLink continued to develop the plan for the rehabilitation and seismic retrofit of MRN structures program in 2017 with plans to launch the program in 2018. A total commitment of \$32.5 million is expected by the end of 2019.
- The project scope of the Pattullo Bridge Replacement was refined and the funding application was submitted to the Provincial Treasury Board and Transport Canada in 2017. Stakeholder engagement continued to secure municipal, First Nations, railways, utilities and other third party agreements in preparation of project procurement in early 2018.

#### *Prepare for Future Transportation Investments*

- The planning of four new B-Line routes was initiated in 2017, which includes Fraser Highway in Surrey, Main-Marine in North Vancouver, Lougheed Highway in Port Coquitlam-Maple Ridge and 41st Avenue in Vancouver.
- The Southwest Area Transport Plan was substantially completed in 2017 to identify priorities for future transit, walking and cycling investments.
- In 2017, TransLink substantially updated the assessment of a future high-capacity transit connection between SkyTrain and the Simon Fraser University Burnaby Mountain campus. The assessment will be completed in 2018.
- For the Millennium Line Broadway Extension to Arbutus Street, TransLink completed two phases of public and stakeholder engagement, prepared a revised draft business case, responded to a due diligence process and brought the project to procurement readiness.
- TransLink commenced the 'Beyond Arbutus' study that explores a future rail connection to UBC.

- For the South of Fraser Rapid Transit project, the planning and design were completed for the Surrey-Newton-Guildford Light Rail Transit (LRT) Line, including completion of the business case, procurement documents and the master agreement and partnership agreements to ensure that the objectives of the project are met, including city building and seamless integration with communities.

### **Manage the System to be More Efficient and Customer-Focused**

In 2017, TransLink continued to develop and implement a wide range of policies and strategies in order to make the regional transportation network more efficient and effective for more users.

#### *Make Travel Safe and Secure*

- The Metro Vancouver Transit Police (Transit Police) continued to advance its Service Delivery Model by conducting environmental scans and developing business plans specific to each of the six key transit hub areas.
- Transit Police continued to focus on its four priorities: reducing sexual offences, reducing frontline workplace assaults, helping vulnerable people in crisis and building system resiliency. Some of the associated initiatives included promoting the 'See Something, Say Something' campaign and the 87.77.77 text reporting service and delivering 61 presentations on de-escalation of people in crisis to system staff across the enterprise. In addition, Transit Police hosted an emergency tabletop exercise which tested operations, communications, critical incident command and escalation response plans in the context of a simulated major emergency.

#### *Make Travel Easy, Attractive and Reliable*

##### *Access Transit*

- As part of the Universal Fare Gate Access Program, proximity-sensor entrances were installed at approximately 40 per cent of the SkyTrain stations by the end of the year. Eligible customers will be provided a radio-frequency identification (RFID) card to enable access through these entrances.
- The Custom Transit Service Delivery Review (CTSDR) was completed and the 19 recommendations in the CTSDR were approved by the Board in March 2017. They included policy recommendations to improve the customer experience on HandyDART, as well as recommendations on the service delivery model. By the end of 2017, nine recommendations have been implemented with the remainder in progress.
- An implementation plan for Universally Accessible bus stops is underway.

##### *Compass*

- The Canada 150 commemorative Compass Cards were introduced and immensely popular with customers. Additionally, special Christmas themed pre-loaded card packages were distributed to the TransLink retail network to facilitate giving the gift of transit.
- Compass Pass for Organizations was successfully launched to employers and associations to facilitate providing Compass monthly pass products to employees and members. Numerous companies and associations have begun participation in the program.
- The Compass Open Payment project was initiated in 2017 to prepare for the launch of this feature in 2018. This will result in an improved customer experience and flexibility in ways to pay for transit (credit cards and mobile wallets) which will be an industry-leading feature.

##### *Customer Experience*

- More than 1,000 new wayfinding signs and customer travel information displays were installed in 2017.
- Improvements to existing customer-facing digital services were made based on direct customer feedback, such as enhanced transit data used by third parties (Google Maps) and Transit Alert pages on desktop and mobile.

- A Customer Alert Messaging and Content Strategy was developed based on a detailed analysis of current state of alerts and areas of improvement.
- TransLink initiated the development of a new Transit Alert Management System with implementation expected in 2018.
- TransLink improved text messaging services for transit alert subscribers, designed a robust transit alert system architecture and updated the content management system.
- The Customer Experience Executive Steering Committee and Task Force were established in 2017. The Steering Committee provides direction and leadership to achieve the goal of improving the customer experience and the Task Force is responsible in developing a Business Plan.
- To expand the team capacity, the digital marketing department was established on a permanent basis in the Communications division.

*Use Mobility Pricing to Reduce Congestion and Overcrowding, Improve Fairness and Generate Revenue for New Transportation Investment*

- The Mobility Pricing Independent Commission was recruited through an open search process and was formally launched in summer 2017. During 2017 the Commission published some initial research investigating the three objectives of reducing congestion, increasing fairness and supporting investment. A public and stakeholder engagement heard from more than 6,000 people.
- Key projects advanced in 2017 to support priority actions in the Regional Goods Movement Strategy, including development of the work plan scope for the Regional Road Network Strategy, agreement on adopting a common regional definition of a heavy truck and harmonizing vehicle weights and dimensions limits among partners and stakeholders and initial development of a Commercial Vehicle Route Planner.
- Through 2017, TransLink completed Phases Two and Three of the Transit Fare Review, receiving input from more than 22,000 people and stakeholders on various options for pricing fares by distance travelled, new user discounts, fare products and other components designed to help address key issues and opportunities with the current system.
- Research and analysis has been conducted on low-carbon solutions including renewable fuels, battery buses, hydrogen fuel cells and trolleys as part of the development of TransLink's Low-Carbon Fleet Strategy.
- The pricing structure of Park and Ride facilities was underway in 2017 to review usage-based charging.

**Partner to Make It Happen**

TransLink collaborates with a broad range of partners and stakeholders in order to maximize the value and effectiveness of the transportation services and infrastructure and to achieve the best regional planning outcomes.

*Align Transportation and Land Use*

*With Partner Agencies, TransLink:*

- Completed the Marine-Main Frequent Transit Corridor Study with the City and District of North Vancouver and the District of West Vancouver to advance integration of corridors into regional planning policies and monitoring. The Southwest Area Transport Plan was substantially completed in 2017 with finalization anticipated for early 2018.
- Provided input on more than 50 municipal and other partner agency plans and initiatives to ensure they align with regional plans and policies, thereby advancing integrated land use and transportation. As part of that input, TransLink provided support to the shared goals of Metro Vancouver's Regional Growth Strategy.
- Participated on the Partners Committee for Metro Vancouver's Transit-Oriented Affordable Housing Study, focused on identifying the financial barriers to and potential opportunities for transit-oriented affordable rental housing.

- Incorporated affordable housing as a key element of the Project Partnership Agreements work initiated for the Millennium Line Broadway Extension and the South of Fraser Rapid Transit (Phase One, Surrey-Newton-Guildford LRT) projects.
- Developed a draft guide to support municipal and partner agency staff on when and how to communicate with TransLink regarding partner agency plans and proposals.
- Represented on the Metro Vancouver's Regional Planning Advisory Committee, a committee of senior representatives of municipal planning departments, Treaty First Nation and agencies intended to discuss and advise Metro Vancouver on planning issues of regional or inter-municipal significance.

*With Real Estate and Commercial Partners, TransLink:*

- Met with municipal, provincial, agency and industry partner organizations to promote awareness of TransLink's safety and transit-oriented development objectives and adoption of the Adjacent and Integrated Development (AID) Consent Process. TransLink also doubled the number of AID development projects under management and actively discussed several potential integration opportunities at select SkyTrain stations.
- Increased high-performing retailers at Main Street Station, executed retail licenses at three SkyTrain stations, implemented vending services at 17 stations along the Expo and Millennium Lines and prepared for an assessment of retail opportunities at the Evergreen Extension of the Millennium Line stations.
- Improved customer amenities on TransLink infrastructure by completing the LTE wireless coverage project in all SkyTrain tunnels, implementing a car sharing partnership with Modo at six SkyTrain stations and releasing the TransLink "Park&Go" mobile parking payment app at all nine TransLink-owned Park and Ride lots.

*Develop Project Partnership Agreements*

- TransLink advanced the three phases of the Project Partnership Agreements for the Millennium Line Broadway Extension and the South of Fraser Rapid Transit (Phase one Surrey-Newton-Guildford LRT) projects:
  - Phase One – Executed a Memorandum of Understanding for each of the two rapid transit projects, establishing high-level principles and foundations for the subsequent agreements and phases;
  - Phase Two – Developed and submitted to the Mayors' Council draft content for the 'Supportive Policies Agreements' for both projects, focused largely on supportive land use in the rapid transit corridors. Once finalized, it will form part of the agreements to be executed prior to projects being considered as part of Phase Two of the 10-Year Vision; and
  - Phase Three – Initiated project specific design work that will continue to advance in 2018 and will form the basis of the two project Master Agreements.

*Innovate Through New Public-Private Sector Partnerships*

- In 2017, TransLink convened with the Greater Vancouver Urban Freight Council, comprised of public and private sector goods movement stakeholders, to ensure effective implementation of key priorities in the Regional Goods Movement Strategy through coordination on timelines, roles and responsibilities.
- TransLink established a New Mobility Planning team with the Transportation Planning and Policy Division, responsible for establishing and coordinating TransLink's mobility innovation infrastructure and services including pilots, demonstrations, applied research, partnership building and other activities. A New Mobility industry forum was held in December 2017 with over 100 stakeholder participants.
- In October 2017, TransLink launched its first 12-month vanpool pilot with Seaspam. The new service allows a group of employees to travel to and from work together using one of the fleet vehicles supplied by Modo, the contracted service provider.

**Funding**

New funding sources are needed to expand the transportation system and serve the rapidly growing population and increasingly urban region.

- Fare increases of 5-10 cents for single-use tickets, 25 cents for Day Passes and \$1-\$3 for monthly passes were effective July 2017.
- In 2017, a Local Government Working Group was formed to provide advice on the structure and rates for a future Development Cost Charge (DCC) for regional transportation, comprised of representatives from local government agencies within the Metro Vancouver region. Following the consultation and refinement of the draft framework, in December 2017, the Mayors' Council and TransLink Board of Directors approved a framework for the proposed structure and rates for the proposed DCC, which is now subject to provincial approval and the passing of the necessary legislation.

### 3 2017 Financial Plan

The Plan identifies operating expenditures over the next ten years (2017-2026) as well as how those expenditures will be funded from established revenue sources. These revenues and expenditures take into account commitments made, services and programs provided and assumptions using the accounting standards as recommended by the Public Sector Accounting Board (PSAB). The table below compares the 2017 actual results to the 2017 Investment Plan in the Consolidated Statement of Operations.

#### TransLink

#### Consolidated Statement of Operations

| (\$ millions)   | Actual<br>2017 | 2017 Year<br>in the Plan<br>(July 27, 2017) | Fav/(Unfav)<br>Over Plan | % Change      |
|---|----------------|---|--------------------------|---------------|
| <b>Revenue</b>  |                |   |                          |               |
| Taxation  | 821.3          | 836.3                                       | (15.0)                   | (1.8%)        |
| <i>Fuel tax</i>   | 373.8          | 387.9                                       | (14.1)                   | (3.6%)        |
| <i>Property tax</i>   | 339.1          | 339.3                                       | (0.2)                    | (0.1%)        |
| <i>Parking Rights</i>   | 70.0           | 70.4  | (0.4)                    | (0.6%)        |
| <i>Hydro levy</i>   | 20.6           | 20.7  | (0.1)                    | (0.5%)        |
| <i>Replacement tax</i>  | 17.8           | 18.0  | (0.2)                    | (1.1%)        |
| Transit   | 591.0          | 565.9                                       | 25.1                     | 4.4%          |
| Government transfers  |                |   |                          |               |
| <i>Senior Government Funding</i>                              | 148.3          | 159.5                                       | (11.2)                   | (7.0%)        |
| <i>Golden Ears Bridge Tolling Replacement Revenue</i>         | 18.6           | -   | 18.6                     | -             |
| Golden Ears Bridge tolling                                    | 29.7           | 55.7  | (26.0)                   | (46.7%)       |
| Investment income   | 50.3           | 48.3  | 2.0                      | 4.1%          |
| Amortization of deferred concessionaire credit                | 23.3           | 23.3  | -                        | -             |
| Miscellaneous revenue   | 7.0            | 5.5   | 1.5                      | 27.3%         |
| <b>Sub Total Continuing Operations Revenue</b>                | <b>1,689.5</b> | <b>1,694.5</b>                              | <b>(5.0)</b>             | <b>(0.3%)</b> |
| Gain/loss on disposal   | (1.1)          | (0.3)                                       | (0.8)                    | 266.7%        |
| <b>Total Revenue (PSAB)</b>                                   | <b>1,688.4</b> | <b>1,694.2</b>                              | <b>(5.8)</b>             | <b>(0.3%)</b> |
| <b>Expenditures</b>   |                |   |                          |               |
| Bus division  | 688.9          | 691.3                                       | 2.4                      | 0.3%          |
| Corporate   | 98.0           | 101.2                                       | 3.2                      | 3.2%          |
| Rail division   | 297.4          | 300.0                                       | 2.6                      | 0.9%          |
| Roads and bridges   | 84.2           | 116.8                                       | 32.6                     | 27.9%         |
| Transit Police  | 37.2           | 36.9  | (0.3)                    | (0.8%)        |
| Amortization of tangible capital assets                       | 192.2          | 200.4                                       | 8.2                      | 4.1%          |
| Interest  | 181.8          | 176.4                                       | (5.4)                    | (3.1%)        |
| <b>Sub Total Continuing Operations Expenditures</b>           | <b>1,579.5</b> | <b>1,623.0</b>                              | <b>43.5</b>              | <b>2.7%</b>   |
| Corporate - onetime expenditures                              | 12.6           | 19.3  | 6.7                      | 34.7%         |
| <b>Total Expenditures (PSAB)</b>                              | <b>1,592.2</b> | <b>1,642.3</b>                              | <b>50.1</b>              | <b>3.1%</b>   |
| <b>Surplus (Deficit) for the period (PSAB)</b>                | <b>96.2</b>    | <b>51.9</b>                                 | <b>44.3</b>              | <b>85.4%</b>  |
| <b>Accumulated Surplus<sup>1</sup>, beginning of the year</b> | <b>984.1</b>   | <b>984.1</b>                                | <b>-</b>                 | <b>-</b>      |
| <b>Accumulated Surplus<sup>1</sup>, end of the year</b>       | <b>1,080.3</b> | <b>1,036.0</b>                              | <b>44.3</b>              | <b>4.3%</b>   |

<sup>1</sup> The Accumulated Surplus is derived under Public Sector Accounting Standards and does not represent cash

Total revenue at \$1.7 billion was \$5.8 million (0.3 per cent) lower than the 2017 Plan. This is mainly due to lower than expected fuel tax revenue, timing of government transfers and lower Golden Ears Bridge tolling revenue. On

September 1, 2017, the Province of British Columbia eliminated bridge tolling throughout the province, including tolls on the Golden Ears Bridge. Increases in transit revenues partially offset the unfavourable variance.

Total taxation revenue for 2017 at \$821.3 million was \$15.0 million (1.8 per cent) unfavourable to the Plan. Fuel tax revenue was \$14.1 million (3.6 per cent) unfavourable to the Plan. The Plan included an increase of 8 per cent in net volume sales based on an expected increase in Vehicle Kilometres Travelled (VKT) across the region. Despite the strong economy in 2017, high gasoline and diesel prices paid by consumers at the pumps may have contributed to lower than expected VKT and as a result, lower fuel tax revenues. Property and replacement tax, hydro levy and parking rights taxation revenue were consistent with the 2017 Plan.

Transit revenue at \$591.0 million was \$25.1 million (4.4 per cent) higher than the Plan mainly due to record ridership and increased program participation, mainly in the Government Bus Pass.

Government transfers related to Senior Government Funding were \$11.2 million (7.0 per cent) unfavourable to the Plan mainly due to timing partly offset by additional contributions for the environmental remediation of the Oakridge Transit Centre. The Province of British Columbia provided funds in lieu of foregone bridge tolling totalling \$18.6 million.

Investment income was \$2.0 million (4.1 per cent) favourable to the Plan mainly due to interest on the loan receivable from the sale of surplus property in late 2016 as well as higher cash and investment holdings.

Miscellaneous income was \$1.5 million (27.3 per cent) higher than the Plan mainly due to higher recoveries from external parties, insurance proceeds and contributions earned from energy saving initiatives.

Loss on disposal of assets was \$781 thousand unfavourable to the Plan due to the loss on sale of spare parts and vehicles in 2017.

Bus Division operating expenditures were \$2.4 million (0.3 per cent) favourable to the Plan mainly due to lower employer-paid benefit costs, vacancy savings and lower consumption of fuel partly offset by an increase in fuel prices. These savings were partly offset by higher vehicle repair costs, overtime costs for vacancy coverage, snow removal costs, higher prices for natural gas and electricity, higher insurance premium rates and deductibles, higher consulting fees related to upgrading operating software and software licensing costs.

Corporate Operations operating expenditures were \$3.2 million (3.2 per cent) favourable to Plan mainly due to timing of feasibility studies, contractual savings related to performance abatements, reduced property taxes from the earlier than planned sale of surplus property in late 2016 and vacancy savings. These were partly offset by the write-down of Golden Ears Bridge tolling equipment due to the elimination of bridge tolls (September 1, 2017), higher software licensing costs and more consulting fees related to upgrading operating software.

Rail Division operating costs were \$2.6 million (0.9 per cent) favourable to the Plan mainly due to lower employer-paid benefit costs, labour costs from vacancies, salary capitalization and the earlier than planned discontinuation of the WCE TrainBus service. Snow and ice removal costs in early 2017, additional maintenance costs, insurance premiums and a WorkSafeBC assessment partly offset the favourable variance in the year.

Roads and Bridges spending was \$32.6 million (27.9 per cent) favourable to the Plan mainly due to timing of capital infrastructure contributions to municipalities and lower bridge maintenance costs as a result of rehabilitation work on the Pattullo Bridge completed in 2016.

Transit Police operating expenditures were \$257 thousand (0.8 per cent) unfavourable to the Plan mainly due to backfill expenses related to officers seconded to other jurisdictions, additional overtime costs due to service expansion, additional police equipment and software licensing costs, partly offset by lower property rental costs.

The expenses related to backfill of seconded police officers are offset by recoveries reported under miscellaneous revenues.

Amortization expense was \$8.2 million (4.1 per cent) favourable to the Plan mainly due to changes in the estimated useful lives of the Evergreen Extension and the Hamilton Transit Centre as compared to Plan and timing of project capitalizations.

Interest expense was \$5.4 million (3.1 per cent) lower than the Plan due to higher outstanding debt and lower capitalization of interest due to the timing of capital spending.

Corporate one-time expenditures were \$6.7 million (34.7 per cent) favourable to the Plan mainly due to timing of spending on various feasibility studies and unused operating contingency funding. The favourable variance was partly offset by higher expenditures on public consultation and earlier than anticipated spending on new initiatives, such as the Mobility Pricing Independent Commission.

## 4 2017 Capital Program

### Schedule 1

Schedule 1 below lists the projects that were included in the 2017 Capital Program as Approved in Principle (AIP) and indicates their current status. The schedule includes activity related to new capital projects in 2017 including any carry forward AIP projects from 2016. TransLink also advanced a number of 2018 projects in 2017 that are time sensitive for obtaining Federal and Provincial Public Transit Infrastructure Funds. Schedule 1a provides a list of TransLink capital programs with the status of project additions, cancellations and projects not yet initiated.

| Project and Program Titles   | Approved in Principle (AIP) | Specific Project Approval (SPA) for the year ended December 31, 2017 |                    | Current Project Status as at December 31, 2017 |                     |                      |                     |                 |
|--|-----------------------------|--|--------------------|--|---------------------|----------------------|---------------------|-----------------|
|  | Budget                      | Approval Date  | Budget             | Budget   | Actual Cost to Date | Forecast to Complete | Final Forecast Cost | Completion Date |
| <b>Equipment (\$ thousands)</b>  |                             |  |                    |  |                     |                      |                     |                 |
| BCRTC Modernization – System Management Centre Tape Analysis Reporting   | 500                         |  |                    | Rolled into 2018 Capital Program               |                     |                      |                     |                 |
| British Columbia Rapid Transit Company (BCRTC) Modernization 2017  | 500                         |  |                    | Rolled into 2018 Capital Program               |                     |                      |                     |                 |
| Guideway Intrusion System Upgrade  | 9,800                       |  |                    | Rolled into 2018 Capital Program               |                     |                      |                     |                 |
| Decoupling of Power Systems  | 6,800                       |  |                    | Cancelled                                      |                     |                      |                     |                 |
| Automatic Train Control Existing Equipment Replacement - Phase 3   | 12,400                      | 7-Dec-17   | 13,470             | 13,470   | -                   | 13,847               | 13,847              | 30-Jun-20       |
| Dunsmuir Tunnel Ventilation Control System Replacement   | 318                         | 29-Sep-17  | 940                | 940  | 12                  | 864                  | 876                 | 31-Jul-18       |
| Equipment for Deferred Retirement Program  | 4,797                       | 14-Dec-17  | 3,150              | 3,150  | 213                 | 3,150                | 3,363               | 30-Apr-18       |
| Golden Ears Bridge Tolling Equipment Replacement*  | 5,000                       | 15-Feb-17  | 3,100              | 3,100  | 49                  | -                    | 49                  | 31-May-18       |
| Mark III Vehicle Lifting Jack  | 2,000                       | 12-Oct-17  | 2,540              | 2,540  | -                   | 2,530                | 2,530               | 29-Jan-19       |
| Propulsion Power Existing Equipment Maintenance Upgrade (phase 2 of 3)   | 1,255 <sup>1</sup>          | 14-Sep-17  | 980 <sup>1</sup>   | 980  | 52                  | 968                  | 1,020               | 30-Jun-18       |
| Public Address System Quality Improvement  | 1,550                       | 11-May-17  | 1,550              | 1,550  | 147                 | 956                  | 1,103               | 8-Dec-17        |
| Radio Replacement and Vehicle Communications Router Implementation (Transit Management and Communications Roadmap Feasibility Study) | 35,600 <sup>1</sup>         | 4-Aug-17   | 1,405 <sup>1</sup> | 1,405  | 62                  | 1,303                | 1,365               | 28-Feb-18       |
| Rotary Grinder 1   | 3,750                       | 17-Aug-17  | 7,300              | 7,300  | -                   | 7,264                | 7,264               | 31-May-19       |
| Supply of Portable Changeable Message Signs for Bridge Closures  | 337                         | 8-Jun-17   | 337                | 337  | 242                 | 230                  | 472                 | 15-Dec-17       |
| System Continuity Redundancies, Second BC Hydro Feed   | 3,100 <sup>1</sup>          | 13-Apr-17  | 450 <sup>1</sup>   | 450  | 106                 | 269                  | 375                 | 28-Jun-18       |
| Transit Police Next Generation Radios  | 785                         | 7-Dec-17   | 819                | 819  | -                   | 819                  | 819                 | 31-Jan-18       |
| <b>Total for Equipment</b>   | <b>88,492</b>               |  | <b>36,041</b>      | <b>36,041</b>                                  | <b>883</b>          | <b>32,200</b>        | <b>33,083</b>       |                 |

<sup>1</sup>Project cancellation Q1 2018

| Project and Program Titles   | Approved in Principle (AIP) | Specific Project Approval (SPA) for the year ended December 31, 2017 |                    | Current Project Status as at December 31, 2017          |                     |                      |                     |                 |
|--|-----------------------------|--|--------------------|---|---------------------|----------------------|---------------------|-----------------|
|  | Budget                      | Approval Date  | Budget             | Budget  | Actual Cost to Date | Forecast to Complete | Final Forecast Cost | Completion Date |
| <b>Facilities (\$ thousands)</b>   |                             |  |                    |   |                     |                      |                     |                 |
| 2017 Vancouver Transit Center PowerSmart Retrofits, Facility Upgrades and Port Coquitlam Transit Center Door Replacement | 2,155 <sup>1</sup>          | 22-Jun-17  | 2,350 <sup>1</sup> | 2,350   | 253                 | 2,058                | 2,311               | 31-Aug-18       |
| Burnaby Transit Center Building Extension and Upgrades - Design Phase  | 3,277 <sup>1</sup>          | 25-May-17  | 855 <sup>1</sup>   | 855   | 74                  | 618                  | 692                 | 31-Mar-18       |
| CMBC Roof Replacement - Phase 1  | 2,505 <sup>1</sup>          | 11-May-17  | 306 <sup>1</sup>   | 306   | 49                  | 62                   | 111                 | 31-Dec-18       |
| Programmable Logic Controls Racks Replacement/Upgrade Project at Murrin Annex, Haro and Joyce Rectifier Stations         | 600                         | 7-Dec-17   | 600                | 600   | -                   | 600                  | 600                 | 31-Jan-19       |
| West Vancouver Transit Center PowerSmart Lighting Retrofit   | 150                         | 7-Dec-17   | 195                | 195   | -                   | 195                  | 195                 | 30-Sep-18       |
| <b>Total for Facilities</b>  | <b>8,687</b>                |  | <b>4,306</b>       | <b>4,306</b>  | <b>376</b>          | <b>3,533</b>         | <b>3,909</b>        |                 |
| <b>Infrastructure (\$ thousands)</b>   |                             |  |                    |   |                     |                      |                     |                 |
| Bus stop infrastructure for new routes   | 750                         |  |                    | Rolled into 2018 Capital Program                        |                     |                      |                     |                 |
| Implement Enterprise-Level Regional Demand Management Strategies   | 500                         |  |                    | Rolled into 2018 Capital Program                        |                     |                      |                     |                 |
| Investments in transit priority on B-Line corridors  | 5,594 <sup>3</sup>          |  |                    | Rolled into 2018 Capital Program                        |                     |                      |                     |                 |
| Lonsdale Quay bus loop and SeaBus terminal upgrade   | 8,000                       |  |                    | Rolled into 2018 Capital Program                        |                     |                      |                     |                 |
| Newton Exchange  | 12,017                      |  |                    | Rolled into 2018 Capital Program                        |                     |                      |                     |                 |
| Operations and Maintenance Centres (OMC) Maintenance Capacity Upgrade  | 9,000                       |  |                    | Rolled into 2018 Capital Program                        |                     |                      |                     |                 |
| Phibbs Exchange Upgrade  | 23,190                      |  |                    | Rolled into 2018 Capital Program                        |                     |                      |                     |                 |
| Road Widening  | 9,000 <sup>4</sup>          |  |                    | Rolled into 2018 Capital Program / Partial Cancellation |                     |                      |                     |                 |
| SkyTrain OMC Upgrades  | 50,000                      |  |                    | Rolled into 2018 Capital Program                        |                     |                      |                     |                 |
| South SeaBus Terminal Accessibility Improvement Detail Design  | 250                         |  |                    | Rolled into 2018 Capital Program                        |                     |                      |                     |                 |
| TransLink-Owned Bike Infrastructure  | 1,000                       |  |                    | Rolled into 2018 Capital Program                        |                     |                      |                     |                 |
| TransLink-Owned investment in cycling infrastructure   | 2,300                       |  |                    | Rolled into 2018 Capital Program                        |                     |                      |                     |                 |
| Trolley Overhead Line Tamper Detection and Alarm System Installation   | 600                         |  |                    | Expired on 31-Dec-17                                    |                     |                      |                     |                 |
| 22nd Street Exchange - Lighting and Passenger Safety Compliance  | 1,132                       | 15-Feb-17  | 1,155              | 1,155   | 33                  | 1,100                | 1,133               | 31-May-18       |
| BC Parkway Phase 2 Structure Rehabilitation  | 533                         | 26-Oct-17  | 533                | 533   | 2                   | 509                  | 511                 | 26-Nov-18       |
| BCRTC Expo Line Roofing Replacements (#1&2) - Detailed Design  | 5,980 <sup>1</sup>          | 16-Mar-17  | 440 <sup>1</sup>   | 440   | 86                  | 81                   | 167                 | 31-Dec-18       |
| Bike Monitoring Program  | 467                         | 29-Sep-17  | 467                | 467   | -                   | 466                  | 466                 | 30-Apr-19       |

| Project and Program Titles  | Approved in Principle (AIP) | Specific Project Approval (SPA) for the year ended December 31, 2017 |                            | Current Project Status as at December 31, 2017 |                     |                      |                     |                                  |
|---|-----------------------------|--|----------------------------|--|---------------------|----------------------|---------------------|----------------------------------|
|   | Budget                      | Approval Date  | Budget                     | Budget   | Actual Cost to Date | Forecast to Complete | Final Forecast Cost | Completion Date                  |
| <b>Infrastructure (\$ thousands) Cont'd</b>   |                             |  |                            |  |                     |                      |                     |                                  |
| Broadway-Commercial 99 B-Line Canopy  | 1,000                       | 2-Feb-17   | 1,250                      | 1,250  | 37                  | 1,114                | 1,151               | 5-Apr-18                         |
| Compass System Advancements-Proximity Enabled Accessible Entrances                    | 4,500                       | 6-Jul-17   | 7,750                      | 9,050  | 3,569               | 5,175                | 8,744               | 31-Oct-18                        |
| Expo and Millennium Line Signage and Station Fixture Replacement                      | 3,241                       | 27-Apr-17  | 3,240                      | 9,750  | 5,363               | 4,059                | 9,422               | 31-Dec-17                        |
| Expo Line Escalators Replacement – Accelerated Program - Phase 2 Eco-Mod Installation | 27,431 <sup>1</sup>         | 26-Jul-17  | 11,538 <sup>1</sup>        | 15,893   | -                   | 15,893               | 15,893              | 30-Nov-19                        |
| Expo Line Running Rail Replacement Implementation                                     | 7,128                       | 29-Sep-17  | 7,128                      | 7,128  | -                   | 7,128                | 7,128               | 30-Nov-18                        |
| Guildford Exchange  | 5,168 <sup>1</sup>          | 22-Jun-17  | 2,525 <sup>1</sup>         | 2,525  | 108                 | 2,130                | 2,238               | 31-Mar-18                        |
| Joyce-Collingwood Station Upgrade Construction - Phase II - Part 1                    | 6,860                       | 15-Feb-17  | 6,860                      | 21,600   | 1,064               | 18,298               | 19,362              | 31-Dec-18                        |
| Joyce-Collingwood Station Upgrade Construction - Phase II - Part 2                    | 6,229                       | 27-Sep-17  | 14,740                     |  |                     |                      |                     | 31-Dec-18                        |
| Marpole Loop Pavement Replacement   | 760                         | 11-May-17  | 755                        | 755  | 2                   | 734                  | 736                 | 31-Jul-18                        |
| Metrotown Bus Loop Refurbishment  | 5,000 <sup>1</sup>          | 31-Mar-17  | 1,280 <sup>1</sup>         | 1,280  | 93                  | 888                  | 981                 | 15-Oct-18                        |
| Millennium Line Fire Life Safety System Equipment Replacement                         | 7,672                       | 7-Dec-17   | 9,250                      | 9,250  | -                   | 9,250                | 9,250               | 30-Apr-20                        |
| Nanaimo Bus Loop Upgrades   | 10,000 <sup>1</sup>         | 31-Mar-17  | 560 <sup>1</sup>           | 560  | 128                 | 105                  | 233                 | 31-Mar-18                        |
| SkyTrain Physical Security System Project - Design Phase                              | 7,900 <sup>1</sup>          | 11-May-17  | 485 <sup>1</sup>           | 600  | 169                 | 278                  | 447                 | 8-Dec-17                         |
| SkyTrain Storage - Coquitlam Vehicle Storage Facility Expansion                       | 17,500                      | 22-Dec-17  | 21,250                     | 21,250   | 2,118               | 19,144               | 21,262              | 30-Nov-19                        |
| South of Fraser Rapid Transit SNG Line Advanced Works                                 | 20,753                      | 10-Aug-17  | 20,753                     | 20,753   | -                   | 20,694               | 20,694              | 31-Dec-18                        |
| Transit Centre Infrastructure State of Good Repair                                    | 2,066                       | 24-Apr-17  | 5,100                      | 5,100  | 114                 | 4,801                | 4,915               | 12-Apr-19                        |
| Trolley Overhead Pole Replacement   | 3,427                       | 2-Feb-17   | 3,995                      | 3,995  | 1,774               | 2,021                | 3,795               | 31-Dec-18                        |
| Canada Line Capstan Station Design  | -                           | 31-Mar-17  | 3,272                      | 3,272  | 62                  | 3,195                | 3,257               | 1-Sep-20                         |
| <b>Total for Infrastructure</b>   | <b>266,948</b>              |  | <b>124,326<sup>2</sup></b> | <b>136,606<sup>2</sup></b>                     | <b>14,722</b>       | <b>117,063</b>       | <b>131,785</b>      |                                  |
| <b>Major Road Network (MRN) (\$ thousands)</b>  |                             |  |                            |  |                     |                      |                     |                                  |
| MRN Structures - Seismic Rehabilitation   | 6,500                       |  |                            |  |                     |                      |                     | Rolled into 2018 Capital Program |
| 2017 Walking Infrastructure to Transit Funding  | 2,500                       | 22-Jun-17  | 2,500                      | 2,500  | -                   | 2,500                | 2,500               | 31-Dec-20                        |
| MRN, Bicycle Upgrades & Bicycle Infrastructure Capital Cost Share Program             | 23,657 <sup>1</sup>         | 22-Jun-17  | 20,555 <sup>1</sup>        | 20,555   | 259                 | 20,296               | 20,555              | 31-Dec-20                        |
| MRN Pavement Rehabilitation   | 15,725                      | 22-Jun-17  | 15,725                     | 15,725   | 15,528              | -                    | 15,528              | 31-Dec-20                        |
| <b>Total for MRN</b>  | <b>48,382</b>               |  | <b>38,780</b>              | <b>38,780</b>                                  | <b>15,787</b>       | <b>22,796</b>        | <b>38,583</b>       |                                  |

| Project and Program Titles  | Approved in Principle (AIP) | Specific Project Approval (SPA) for the year ended December 31, 2017 |                           | Current Project Status as at December 31, 2017 |                     |                      |                     |                 |
|---|-----------------------------|--|---------------------------|--|---------------------|----------------------|---------------------|-----------------|
|   | Budget                      | Approval Date  | Budget                    | Budget   | Actual Cost to Date | Forecast to Complete | Final Forecast Cost | Completion Date |
| <b>Major Construction Projects (\$ thousands)</b>                     |                             |  |                           |  |                     |                      |                     |                 |
| BC Hydro Upgrades   | 17,000 <sup>1</sup>         | 16-Mar-17  | 13,300 <sup>1</sup>       | 13,300   | 1,766               | 11,824               | 13,590              | 31-Mar-19       |
| <b>Total for Major Construction Projects</b>                          | <b>17,000</b>               |  | <b>13,300</b>             | <b>13,300</b>                                  | <b>1,766</b>        | <b>11,824</b>        | <b>13,590</b>       |                 |
| <b>Technology Applications (\$ thousands)</b>                         |                             |  |                           |  |                     |                      |                     |                 |
| Compass System Advancements   | 461                         |  |                           | Rolled into 2018 Capital Program               |                     |                      |                     |                 |
| Data Warehouse Business Intelligence Program 2017                     | 500                         |  |                           | Rolled into 2018 Capital Program               |                     |                      |                     |                 |
| Enterprise Financial System Multi-currency Enablement                 | 210                         |  |                           | Rolled into 2018 Capital Program               |                     |                      |                     |                 |
| Enterprise Payroll Services - Onboarding BCRTC & WCE                  | 1,500                       |  |                           | Rolled into 2018 Capital Program               |                     |                      |                     |                 |
| Health and Safety System Implementation                               | 500                         |  |                           | Rolled into 2018 Capital Program               |                     |                      |                     |                 |
| Train Radio Information Management Systems Upgrade Project            | 1,510                       |  |                           | Rolled into 2018 Capital Program               |                     |                      |                     |                 |
| Customer Digital Services - Next Train Prediction and Service Alerts  | 1,200                       |  |                           | Cancelled                                      |                     |                      |                     |                 |
| 2017 Compass System Enhancements                                      | 419                         | 14-Dec-17  | 419                       | 419  | -                   | 419                  | 419                 | 30-Jun-18       |
| BCRTC Enterprise Asset Management Implementation - Phase 1            | 11,760 <sup>1</sup>         | 23-Nov-17  | 6,270 <sup>1</sup>        | 6,270  | -                   | 6,141                | 6,141               | 30-Jun-18       |
| Bus Simulator   | 597                         | 23-Nov-17  | 750                       | 750  | -                   | 750                  | 750                 | 31-Dec-18       |
| Compasscard.ca 2017 System Updates Phase 1                            | 1,566                       | 16-Mar-17  | 1,566                     | 1,566  | 31                  | 1,518                | 1,549               | 31-Aug-18       |
| Compass.ca Website Updates  | 398                         | 31-Aug-17  | 398                       | 398  | 136                 | 317                  | 453                 | 31-Aug-18       |
| Compass - Mass Fare Adjustment - Phase 2                              | 387                         | 16-Mar-17  | 387                       | 387  | 240                 | 188                  | 428                 | 30-Mar-18       |
| Data Warehouse Business Intelligence Program 2016                     | 1,000                       | 23-Nov-17  | 860                       | 860  | -                   | 860                  | 860                 | 31-Dec-18       |
| IT Infrastructure Refresh 2017  | 5,235                       | 22-Jun-17  | 5,235                     | 5,235  | 2,282               | 3,310                | 5,592               | 30-Jun-21       |
| MyCMBC Employee Website Modernization                                 | 500                         | 23-Nov-17  | 500                       | 500  | -                   | 500                  | 500                 | 31-Jan-19       |
| MyTime System Update  | 725                         | 11-May-17  | 691                       | 1,366  | 840                 | 410                  | 1,250               | 16-Oct-17       |
| Open Payment Acceptance at Compass                                    | 1,769                       | 14-Sep-17  | 1,769                     | 1,769  | -                   | 547                  | 547                 | 31-Jan-18       |
| Supervisory Control and Data Acquisition System - SmartVu and WebSurv | 242                         | 12-Oct-17  | 330                       | 330  | -                   | 261                  | 261                 | 30-Jun-18       |
| WCE Modular Trailer Replacement                                       | 430                         | 7-Dec-17   | 543                       | 543  | -                   | 543                  | 543                 | 28-Feb-19       |
| <b>Total for Technology Applications</b>                              | <b>30,909</b>               |  | <b>19,718<sup>2</sup></b> | <b>20,393<sup>2</sup></b>                      | <b>3,529</b>        | <b>15,764</b>        | <b>19,293</b>       |                 |
| <b>Vehicles Conventional Revenue (\$ thousands)</b>                   |                             |  |                           |  |                     |                      |                     |                 |
| 2017 HandyDART Vehicle Replacement                                    | 5,600                       | 15-Feb-17  | 4,900                     | 4,900  | 1,662               | 3,178                | 4,840               | 31-Mar-18       |
| 2018 Community Shuttle Expansion                                      | 3,000                       | 26-Oct-17  | 2,240                     | 2,240  | -                   | 2,240                | 2,240               | 31-Dec-18       |
| 2018 Community Shuttle Replacement                                    | 3,700                       | 31-Aug-17  | 4,100                     | 4,100  | -                   | 4,100                | 4,100               | 31-Dec-18       |
| 2018 Conventional 40' Bus Expansion                                   | 94,500                      | 20-Jul-17  | 94,500                    | 94,500   | 8                   | 94,500               | 94,508              | 31-Jan-19       |
| 2018 Conventional 60' Bus Expansion                                   | 17,000                      | 26-Oct-17  | 17,000                    | 17,000   | -                   | 17,000               | 17,000              | 31-Mar-19       |

| Project and Program Titles   | Approved in Principle (AIP) | Specific Project Approval (SPA) for the year ended December 31, 2017 |                            | Current Project Status as at December 31, 2017 |                     |                      |                     |                 |
|--|-----------------------------|--|----------------------------|--|---------------------|----------------------|---------------------|-----------------|
|  | Budget                      | Approval Date  | Budget                     | Budget   | Actual Cost to Date | Forecast to Complete | Final Forecast Cost | Completion Date |
| <b>Vehicles Conventional Revenue (\$ thousands) Cont'd</b>   |                             |  |                            |  |                     |                      |                     |                 |
| 2018 HandyDART Expansion   | 2,795                       | 26-Oct-17  | 1,900                      | 1,900  | -                   | 1,900                | 1,900               | 30-Sep-18       |
| 2018 HandyDART Replacement   | 6,000                       | 14-Sep-17  | 5,620                      | 5,620  | -                   | 5,514                | 5,514               | 31-Oct-18       |
| Canada Line Capacity Expansion   | 103,000                     | 10-May-17  | 124,334                    | 124,334  | 1,575               | 123,035              | 124,610             | 1-May-20        |
| Conventional Bus Replacement   | 70,000                      | 8-Jun-17   | 70,000                     | 70,000   | -                   | 69,700               | 69,700              | 31-Mar-19       |
| Mark III Vehicle Procurement No. 2 - 28 Cars   | 98,000                      | 19-Oct-17  | 101,633                    | 101,633  | 35,791              | 65,854               | 101,645             | 31-Dec-19       |
| WCE Fleet Expansion  | 21,000                      | 31-Aug-17  | 21,967                     | 21,967   | -                   | 21,967               | 21,967              | 31-May-19       |
| Canadian Urban Transit Research and Innovation Consortium (CUTRIC) - Electric Battery Bus Purchase - Pilot | -                           | 29-Sep-17  | 10,000                     | 10,000   | 13                  | 9,780                | 9,793               | 31-Dec-18       |
| <b>Total for Vehicles Conventional Revenue</b>   | <b>424,595</b>              |  | <b>458,194</b>             | <b>458,194</b>                                 | <b>39,049</b>       | <b>418,768</b>       | <b>457,817</b>      |                 |
| <b>Vehicles Other Revenue or Non-Revenue (\$ thousands)</b>  |                             |  |                            |  |                     |                      |                     |                 |
| Non-Revenue Vehicles (NRV) Fleet   | 149                         | Expired on 31-Dec-17   |                            |  |                     |                      |                     |                 |
| 2017 CMBC Service Support Vehicle Replacement  | 1,228                       | 27-Apr-17  | 1,185                      | 1,185  | 332                 | 583                  | 915                 | 30-Jun-18       |
| Transit Police NRV Replacement and Expansion   | 601                         | 10-Aug-17  | 596                        | 596  | -                   | 596                  | 596                 | 31-Aug-18       |
| Procurement of Real Estate Division Trolley Overhead Dedicated Vehicle                                     | -                           | 8-Jun-17   | 36                         | 36   | 22                  | -                    | 22                  | 1-Aug-17        |
| <b>Total for Vehicles Other Revenue or Non-Revenue</b>   | <b>1,978</b>                |  | <b>1,817</b>               | <b>1,817</b>                                   | <b>354</b>          | <b>1,179</b>         | <b>1,533</b>        |                 |
| <b>Advancements to 2018 (\$ thousands)</b>   |                             |  |                            |  |                     |                      |                     |                 |
| BCRTC Vehicle Support Shop - Primary Lathe Replacement   | -                           | 9-Nov-17   | 400                        | 400  | -                   | 400                  | 400                 | 31-Dec-18       |
| Burnaby Transit Center North Garage Rehabilitation   | -                           | 12-Oct-17  | 754                        | 754  | -                   | 326                  | 326                 | 31-Mar-19       |
| Bus Camera Surveillance System Replacement   | -                           | 14-Sep-17  | 1,708                      | 1,708  | 46                  | 1,503                | 1,549               | 31-Oct-18       |
| CCTV Camera System Upgrade on Expo and Millennium Lines  | -                           | 8-Jun-17   | 1,115                      | 1,115  | -                   | 945                  | 945                 | 28-Mar-18       |
| Knight Street Bridge Rehabilitation - Detailed Design  | -                           | 9-Nov-17   | 300                        | 300  | -                   | 201                  | 201                 | 30-Jun-18       |
| Pattullo Bridge Wind Monitoring and Seismic Warning System   | -                           | 19-Oct-17  | 475                        | 595  | 115                 | 411                  | 526                 | 31-Dec-18       |
| SkyTrain Customer and Operations Telecommunications (SCOT) Upgrade   | -                           | 14-Sep-17  | 1,100                      | 1,100  | 48                  | 1,136                | 1,184               | 30-Apr-18       |
| SkyTrain Advanced Radio System - Phase 1   | -                           | 7-Dec-17   | 1,360                      | 1,360  | -                   | 1,360                | 1,360               | 31-Mar-19       |
| Trolley Overhead Hanger Replacement Program 2018   | -                           | 16-Mar-17  | 1,050                      | 1,050  | 858                 | 203                  | 1,061               | 29-Dec-17       |
| <b>Total for Advancements to 2018</b>  | <b>-</b>                    |  | <b>8,262<sup>2</sup></b>   | <b>8,382<sup>2</sup></b>                       | <b>1,067</b>        | <b>6,485</b>         | <b>7,552</b>        |                 |
| <b>Total</b>   | <b>886,991</b>              |  | <b>704,744<sup>2</sup></b> | <b>717,819<sup>2</sup></b>                     | <b>77,533</b>       | <b>629,612</b>       | <b>707,145</b>      |                 |

<sup>1</sup> These projects received partial SPA in 2017. The remaining budget has been rolled into the 2018 Capital Program for subsequent approval.

<sup>2</sup> The difference between the budgeted amounts is due to some projects receiving SPA for earlier phases/stages in prior years.

<sup>3</sup> This project will be carried over to 2018 and treated as a contribution to municipalities rather than a capital addition to TransLink.

<sup>4</sup> This project was partially cancelled in 2017 resulting in a revised budget from \$9.0 million to \$2.5 million.

**Schedule 1a**

Schedule 1a below lists the status of TransLink capital programs with project additions, cancellations and projects not yet initiated.

| Project  | Project # | Budget        | Reason   |
|--|-----------|---------------|--|
| <b>Additions (\$ thousands)</b>  |           |               |  |
| BCRTC Vehicle Support Shop - Primary Lathe Replacement   | 173025    | 400           | To replace the primary lathe at the BCRTC Machine Shop. The new lathe has increased capabilities and can service wheels and axles for Mark I, Mark II and Mark III vehicle wheel set assemblies to maintain a state of good repair.  |
| Burnaby Transit Center North Garage Rehabilitation   | 172013    | 754           | To upgrade the existing garage facility to meet current seismic codes and standards. In addition, the upgrade increases the flexibility of maintenance resulting in more efficient work. This allows for an increased 60' bus fleet by decreasing the risk of buses being out of service and allowing buses to operate beyond a 17 year life-span. |
| Bus Camera Surveillance System Replacement   | 172301    | 1,708         | To procure and deliver a replacement bus security camera system which discourages assaults, vandalism and fare evasion.  |
| Canada Line Capstan Station Design   | 173055    | 3,272         | To determine the design solution for a new station on the Canada Line at Capstan Way. The design and construction are funded primarily by the City of Richmond.  |
| Canadian Urban Transit Research and Innovation Consortium (CUTRIC) - Electric Battery Bus Purchase - Pilot | 172138    | 10,000        | TransLink's participation in the CUTRIC electric bus trial. This project furthers TransLink's commitment to developing a low-carbon fleet strategy to reduce emissions from transit vehicles across the region.  |
| CCTV Camera System Upgrade on Expo and Millennium Lines  | 173011    | 1,115         | To upgrade the CCTV Systems on the Expo and Millennium SkyTrain Lines by replacing end of life and obsolete equipment with modern equipment using current technology.  |
| Knight Street Bridge Rehabilitation - Detailed Design  | 181019    | 300           | To repair and rehabilitate the bridge to extend its service life from 75 to 100 years.   |
| Pattullo Bridge Wind Monitoring and Seismic Warning System   | 151307    | 475           | To improve safety on the bridge by installing a warning and monitoring system to provide advance notice of seismic and wind events.  |
| Procurement of Real Estate Division Trolley Overhead Dedicated Vehicle                                     | 171030    | 36            | To procure a non-revenue vehicle dedicated to the new trolley overhead program under the Real Estate Adjacent Integrated Development Division.   |
| SkyTrain Advanced Radio System - Phase 1   | 173160    | 1,360         | To replace the existing SkyTrain Radio System to provide sufficient radio communications capacity to accommodate existing and future SkyTrain lines and fleet envisioned up to 2045.   |
| SkyTrain Customer and Operations Telecommunications (SCOT) Upgrade   | 173020    | 1,100         | This is the first upgrade project in a multi-year, multi-phase project to modernize the SCOT system and enable SkyTrain expansion.   |
| Trolley Overhead Hanger Replacement Program 2018   | 172162    | 1,050         | This project is the first year of a five year program to replace aging hangers and clamps as part of the trolley overhead infrastructure program and trolley bus operations.   |
| <b>Total Additions</b>   |           | <b>21,570</b> |  |

| Project  | Project # | Budget        | Reason  |
|--|-----------|---------------|---|
| <b>Cancellations (\$ thousands)</b>                                  |           |               |   |
| Customer Digital Services - Next Train Prediction and Service Alerts | 171112    | 1,200         | Project cancelled due to prioritization of other projects that will improve digital services.   |
| Decoupling of Power Systems  | 173040    | 6,800         | Cancellation due to the project scope originally assigned will be achieved as part of an existing project - Power System Redundancy Upgrade and Decentralization of power for SkyTrain OMC's. |
| Road Widening  | 171006    | 6,500         | Project was partially cancelled due to a reduction in scope.  |
| <b>Total Cancellations</b>   |           | <b>14,500</b> |   |

| Project  | Project #          | Budget | Reason  |
|--|--------------------|--------|---|
| <b>Projects Not Initiated (\$ thousands)</b>                           |                    |        |   |
| BCRTC Modernization – System Management Centre Tape Analysis Reporting | 173032             | 500    | This project is related to the study required for project 173031 and will initiate at completion of the study.  |
| British Columbia Rapid Transit Company (BCRTC) Modernization 2017      | 173031             | 500    | A study is in progress to provide accurate estimates for project implementation.  |
| Bus stop infrastructure for new routes                                 | 172056             | 750    | Bus stop infrastructure required at new service areas were installed as part of development projects by the municipalities or through a cost-sharing agreement, under the Transit Road Related Infrastructure Program, between the Coast Mountain Bus Company and the municipalities. |
| Compass System Advancements  | 171113g            | 461    | Project delayed as additional work is needed for defining project scope.  |
| Data Warehouse Business Intelligence Program 2017                      | 171102             | 500    | Project delayed as no candidate proposals were received in 2017.  |
| Enterprise Financial System Multi-Currency Enablement                  | 171013             | 210    | A decision was made to expedite the Financial System Replacement project which makes this project unnecessary.  |
| Enterprise Payroll Services - Onboarding BCRTC & WCE                   | 151054             | 1,500  | A study is in progress to provide accurate estimates for project implementation.  |
| Guideway Intrusion System Upgrade                                      | 173042             | 9,800  | Project delayed as additional work is needed for defining project scope.  |
| Health and Safety System Implementation                                | 172042             | 500    | A study is in progress to provide accurate estimates for project implementation.  |
| Implement Enterprise-Level Regional Demand Management Strategies       | 174506             | 500    | Project initiation is delayed due to rapid changes in external business and technology factors. The procurement strategy is underway.   |
| Investments in transit priority on B-Line corridors                    | 175202             | 5,594  | This project is deemed non-capital since TransLink make contributions to municipalities for improvements to their infrastructure.   |
| Lonsdale Quay bus loop and SeaBus terminal upgrade                     | 172052             | 8,000  | Project delayed as additional work is needed for defining project scope and cost estimates.   |
| MRN Structures - Seismic Rehabilitation                                | 171009<br>(174502) | 6,500  | Applications from municipalities were delayed due to the development of a new program for MRN structures.   |
| Newton Exchange  | 172054             | 12,017 | Project delayed as additional work is needed for defining project scope and cost estimates.   |
| Non-Revenue Vehicles (NRV) Fleet Expansion                             | 163058             | 149    | This project expired because it was included in the 2016 Capital Program and not initiated by the end of 2017, however it will be combined with the Non-Revenue Vehicle expansion project to be submitted in 2018.  |
| OMC Maintenance Capacity Upgrade                                       | 173049             | 9,000  | Project delayed as additional work is needed for defining project scope and cost estimates.   |
| Phibbs Exchange Upgrade  | 162026             | 23,190 | Project not initiated as the final design is currently in negotiations with municipalities.   |

| Project  | Project # | Budget         | Reason  |
|--|-----------|----------------|---|
| <b>Projects Not Initiated (\$ thousands) Cont'd</b>                  |           |                |   |
| Road Widening  | 171006    | 2,500          | Project delayed due to delays in finalizing BC Hydro estimates.   |
| SkyTrain Operations and Maintenance Centers (OMC) Upgrades           | 173045    | 50,000         | Project delayed due to the strategy of the project being reconsidered.  |
| South SeaBus Terminal Accessibility Improvement Detail Design        | 162087    | 250            | Project to be combined with another SeaBus related project.   |
| Train Radio Information Management Systems Upgrade Project           | 173017    | 1,510          | Project combined with SCOT Upgrade project.   |
| TransLink-Owned Bike Infrastructure                                  | 171002    | 1,000          | Project delayed due to pending work outcomes from BC Parkway Phase 1 Structures Rehab project.  |
| TransLink-Owned investment in cycling infrastructure                 | 174503    | 2,300          | Design work to be completed, in order to accurately estimate construction costs.  |
| Trolley Overhead Line Tamper Detection and Alarm System Installation | 162035    | 600            | Project delayed due to issues with scope definition. This project expired because it was included in the 2016 Capital Program and not initiated by the end of 2017. |
| <b>Total Projects Not Initiated</b>                                  |           | <b>137,831</b> |   |

**Schedule 2**

Schedule 2 provides a comparison of the 2017 cash flow forecast in the Plan to actual spending in 2017. The schedule includes comments for variances greater than \$1 million.

| Project Title  | Cap Asset Category | 2017 Cash Flow<br>(\$ thousands) |                            |                                    | Comments on Variances<br>> \$1 Million  |
|--|--------------------|----------------------------------|----------------------------|------------------------------------|---|
|  |                    | 10 Year Plan                     | Actual Jan 1 - Dec 31 2017 | Variance Plan - Actuals & forecast |   |
| Automatic Train Control (ATC) Existing Equipment Replacement-Phase 2   | Equipment          | 3,809                            | 2,045                      | 1,764                              | Variance due to longer than expected equipment delivery times from the factory and technical issues during installation.  |
| Automatic Train Control (ATC) Existing Equipment Replacement-Phase 3   | Equipment          | 6,919                            | -                          | 6,919                              | Variance due to feasibility study findings changing the timing and scope of the consequent program phases. Cash flow shifted to 2018.                             |
| Decoupling of Power Systems  | Equipment          | 6,800                            | -                          | 6,800                              | The project has been cancelled.   |
| Equipment for Deferred Retirement Program  | Equipment          | 4,797                            | 213                        | 4,584                              | Variance due to budget reduction by \$1.6M as new fare boxes were excluded from the project. Additionally, there were delays in project approval (December 2017). |
| Guideway Intrusion System Upgrade  | Equipment          | 9,800                            | -                          | 9,800                              | This project was not brought forward for approval. Carried over to 2018.  |
| Propulsion Power Existing Equipment Maintenance Upgrade (phase 2 of 3)   | Equipment          | 1,255                            | 52                         | 1,203                              | Project partially approved (\$980K) in 2017. Remaining AIP (\$275K) carried-over to 2018.   |
| Public Address System Quality Improvement  | Equipment          | 1,550                            | 147                        | 1,403                              | Variance due to contract negotiation delays.  |
| Radio Replacement and Vehicle Communications Router Implementation (Transit Management and Communications Roadmap Feasibility Study) | Equipment          | 4,013                            | 62                         | 3,951                              | Variance due to only phase 1 (design) currently approved. There was originally to be large equipment purchases but project is now split into phases.              |
| System Continuity Redundancies, Second BC Hydro Feed   | Equipment          | 1,550                            | 106                        | 1,444                              | Project partially approved (\$450K) in 2017. Remaining AIP (\$2.6M) carried-over to 2018.   |
| Equipment projects < \$1 million   | Equipment          | 6,120                            | 2,099                      | 4,021                              | Variance due to projects with timing delays in cash flows mainly in the Rotary Grinder and Transit Police Next Generation Radio projects.                         |
| <b>A) Total Equipment</b>  |                    | <b>46,613</b>                    | <b>4,724</b>               | <b>41,889</b>                      |   |

| Project Title  | Cap Asset Category | 10 Year Plan  | Actual Jan 1 - Dec 31 2017 | Variance Plan - Actuals & forecast | Comments on Variances > \$1 Million  |
|--|--------------------|---------------|----------------------------|------------------------------------|--|
| 2017 Vancouver Transit Center PowerSmart Retrofits, Facility Upgrades and Port Coquitlam Transit Center Door Replacement | Facilities         | 1,333         | 253                        | 1,080                              | Variance due to long lead time of lighting fixtures and unforeseen issues with existing equipment.   |
| Operations and Maintenance Centers (OMC) 2 Completion Project  | Facilities         | 1,420         | 183                        | 1,237                              | Variance due to contract negotiation delays.   |
| Facilities projects < \$1 million  | Facilities         | 8,695         | 2,131                      | 6,564                              | Variance due to 2017 cash flows shifting to 2018 for the WCE Modular Trailer Replacement project. Additionally, projects included in the Plan were not brought forward for approval in 2017 including the Trolley Overhead Switch Replacement and Roof Replacement projects. |
| <b>B) Total Facilities</b>   |                    | <b>11,448</b> | <b>2,567</b>               | <b>8,881</b>                       |  |
| Automatic Train Control (ATC) System Recovery and Operation Improvements   | Infrastructure     | 1,800         | 662                        | 1,138                              | Variance due to additional time needed to finalize the scope of work. It also took longer than expected to execute contracts with vendors.   |
| Canada Line Bus Loops  | Infrastructure     | 2,752         | 48                         | 2,704                              | Variance due to delays from complications in obtaining design and permit approvals prior to construction for last bus loop remaining at Richmond-Brighouse. Cash flow shifted to 2018.   |
| Canada Line Capstan Station Design   | Infrastructure     | 1,500         | 62                         | 1,438                              | Variance due to delays in receiving external municipal funding.  |
| Canada Line Station Upgrades   | Infrastructure     | 7,500         | -                          | 7,500                              | This project was not brought forward for approval. Carried over to 2018.   |
| Commercial Broadway SkyTrain Station Phase 2 Upgrade Construction  | Infrastructure     | 31,073        | 11,466                     | 19,607                             | Variance due to delays in project from increased CN rail traffic in the Grandview Cut.   |
| Compass Card and Fare Gate - Phase 3   | Infrastructure     | 6,696         | 3,062                      | 3,634                              | The project has been closed.   |
| Compass System Advancements-Proximity Enabled Accessible Entrances   | Infrastructure     | 1,267         | 3,407                      | (2,140)                            | Variance due to the timing of invoices. Some invoices for work completed in 2016 were received in 2017.  |
| Expo and Millennium Line Signage and Station Fixture Replacement   | Infrastructure     | 6,969         | 4,156                      | 2,813                              | Variance due to contract negotiation delays.   |
| Expo Line Phase I Running Rail 2017  | Infrastructure     | 3,910         | 2,561                      | 1,349                              | Variance due to contract work being less than budget.  |
| Expo Line Running Rail Replacement Implementation  | Infrastructure     | 1,716         | -                          | 1,716                              | Variance due to project only approved (delayed) in September 2017. Cash flow shifted to 2018.  |
| Expo Line Station Escalators - Stage 4   | Infrastructure     | 5,250         | -                          | 5,250                              | This project was not brought forward for approval. Carried over to 2018.   |

| Project Title   | Cap Asset Category | 10 Year Plan | Actual Jan 1 - Dec 31 2017 | Variance Plan - Actuals & forecast | Comments on Variances > \$1 Million   |
|---|--------------------|--------------|----------------------------|------------------------------------|---|
| Expo Line Upgrade Strategy - Burrard station: Design & Implementation | Infrastructure     | 2,319        | 356                        | 1,963                              | Project partially approved (\$920K) in October 2016. Remaining AIP (\$59.8M) initially expected in 2017 has been carried over to 2018, as a result of which the cash flows shifted to 2018. |
| Guildford Exchange  | Infrastructure     | 5,168        | 108                        | 5,060                              | Project partially approved (\$2.5M) in 2017. Remaining AIP (\$2.6M) carried-over to 2018  |
| Investments in transit priority on B-Line corridors                   | Infrastructure     | 5,594        | -                          | 5,594                              | Carried over to 2018 - This project is deemed non-capital since TransLink will make contributions to municipalities for improvements to their infrastructure.                               |
| Joyce-Collingwood Station Upgrade Construction                        | Infrastructure     | 16,503       | 13,199                     | 3,304                              | Variance due to delays in awarding contracts. Therefore, phase 1 construction completion was delayed to December 2017 and Phase 2 construction could not start in 2017.                     |
| Metrotown Bus Loop Refurbishment                                      | Infrastructure     | 2,500        | 93                         | 2,407                              | Project partially approved (\$1.3M) in 2017. Remaining AIP (\$3.7M) carried-over to 2018.   |
| Metrotown Station and Exchange Upgrade Construction                   | Infrastructure     | 20,152       | 21,985                     | (1,833)                            | Variance due to the timing of invoices. Some invoices for work completed in 2016 were received in 2017.   |
| Nanaimo Bus Loop Upgrades   | Infrastructure     | 5,000        | 128                        | 4,872                              | Project partially approved (\$560K) in 2017. Remaining AIP (\$9.4M) carried over to 2018.   |
| Newton Exchange   | Infrastructure     | 6,009        | -                          | 6,009                              | This project was not brought forward for approval. Carried over to 2018.  |
| Operations and Maintenance Centers (OMC) Maintenance Capacity Upgrade | Infrastructure     | 4,500        | -                          | 4,500                              | This project was not brought forward for approval. Carried over to 2018.  |
| Pattullo Bridge Rehabilitation Phase 3- Construction                  | Infrastructure     | 3,738        | 399                        | 3,339                              | Variance due to rehabilitation work on existing bridge being delayed until confirmation of whether a new bridge will be built.  |
| Phase III Expo Line Rail Pad Replacement                              | Infrastructure     | 4,800        | 1,467                      | 3,333                              | Variance due to contractor delays and resource constraints.   |
| Phibbs Exchange Upgrade   | Infrastructure     | 3,230        | -                          | 3,230                              | This project was not brought forward for approval. Carried-over to 2018.  |
| Replace Platform LEDs System  | Infrastructure     | 8,630        | 610                        | 8,020                              | Variance due to project being re-scoped in mid-2017 to separate design phase from implementation phase. Cash flow shifted to 2018.  |
| Road Widening   | Infrastructure     | 4,000        | -                          | 4,000                              | Partial return of funds (\$6.5M) in August 2017. Remaining AIP (\$2.5M) carried-over to 2018.   |
| SeaBus Terminals and Admin Building Envelope Rehab-Construction       | Infrastructure     | 6,197        | 3,945                      | 2,252                              | Variance due to delays in design. Clarifications and negotiations of consultant's proposal were necessary.  |
| SkyTrain Physical Security System Project - Design Phase              | Infrastructure     | 1,622        | 104                        | 1,518                              | Project partially approved (\$485K) in 2017. Remaining AIP (\$7.4M) carried-over to 2018.   |

| Project Title   | Cap Asset Category | 10 Year Plan   | Actual Jan 1 - Dec 31 2017 | Variance Plan - Actuals & forecast | Comments on Variances > \$1 Million   |
|---|--------------------|----------------|----------------------------|------------------------------------|---|
| South of Fraser Rapid Transit SNG Line Advanced Works                     | Infrastructure     | 5,170          | -                          | 5,170                              | Variance due to timing of project approval (August 2017) and contractor award (December 2017). Work to begin in 2018.   |
| South SeaBus Terminal Seismic Upgrade / Accessibility Improvement Project | Infrastructure     | 8,322          | 240                        | 8,082                              | Variance due to delays in permit approvals prior to starting construction phase.  |
| Surrey Central Station Upgrades Construction                              | Infrastructure     | 13,515         | 2,475                      | 11,040                             | Variance due to the construction contract being awarded later than planned as a result of delays in acquisition of the property. Cash flow shifted to 2018.   |
| Surrey Transit Center Compressed Natural Gas (CNG) Facility Retrofit      | Infrastructure     | 14,252         | 11,908                     | 2,344                              | Variance due to project construction being delayed from issues with unforeseen site conditions.   |
| TransLink-Owned investment in cycling infrastructure                      | Infrastructure     | 2,300          | -                          | 2,300                              | This project was not brought forward for approval. Carried over to 2018.  |
| Trolley Overhead (TOH) Pole Replacement                                   | Infrastructure     | 745            | 1,774                      | (1,029)                            | Variance due to the timing of invoices. Some invoices for work completed in 2016 were received in 2017.   |
| Trolley Overhead (TOH) Underground Cable Replacement Program 2017         | Infrastructure     | 1,227          | -                          | 1,227                              | This project was not brought forward for approval. Carried over to 2018.  |
| Infrastructure projects < \$1 million                                     | Infrastructure     | 26,605         | 17,020                     | 9,585                              | Variance due to projects included in the Plan but not brought forward for approval including the SkyTrain OMC Replacement and Bus stop infrastructure for new routes projects. In addition, the variance is due to 2017 cash flows shifting to 2018 for the TransLink-Owned Bicycle Infrastructure and Commercial-Broadway 99 B-Line Canopy projects. |
| <b>C.1) Total Infrastructure</b>  |                    | <b>242,531</b> | <b>101,235</b>             | <b>141,296</b>                     |   |
| BC Hydro Upgrades   | Major Construction | 17,000         | 1,766                      | 15,234                             | Variance due to invoicing based on milestones. Design work was paid upfront; however, additional invoicing is expected in 2018.   |
| Evergreen Extension Integration to Meet Current Standards                 | Major Construction | 5,562          | 815                        | 4,747                              | Variance due to equipment and parts included in the budget that were not required.  |
| Evergreen Line - TransLink Contribution                                   | Major Construction | 15,312         | 11,504                     | 3,808                              | Variance due to some rail equipment having a longer than expected order and manufacturing lead time. Equipment is not expected to be received until mid- 2018.  |
| Millennium Line Broadway Extension Initial Procurement Readiness          | Major Construction | 18,507         | 10,040                     | 8,467                              | Variance due to changes in project timeline. Cash flows shifted to 2018 to support final procurement readiness activities including technical and procurement documentation.  |
| South of Fraser Rapid Transit Procurement Readiness                       | Major Construction | 17,449         | 8,944                      | 8,505                              | Variance due to changes in project timeline. Cash flows shifted to 2018 to support final procurement readiness activities including technical and procurement documentation.  |

| Project Title  | Cap Asset Category            | 10 Year Plan  | Actual Jan 1 - Dec 31 2017 | Variance Plan - Actuals & forecast | Comments on Variances > \$1 Million   |
|--|-------------------------------|---------------|----------------------------|------------------------------------|---|
| Major Construction projects < \$1 million                            | Major Construction            | 5,858         | 6,081                      | (223)                              | Variance due to 2016 cash flows shifted to 2017 in the Golden Ears Bridge project, which has been closed in 2017.   |
| <b>C.2) Total Major Construction</b>                                 |                               | <b>79,688</b> | <b>39,150</b>              | <b>40,538</b>                      |   |
| BCRTC Enterprise Asset Management Implementation                     | Technology Applications       | 1,364         | -                          | 1,364                              | Project approved in November 2017. Cash flows shifted to 2018.  |
| Compass System Advancements  | Technology Applications       | 4,676         | 407                        | 4,269                              | Variance due to delays in preparing documents for project approval. Project approved in late 2017. Cash flows shifted to 2018.  |
| Customer Digital Services - Next Train Prediction and Service Alerts | Technology Applications       | 1,182         | -                          | 1,182                              | The project has been cancelled.   |
| Enterprise Payroll Services - Onboarding BCRTC & WCE                 | Technology Applications       | 1,500         | -                          | 1,500                              | This project was not brought forward for approval. Carried over to 2018.  |
| IT Infrastructure Refresh 2017                                       | Technology Applications       | 4,050         | 2,282                      | 1,768                              | Variance due to shifting of program start from May to November 2017. Cash flows shifted to 2018.  |
| SkyTrain Public Announcement System                                  | Technology Applications       | 1,404         | 314                        | 1,090                              | Variance due to technical delays, which led to a change in control software and schedule extension.   |
| Technology and System projects < \$1 million                         | Technology Applications       | 16,709        | 12,311                     | 4,398                              | Variance due to projects included in the Plan but not brought forward for approval, which include the Data Warehouse Business Intelligence Program, Implement Enterprise-Level Regional Demand Management Strategies and Health and Safety System Implementation. |
| <b>D) Total Technology Applications</b>                              |                               | <b>30,885</b> | <b>15,314</b>              | <b>15,571</b>                      |   |
| 100-400 Series Mark I Refurbishment Project                          | Vehicles Conventional Revenue | 5,246         | 3,432                      | 1,814                              | Variance due to actual costs being less than budget.  |
| 2015 Conventional Replacement Buses                                  | Vehicles Conventional Revenue | 16,420        | 15,052                     | 1,368                              | Variance due to delays in delivery of buses and warranty holdback.  |
| 2017 HandyDART Vehicle Replacement                                   | Vehicles Conventional Revenue | 14            | 1,662                      | (1,648)                            | Variance due to timing of invoices. Cash flows started in December 2017 as opposed to in 2018.  |
| Additional SeaBus Vessel   | Vehicles Conventional Revenue | 12,611        | 8,696                      | 3,915                              | Variance due to changes in builder production schedule and timing of milestones.  |
| Canada Line Fleet Expansion  | Vehicles Conventional Revenue | 44,000        | 1,575                      | 42,425                             | Variance due to budget and scope changes, including additional modification work for more storage tracks and upgrades of power systems.   |
| Mark III Vehicle Procurement (28 cars)                               | Vehicles Conventional Revenue | 3,294         | 15,914                     | (12,620)                           | Variance due to production being ahead of schedule.   |

| Project Title  | Cap Asset Category                    | 10 Year Plan   | Actual Jan 1 - Dec 31 2017 | Variance Plan - Actuals & forecast | Comments on Variances > \$1 Million   |
|--|---------------------------------------|----------------|----------------------------|------------------------------------|---|
| West Coast Express (WCE) Fleet Expansion   | Vehicles Conventional Revenue         | 10,500         | -                          | 10,500                             | Variance due to delays in completing the condition assessment. At the time of project approval, this was planned to be done internally however an external consultant is needed and the contract is expected to be awarded in early 2018. |
| Conventional Vehicle projects < \$1 million  | Vehicles Conventional Revenue         | 80,907         | 79,030                     | 1,877                              | Variance due to timing delays in cash flows in the 2016 and 2017 Community Shuttle Replacement projects.  |
| <b>E) Total Vehicles Conventional Revenue</b>                                      |                                       | <b>172,992</b> | <b>125,361</b>             | <b>47,631</b>                      |   |
| Non-revenue Vehicle projects < \$1 million   | Vehicles Other Revenue or Non-Revenue | 3,791          | 1,863                      | 1,928                              | Variance due to timing delays in cash flows in the 2016 and 2017 CMBC Service Support Vehicle Replacement projects.   |
| <b>F) Total Vehicles Other Revenue or Non-revenue</b>                              |                                       | <b>3,791</b>   | <b>1,863</b>               | <b>1,928</b>                       |   |
| 2010 Major Road Network (MRN) Minor Capital Program - First & Second Wave Projects | MRN                                   | 1,776          | -                          | 1,776                              | Projects in this program were completed under-budget or cancelled. Variance due to delays in billing for work completed.  |
| 2011 Major Road Network (MRN) Minor Capital Program                                | MRN                                   | 1,974          | -                          | 1,974                              | Projects in this program were completed under-budget or cancelled. Variance due to delays in billing for work completed.  |
| 2012 Major Road Network (MRN) Minor Capital Program                                | MRN                                   | 2,093          | 1,073                      | 1,020                              | Projects in this program were completed under-budget or cancelled. Variance due to delays in billing for work completed.  |
| Expanding and upgrading the network of municipal designated cycling routes         | MRN                                   | 6,000          | -                          | 6,000                              | Variance due to delays in municipalities completing projects and delays in billing.   |
| Major Road Network (MRN) Program Funding: MRNB Capital Program/Upgrades            | MRN                                   | 10,000         | 259                        | 9,741                              | Variance due to delays in municipalities completing projects and delays in billing.   |
| Pedestrian Improvements: Walking Access to Transit                                 | MRN                                   | 2,500          | -                          | 2,500                              | Variance due to delays in municipalities completing projects and delays in billing.   |
| Roberts Bank Rail Corridor Program   | MRN                                   | 2,208          | 502                        | 1,706                              | Variance due to timing of invoices. The \$1.7M variance has been paid in January 2018.  |
| UBC Diesel Bus Terminal - TransLink Capital Contribution.                          | MRN                                   | 9,236          | 4,572                      | 4,664                              | Project schedule has extended as additional time is required to complete the project. Cash flow shifted to 2018.  |
| MRN Structures - Seismic Rehab   | MRN                                   | 6,500          | -                          | 6,500                              | The program is still under development.   |
| MRN projects < \$1 million   | MRN                                   | 21,657         | 21,190                     | 467                                | Variance due to timing delays in cash flows in the 2015 MRN and 2017 MRN Capital Program projects.  |
| <b>G) Total MRN</b>  |                                       | <b>63,944</b>  | <b>27,596</b>              | <b>36,348</b>                      |   |
| <b>Enterprise Capital Program Totals</b>   |                                       | <b>651,892</b> | <b>317,810</b>             | <b>334,082</b>                     |   |

## **5 Transportation Demand Management**

Transportation Demand Management (TDM) is coordinated in Metro Vancouver under TransLink's TravelSmart Program. TravelSmart represents partnerships between TransLink, municipalities, various government and non-governmental and industry partners all committed to helping more people choose transit, ridesharing, carpooling, car sharing, cycling and walking in place of single occupancy vehicle trips. Changing behaviour is a component of the TDM measures necessary to balance growing mobility expectations against the capacity of our transportation system and the impacts of our travel choices.

TDM is legislated as part of TransLink's mandate in the South Coast British Columbia Transportation Authority Act under section 4(1) (b) and TravelSmart was Canada's first integrated transportation demand management program. The TravelSmart program identity became established following a successful pilot in nine Metro Vancouver communities in 2005-2006.

The adopted 10-Year Investment Plan and Regional Growth Strategy 1 (RGS 2013) describes policies to meet the demands of over one million new residents and 600,000 new jobs over the next 30 years. Central to the strategy are goals for denser land use and increased investment in transit and active transportation to create the conditions for reducing the high level of single occupancy vehicle trips in most areas. The Regional Transportation Strategy Framework 2 (RTS 2013) responds to the RGS and describes how to "design our communities and transportation systems in such a way that they reduce the distances driven in the region by 33 per cent and make half our trips by walking, cycling and transit". Behaviour change measures are essential to the RTS as they provide the motivation, information and support necessary for individuals to change their travel habits.

The following summarizes activity and outcomes from the 2017 business year according to the 'target area' headings contained in the 2017 TravelSmart work and program plans.

### **2017 TravelSmart Headline Results**

- 275 TravelSmart presentations and workshops delivered to schools, businesses, senior and newcomer groups to the region in 2017.
- Customer engagement at 40 community events with the TransLink Community Engagement Bus reaching over 50,000 people.
- Over 100,000 customers assisted during the Quarterly Bus Service changes.
- 29,000 bicycles parked by The Bicycle Valet at community events.
- Over 4,700 children & adults learned how to bike safely through cycling education programs delivered by partners and cost shared by municipalities including but not limited to Vancouver, Port Moody and Surrey.
- 2,500 seniors provided with travel training instruction and tools, sustainable transportation workshops and HandyDART training.
- 4,500 newcomers to the region provided with travel training and sustainable transportation workshops.
- 5,000 students engaged in school travel planning projects, campaigns and sustainable transportation workshops delivered by both TravelSmart and in partnership with HASTe (Hub for Active School Travel).

### **2017 TravelSmart Programs, Partners & Initiatives**

- Provided customer awareness to support car share priority parking at six SkyTrain Stations: King George, Scott Road, Coquitlam Central, Lougheed Town Centre, Edmonds and Braid.
- Continued sponsorship of Bike to Work & School Weeks, which saw participation increase in the region to over 17,000 participants.
- 3,000 employees registered in the annual Commuter Challenge national campaign to encourage sustainable transportation through the workplace.

- Launched a “Bike to Transit” (#biketotransit) social marketing campaign in partnership with HUB Cycling and Mobi Bike Share during Fall Bike to Work Week.
- Delivered “I Love Transit Week” in October, a campaign that engages youth to celebrate transit which included contests and free bus travel to students across the region. The campaign received over 100 contest entries from school districts in the region.
- Six Compass Card and United Way donation bins were installed on the system to support transportation initiatives to community charities and programs in the region. Bins are located at:
  - YVR-Airport;
  - Stadium-Chinatown Station Compass Service Centre;
  - Waterfront Station;
  - West Coast Express Office;
  - Broadway-City Hall Station; and
  - Vancouver City Centre Station.
- As a way to increase customer experience, the Busker Program was expanded from eight performance locations to ten, with the first two locations outside of the downtown core at Metrotown Station and Surrey Central Station. Busker licenses were awarded to 64 performers.

**Activity and Outcome Report**

| Target Area 1: Strengthen relationships with municipalities, non-governmental organizations (NGO’s) and corporate partners through delivery of relevant Transportation Demand Management programs |   |
|---|---|
| Objectives  | Results   |
| <p>Support stronger municipal partnerships through shared resources, information, campaigns, programs &amp; initiatives.</p>  | <ul style="list-style-type: none"> <li>• Facilitated four TDM Municipal Roundtable meetings with Municipal TDM partners to share resources, encourage collaboration within Municipalities, update and report on TransLink/TravelSmart initiatives</li> <li>• Engaged in strategic collaboration with the Municipalities of Surrey, District of Langley and Maple Ridge to encourage transit use and inform residents of 2017 Quarterly Service Changes, new routes and improvements</li> <li>• Accepted a Climate &amp; Energy Award for Public Sector Collaboration from the Community Energy Association, for Safe and Active School Travel in partnership with the City of North Vancouver and other community partners including ICBC, RCMP, School District 44 and Vancouver Coastal Health</li> <li>• Launched a TDM grant program for municipalities, to support TDM initiatives in 2018. Identified 10 successful applications : City of Surrey, Bowen Island, City of North Vancouver, District of North Vancouver, District of West Vancouver, City of Vancouver, Township of Langley, Maple Ridge, New Westminster and the City of Richmond</li> <li>• Attended over 20 municipal celebrations and events to support/celebrate sustainable transportation including Car Free Day Festivals in Vancouver and Port Moody, Canada Day in Surrey and Ships to Shore in Richmond</li> <li>• Provided cycling education to over 4,700 participants through contracted service providers with a cost-share strategy amongst the municipalities</li> </ul> |

|  |  |
|--|--|
| <p>Deliver Travel Training Programs for Schools, Workplaces, Seniors and Newcomers across the region</p> | <ul style="list-style-type: none"> <li>• Delivered 275 TravelSmart workshops and presentations to schools, workplaces, seniors and newcomers (75 schools, 40 workplaces, 50 seniors groups and 110 newcomer groups)</li> <li>• Delivered as a tool within the TravelSmart for Business Program, the <i>Compass for Organizations</i> program, to encourage transit subsidies to workplaces which resulted in registrations from the BC Business Council, Intel of Canada and the Fairmont Vancouver Hotel</li> <li>• Assisted Strategic Planning with the launch of a vanpool pilot program launch at Seaspan</li> <li>• Fostered strategic partnerships with settlement service providers such as but not limited to the Immigrant Service Society of BC, S.U.C.C.E.S.S, MOSAIC and HUB cycling to reach newcomers with relevant travel training</li> </ul>             |
| <p>Increase partnership development with mobility service providers</p>                                  | <ul style="list-style-type: none"> <li>• Ongoing relationship development with mobility services which include but not limited to: car and bike sharing services, cycling advocates, walking advocates, health authorities, regional planning agencies (Metro Vancouver) and clean energy groups such as the Metro Vancouver led Regional Clean Air Committee</li> <li>• Piloted a <i>#biketotransit</i> campaign in partnership with HUB Cycling and MOBI Bike Share to encourage combining bike trips with transit</li> <li>• Supported customers on a new Car Share priority parking at six SkyTrain Stations:             <ul style="list-style-type: none"> <li>• King George Station</li> <li>• Scott Road Station</li> <li>• Coquitlam Central Station</li> <li>• Lougheed Town Centre</li> <li>• Edmonds Station</li> <li>• Braid Station</li> </ul> </li> </ul> |
| <p>Develop strategic partnerships to strengthen community relations</p>                                  | <ul style="list-style-type: none"> <li>• Successful community partnerships in 2017 included but not limited to: Vancouver Marathon Society, Bar Watch, ICBC, DVBI, YVR, United Way, Car Free Day Festivals, TRAMS Historical Vehicle Society and Donnelly Events</li> </ul>  |
| <p>Major Event Partnerships</p>  | <ul style="list-style-type: none"> <li>• TransLink’s TravelSmart team worked collaboratively with municipalities to support street festivals and civic plaza celebrations to provide communities a reason to celebrate urban life, reclaim streets and explore their cities with sustainable and active transportation. Examples include: Khatsahlano Street Party, Surrey Party for the Planet, Fun City Festival North Vancouver, Canada 150 celebrations and Car Free Days.</li> </ul>  |

| <b>Target Area 2: Support enterprise priorities through community outreach including Compass, Evergreen Extension, service changes and service improvements and customer experience</b> |   |
|---|---|
| <b>Objectives</b>   | <b>Results</b>  |
| Enhance the customer experience with increased TDM education & awareness in the community   | <ul style="list-style-type: none"> <li>Working with various stakeholders, partners and at community events, workshops and presentations, the TravelSmart team continues to provide information, encourage use and educate on Compass particularly in those areas receiving new transit services such as Tri-Cities, Maple Ridge and South Surrey</li> <li>Over 300 Travel training sessions delivered through TravelSmart programming in 2017 to schools, businesses, newcomers, seniors and at events</li> </ul>   |
| Continue efforts to build ridership along the Evergreen Extension and awareness of new bus service in communities   | <ul style="list-style-type: none"> <li>Following the launch of the Evergreen Extension, the TDM team continued to build ridership growth in the area by engaging and assisting customers and stakeholders, answering questions, hearing concerns and providing feedback to planning and operations teams. 50+ workshops and 5 community events were delivered within the Tri-Cities area in early 2017</li> <li>Partnered with various community groups to leverage marketing channels, disseminate information and foster long-term relationships for ridership growth initiatives in early 2017. Some partners include School District 43, SUCCESS, Coquitlam Library, Port Moody Business Parks, Eagle Ridge Hospital, Tri-Cities Chamber of Commerce, ICBC Tri-Cities and Coquitlam Centre</li> </ul> |
| Improve the Customer Experience   | <ul style="list-style-type: none"> <li>Enhanced and expanded TransLink Busker program from 8 performance stations to 10</li> <li>Partner with existing customer ambassador programs (YVR Green Coats &amp; Tourism Vancouver) to provide relevant transit and transportation information</li> </ul>   |

| <b>Target Area 3: Support enterprise priorities through customer engagement including Quarterly Service Changes, area transportation plans and Fare Policy Review</b> |  |
|---|--|
| <p>Inform and promote Quarterly Service Changes</p>   | <ul style="list-style-type: none"> <li>• Provided education materials at major transit exchanges to promote and educate on Quarterly Service Changes (delivery on the 10-Year Plan) and distributed information materials through all TravelSmart partners</li> <li>• Supported promotion and education of Fare Policy Review</li> <li>• Supported promotion and education of revised NightBus Services in partnerships with Business Improvement Associations, Bar Watch, Restaurant Associations</li> </ul>  |
| <p>Utilize the Community Engagement Bus at community events and public outreach activities</p>  | <ul style="list-style-type: none"> <li>• The Community Engagement Bus and TDM staff participated in 20 large community events in 2017 providing the public with key messages, travel planning/tips, tools and information related to TransLink projects, products and services. Some events attended included Celebration of Light, Car Free Days (Vancouver &amp; Port Moody), Khatsahlano Festival (Vancouver), Sapperton Days (New Westminster), Welcome to Coquitlam and West Vancouver Community Days</li> <li>• Launched a kid’s zone on the Community Engagement Bus with interactive activities and games</li> </ul> |
| <p>Supported 10 Year Investment Plan and Fare Policy Review</p>   | <ul style="list-style-type: none"> <li>• Delivered key messages, relevant information and awareness through strategic partner channels, community workshops/presentations and at 40 community events</li> </ul>  |

## 6 Short-Term Fares Assessed

Short-term fares for bus, SeaBus, SkyTrain and HandyDART in 2017 are shown in the table below.

| Fare Type                    | Status     | Time         | Within 1-Zone                    | Within 2-Zones | Within 3-Zones |
|------------------------------|------------|--------------|----------------------------------|----------------|----------------|
| Regular Short-Term Fares:    |            |              |                                  |                |                |
| Cash*                        | Adult      | Regular      | \$2.85                           | \$4.10         | \$5.60         |
|                              |            | Off-Peak     | All Zones — \$2.85               |                |                |
|                              | Concession | Regular      | \$1.80                           | \$2.80         | \$3.80         |
|                              |            | Off-Peak     | All Zones — \$1.80               |                |                |
| DayPass*                     | Adult      | No           | \$10.00 — valid all zones        |                |                |
|                              | Concession | restrictions | \$7.75 — valid all zones         |                |                |
| Discounted Short-Term Fares: |            |              |                                  |                |                |
| Stored Value*                | Adult      | Regular      | \$2.20                           | \$3.25         | \$4.30         |
|                              |            | Off-Peak     | All Zones — \$2.20               |                |                |
|                              | Concession | Regular      | \$1.80                           | \$2.80         | \$3.80         |
|                              |            | Off-Peak     | All Zones — \$1.80               |                |                |
| FareSavers                   | Adult      |              | All Zones — \$22.00 (10 tickets) |                |                |

Buses and HandyDART are all 1-Zone travel daily, every day of the week. FareSavers are only available for sale to HandyDART customers and remain eligible for use only on bus and HandyDART services.

West Coast Express operates on a different fare structure than other transit services. Short-term fares for West Coast Express are shown in the table below.

| Fare Type                        | Status     | Within 1-zone | Within 2-zones | Within 3-zones | Within 4-zones | Within 5-zones |
|----------------------------------|------------|---------------|----------------|----------------|----------------|----------------|
| Regular Short-Term Fares:        |            |               |                |                |                |                |
| One-way Ticket*                  | Adult      | \$5.60        |                | \$7.35         | \$9.10         | \$12.35        |
|                                  | Concession | \$3.30        |                | \$4.30         | \$5.55         | \$7.55         |
| Return Ticket                    | Adult      | \$10.50       |                | \$14.00        | \$17.25        | \$23.25        |
|                                  | Concession | \$6.50        |                | \$8.50         | \$10.75        | \$14.75        |
| Discounted Short-Term Fares:     |            |               |                |                |                |                |
| One-way Ticket-<br>Stored Value* | Adult      | \$4.70        |                | \$6.15         | \$7.55         | \$10.30        |
|                                  | Concession | \$2.75        |                | \$3.55         | \$4.65         | \$6.30         |
| Return Ticket-<br>Stored Value   | Adult      | \$10.25       |                | \$13.25        | \$16.50        | \$22.25        |
|                                  | Concession | \$6.25        |                | \$8.00         | \$10.25        | \$14.00        |

\*The Canada Line YVR Add-Fare is required. Add-Fare is a short-term fare premium over the applicable fare in the amount of \$2.50 each way, which is collected as a return fare premium of \$5.00 payable at YVR-Airport Station, Templeton Station or Sea Island Centre Station for conventional SkyTrain and SeaBus travel.

## 7 Borrowings Undertaken in 2017

### 7.1 Long-term Borrowing

TransLink continues to minimize debt costs through strategic borrowing strategies. During 2017, TransLink issued a new bond with a total par value of \$200 million. TransLink has now raised more than \$1.53 billion from investors in the capital market since 2010. There were no scheduled rate resets on any of the outstanding MFA debt issues in 2017.

The terms of TransLink's long-term debt issuance are detailed below:

| Issue No.                    | Amount Borrowed (Note 1) | Coupon Rate (Note 2) | Remaining Term | Maturity Date | Semi-Annual Interest Payments | Principal due on maturity |
|------------------------------|--------------------------|----------------------|----------------|---------------|-------------------------------|---------------------------|
| TL-6 (issued on 16-Nov-2017) | \$200,000,000            | 3.15%                | 31 Years       | 16-Nov-2048   | \$3,150,000                   | \$200,000,000             |

Note 1: Unsecured, par value.

Note 2: Coupon rate fixed to maturity. Effective yield: **3.183%**.

### 7.2 Short-term Borrowing – via Commercial Paper Program

On May 13, 2010, TransLink launched a \$500 million Commercial Paper Program backstopped with a line of credit from a syndicate of six Canadian chartered banks. Having this \$500 million program available at favourable interest rates, compared to using a bank facility, provides flexibility in managing TransLink's cash flow needs.

| Action | Deal # | Amount         | Interest Rate (%) | Transaction Date | Maturity Date | Total Outstanding |
|--------|--------|----------------|-------------------|------------------|---------------|-------------------|
| Repay  | 192    | (\$60,000,000) |                   | 05-Jan-17        |               | \$180,000,000     |
| Issue  | 197    | \$60,000,000   | 0.83495           | 05-Jan-17        | 09-Feb-17     | \$240,000,000     |
| Repay  | 193    | (\$60,000,000) |                   | 12-Jan-17        |               | \$180,000,000     |
| Issue  | 198    | \$60,000,000   | 0.83495           | 12-Jan-17        | 16-Feb-17     | \$240,000,000     |
| Repay  | 188    | (\$15,000,000) |                   | 19-Jan-17        |               | \$225,000,000     |
| Repay  | 194    | (\$45,000,000) |                   | 19-Jan-17        |               | \$180,000,000     |
| Issue  | 199    | \$60,000,000   | 0.83495           | 19-Jan-17        | 23-Feb-17     | \$240,000,000     |
| Repay  | 196    | (\$45,000,000) |                   | 26-Jan-17        |               | \$195,000,000     |
| Issue  | 200    | \$45,000,000   | 0.83495           | 26-Jan-17        | 02-Mar-17     | \$240,000,000     |
| Repay  | 195    | (\$15,000,000) |                   | 09-Feb-17        |               | \$225,000,000     |
| Repay  | 197    | (\$60,000,000) |                   | 09-Feb-17        |               | \$165,000,000     |
| Issue  | 202    | \$25,000,000   | 0.84130           | 09-Feb-17        | 13-Apr-17     | \$190,000,000     |
| Issue  | 201    | \$50,000,000   | 0.82177           | 09-Feb-17        | 09-Mar-17     | \$240,000,000     |
| Repay  | 198    | (\$60,000,000) |                   | 16-Feb-17        |               | \$180,000,000     |
| Issue  | 203    | \$60,000,000   | 0.82638           | 16-Feb-17        | 30-Mar-17     | \$240,000,000     |
| Repay  | 199    | (\$60,000,000) |                   | 23-Feb-17        |               | \$180,000,000     |
| Issue  | 204    | \$60,000,000   | 0.81767           | 23-Feb-17        | 06-Apr-17     | \$240,000,000     |

| Action | Deal # | Amount         | Interest Rate (%) | Transaction Date | Maturity Date | Total Outstanding |
|--------|--------|----------------|-------------------|------------------|---------------|-------------------|
| Repay  | 200    | (\$45,000,000) |                   | 02-Mar-17        |               | \$195,000,000     |
| Issue  | 206    | \$45,000,000   | 0.80897           | 02-Mar-17        | 13-Apr-17     | \$240,000,000     |
| Repay  | 201    | (\$50,000,000) |                   | 09-Mar-17        |               | \$190,000,000     |
| Issue  | 207    | \$48,000,000   | 0.78273           | 09-Mar-17        | 13-Apr-17     | \$238,000,000     |
| Repay  | 203    | (\$60,000,000) |                   | 30-Mar-17        |               | \$178,000,000     |
| Issue  | 208    | \$60,000,000   | 0.79317           | 30-Mar-17        | 04-May-17     | \$238,000,000     |
| Repay  | 204    | (\$60,000,000) |                   | 06-Apr-17        |               | \$178,000,000     |
| Issue  | 209    | \$60,000,000   | 0.82451           | 06-Apr-17        | 11-May-17     | \$238,000,000     |
| Repay  | 202    | (\$25,000,000) |                   | 13-Apr-17        |               | \$213,000,000     |
| Repay  | 206    | (\$45,000,000) |                   | 13-Apr-17        |               | \$168,000,000     |
| Repay  | 207    | (\$48,000,000) |                   | 13-Apr-17        |               | \$120,000,000     |
| Issue  | 211    | \$60,000,000   | 0.83200           | 13-Apr-17        | 13-Jul-17     | \$180,000,000     |
| Issue  | 210    | \$60,000,000   | 0.81406           | 13-Apr-17        | 18-May-17     | \$240,000,000     |
| Repay  | 208    | (\$60,000,000) |                   | 04-May-17        |               | \$180,000,000     |
| Issue  | 212    | \$60,000,000   | 0.74095           | 04-May-17        | 08-Jun-17     | \$240,000,000     |
| Repay  | 209    | (\$60,000,000) |                   | 11-May-17        |               | \$180,000,000     |
| Issue  | 213    | \$60,000,000   | 0.72007           | 11-May-17        | 15-Jun-17     | \$240,000,000     |
| Repay  | 210    | (\$60,000,000) |                   | 18-May-17        |               | \$180,000,000     |
| Issue  | 214    | \$60,000,000   | 0.70963           | 18-May-17        | 22-Jun-17     | \$240,000,000     |
| Repay  | 212    | (\$60,000,000) |                   | 08-Jun-17        |               | \$180,000,000     |
| Issue  | 215    | \$60,000,000   | 0.68874           | 08-Jun-17        | 13-Jul-17     | \$240,000,000     |
| Repay  | 213    | (\$60,000,000) |                   | 15-Jun-17        |               | \$180,000,000     |
| Issue  | 216    | \$60,000,000   | 0.68874           | 15-Jun-17        | 20-Jul-17     | \$240,000,000     |
| Repay  | 214    | (\$60,000,000) |                   | 22-Jun-17        |               | \$180,000,000     |
| Issue  | 217    | \$90,000,000   | 0.74802           | 22-Jun-17        | 03-Aug-17     | \$270,000,000     |
| Repay  | 211    | (\$60,000,000) |                   | 13-Jul-17        |               | \$210,000,000     |
| Repay  | 215    | (\$60,000,000) |                   | 13-Jul-17        |               | \$150,000,000     |
| Issue  | 220    | \$30,000,000   | 1.11010           | 13-Jul-17        | 12-Oct-17     | \$180,000,000     |
| Issue  | 219    | \$60,000,000   | 1.06800           | 13-Jul-17        | 14-Sep-17     | \$240,000,000     |
| Issue  | 218    | \$60,000,000   | 1.04390           | 13-Jul-17        | 17-Aug-17     | \$300,000,000     |
| Repay  | 216    | (\$60,000,000) |                   | 20-Jul-17        |               | \$240,000,000     |
| Issue  | 221    | \$60,000,000   | 1.05435           | 20-Jul-17        | 24-Aug-17     | \$300,000,000     |
| Repay  | 217    | (\$90,000,000) |                   | 03-Aug-17        |               | \$210,000,000     |
| Repay  | 218    | (\$60,000,000) |                   | 17-Aug-17        |               | \$150,000,000     |
| Issue  | 223    | \$60,000,000   | 1.17269           | 17-Aug-17        | 19-Oct-17     | \$210,000,000     |
| Issue  | 222    | \$60,000,000   | 1.11705           | 17-Aug-17        | 21-Sep-17     | \$270,000,000     |
| Repay  | 221    | (\$60,000,000) |                   | 24-Aug-17        |               | \$210,000,000     |
| Issue  | 224    | \$60,000,000   | 1.10660           | 24-Aug-17        | 28-Sep-17     | \$270,000,000     |
| Repay  | 219    | (\$60,000,000) |                   | 14-Sep-17        |               | \$210,000,000     |

| Action | Deal # | Amount         | Interest Rate (%) | Transaction Date | Maturity Date | Total Outstanding |
|--------|--------|----------------|-------------------|------------------|---------------|-------------------|
| Issue  | 225    | \$60,000,000   | 1.21112           | 14-Sep-17        | 19-Oct-17     | \$270,000,000     |
| Repay  | 222    | (\$60,000,000) |                   | 21-Sep-17        |               | \$210,000,000     |
| Issue  | 226    | \$60,000,000   | 1.17976           | 21-Sep-17        | 26-Oct-17     | \$270,000,000     |
| Repay  | 224    | (\$60,000,000) |                   | 28-Sep-17        |               | \$210,000,000     |
| Issue  | 228    | \$30,000,000   | 1.23086           | 28-Sep-17        | 30-Nov-17     | \$240,000,000     |
| Issue  | 227    | \$60,000,000   | 1.16931           | 28-Sep-17        | 02-Nov-17     | \$300,000,000     |
| Repay  | 220    | (\$30,000,000) |                   | 12-Oct-17        |               | \$270,000,000     |
| Issue  | 229    | \$30,000,000   | 1.17976           | 12-Oct-17        | 16-Nov-17     | \$300,000,000     |
| Repay  | 223    | (\$60,000,000) |                   | 19-Oct-17        |               | \$240,000,000     |
| Repay  | 225    | (\$60,000,000) |                   | 19-Oct-17        |               | \$180,000,000     |
| Issue  | 230    | \$60,000,000   | 1.19021           | 19-Oct-17        | 23-Nov-17     | \$240,000,000     |
| Issue  | 231    | \$60,000,000   | 1.31993           | 19-Oct-17        | 18-Jan-18     | \$300,000,000     |
| Repay  | 226    | (\$60,000,000) |                   | 26-Oct-17        |               | \$240,000,000     |
| Issue  | 232    | \$60,000,000   | 1.19021           | 26-Oct-17        | 30-Nov-17     | \$300,000,000     |
| Repay  | 227    | (\$60,000,000) |                   | 02-Nov-17        |               | \$240,000,000     |
| Issue  | 233    | \$60,000,000   | 1.19021           | 02-Nov-17        | 07-Dec-17     | \$300,000,000     |
| Repay  | 229    | (\$30,000,000) |                   | 16-Nov-17        |               | \$270,000,000     |
| Repay  | 230    | (\$60,000,000) |                   | 23-Nov-17        |               | \$210,000,000     |
| Issue  | 234    | \$60,000,000   | 1.20094           | 23-Nov-17        | 04-Jan-18     | \$270,000,000     |
| Repay  | 228    | (\$30,000,000) |                   | 30-Nov-17        |               | \$240,000,000     |
| Repay  | 232    | (\$60,000,000) |                   | 30-Nov-17        |               | \$180,000,000     |
| Issue  | 235    | \$60,000,000   | 1.20966           | 30-Nov-17        | 11-Jan-18     | \$240,000,000     |
| Repay  | 233    | (\$60,000,000) |                   | 07-Dec-17        |               | \$180,000,000     |
| Issue  | 236    | \$60,000,000   | 1.27159           | 07-Dec-17        | 08-Feb-18     | \$240,000,000     |

**B. AUDITED FINANCIAL STATEMENTS**

The 2017 Audited Financial Statements is attached as Appendix A.

## C. COMPLAINTS SUMMARY

### Corporate Overview

In 2017, TransLink's combined service hours for the Bus and Rail division (including HandyDART) increased to 7.28 million service hours from 6.92 million service hours in 2016. The number of boarded passengers increased by 6 per cent from 386 million in 2016 to 408 million in 2017. A summary of complaints and customer interactions is provided in Table A below.

While the number of boarded passengers grew, transit service complaints decreased by 4 per cent. The decrease can be attributed to expanded service across the region as well as generally improved customer service and increased customer familiarity with the Compass Card system. Complaints previously listed as CMBC Service Planning have now been categorized under TransLink Corporate.

"Complaints per million customer interactions" is the broader Enterprise complaint measure. This represents the ratio of all complaints from across the Enterprise against the total number of Enterprise-wide customer interactions, allowing us to report out on our performance as a whole. For this measure, customer interactions are defined as total (or all) Boardings on the transit system and the number of Golden Ears Bridge crossings. For 2017, Enterprise-wide complaints were 37,510 against a total of 423 million customer interactions, resulting in a ratio of 88.6 complaints per million customer interactions compared to 99.5 for 2016.

**Table A**

| <b>Corporate Summary</b>                            | <b>2017</b>        | <b>2016</b>        | <b>2015</b>        | <b>2014</b>        |
|---|--------------------|--------------------|--------------------|--------------------|
| CMBC  | 27,383             | 29,353             | 27,247             | 27,313             |
| SkyTrain (Expo and Millennium Lines)                | 3,618              | 2,860              | 2,692              | 3,219              |
| SkyTrain (Canada Line)                              | 909                | 683                | 340                | 325                |
| West Coast Express                                  | 239                | 777                | 888                | 519                |
| HandyDART   | 1,676              | 1,471              | 1,337              | 1,581              |
| <b>Transit Service Complaints</b>                   | <b>33,825</b>      | <b>35,144</b>      | <b>32,504</b>      | <b>32,957</b>      |
| Golden Ears Bridge                                  | 351                | 315                | 203                | 452                |
| TransLink Corporate                                 | 3,334              | 4,317              | 3,412              | 2,762              |
| <b>Total Complaints</b>                             | <b>37,510</b>      | <b>39,776</b>      | <b>36,119</b>      | <b>36,171</b>      |
| <b>Total Customer Interactions</b>                  | <b>423,406,928</b> | <b>399,717,623</b> | <b>376,957,159</b> | <b>368,625,663</b> |
| <b>Complaints per Million Customer Interactions</b> | <b>88.6</b>        | <b>99.5</b>        | <b>95.8</b>        | <b>98.1</b>        |

### **Coast Mountain Bus Company**

CMBC saw a 7 per cent decrease in total complaints mainly due to service expansion in the region, an improvement in operator customer service and a re-categorization of complaints from CMBC Service Planning to TransLink Corporate.

The focus on the customer experience and completion of “Customer First” initiatives resulted in the following accomplishments in 2017:

- Implemented weekly on-time performance focus on identified problem routes and corridors by having Transit Supervisors monitor scheduled timing points, running time and operator performance; this reduced associated customer complaints on this service by approximately 19 per cent year over year.
- Introduced the use of Passenger Information Displays and onboard announcements to communicate major system disruptions in service.
- Completed air conditioning modifications on the Otter II and Pacific Breeze to address passenger complaints during hot weather.
- Improved customer Transit Alerts including implementing true SMS messaging.

For CMBC, in 2017, slightly less than half (49.8 per cent) of the complaints involved staff (operators) and 50.2 per cent of complaints were related to service delivery. Overall these complaint category percentages are consistent to previous years.

All complaints are logged and assigned a priority code of P1 or P3. P1 complaints are urgent and in 2017 all were resolved within 48 hours. P3 complaints are less critical and must be resolved within 15 business days. Approximately 95 per cent of complaints were closed within 15 business days, which is an 8 per cent improvement from last year.

### **SkyTrain — Expo and Millennium Lines**

There was a 27 per cent increase in complaints between 2016 and 2017 mainly driven by the realignment of the Expo and Millennium Lines in December 2016 where the effects of those changes impacted customers the most starting January 2017 (Expo Line changed to King George/Production Way Station and Millennium VCC-Clark to Lougheed Town Centre Station.) There was an increase in complaints that mainly dealt with the 2-car trains running on the Millennium Line to VCC-Clark. In addition, over the course of the spring and summer of 2017, the Rail division conducted their first rail grinding maintenance on the new extension and this generated a lot of noise complaints from residents living in close proximity to the Port Moody SkyTrain area.

Under Customer Relations, there were 439 complaints in 2016 but this figure declined by 12 per cent in 2017. Increasing the number of SkyTrain Attendants during peak service hours, as well as to attend fare gate arrays to improve visibility, assist customers and deter fare evasion has been reflected in the reduced number of complaints. These improvements coincide with the Customer Service Performance Ratings conducted by Ipsos which shows increased ratings compared to previous years for the attribute courteous, competent and helpful staff. Improved visibility and assistance from front line staff signifies our efforts and accomplishments to improve customer service throughout the system.

Track maintenance was performed throughout the year to ensure the reliability and preservation of the rail. In February, SkyTrain commenced the Expo Line Running Rail Replacement Project which included the replacement of rail pads and approximately 5,000 linear metres of running rail at four main locations close to Metrotown, Main Street-Science World, Stadium-Chinatown and Waterfront stations. During this work, single-tracking operation was required which added additional travel time for customers. However, through review of ridership data and scheduled events, work was scheduled during late evenings to minimize interruptions to our passengers. In addition, customers were informed regarding the maintenance work through continuous use of station digital

reader boards, signage and the TransLink website. Although every effort was made to reduce passenger inconvenience, complaints relating to delays under the Trains category increased in 2017.

The Mystery Shopper program was revised in January 2017 to incorporate changes with the Evergreen Extension and six stations (Lafarge Lake-Douglas, Coquitlam Central, Inlet Centre, Moody Centre and Burquitlam). Further, categories for fare gate working condition, fare system and exit ticket phones were added to the shopper assessment form. Shops evaluated along the Evergreen Extension earned perfect scores for categories under Exit Ticket Phone Representatives, wait times and the working condition of the fare gates.

### **SkyTrain - Canada Line**

The overall number of Canada Line complaints received in 2017 represents an increase of 33 per cent when compared to 2016. The majority of the complaints received were in the Customer Relations and Trains categories associated with the winter weather challenges experienced in the first part of February.

During the month of February 2017, Canada Line received 21 customer service complaints compared to five complaints in 2016. In addition there were 29 complaints related to trains, delays and announcements in 2017 compared to two in the previous year.

Our key transportation goals are to provide reliable, safe and efficient travel for all customers. In 2017, the Canada Line Operator with the support of BCRTC proceeded to initialize and implement corrective operational and technical strategies to mitigate major service disruptions caused by severe weather conditions. These initiatives included the installation of heat tracers and cover boards to address traction issues.

In addition, a pilot program to increase front-line staffing levels in response to severe weather conditions was implemented in the winter season 2017/2018. We have found through past experience that calling in extra staff helps with customer relations and service reliability during significant snowfall and freezing rain events. This program will be reviewed in early 2018 for possible formalization of the process.

In support of the regional transportation strategies, additional service was provided on the Canada Line during peak travel times. This initiative improved customer service, reduced crowding on the platforms and aligned the peak service hours with the Expo and Millennium Line. Further service improvements are planned with the acquisition of additional vehicles and improvements to systems and infrastructure as part of the 10-Year Vision.

### **West Coast Express**

In 2017, West Coast Express (WCE) received a total of 239 complaints, a sharp decline of 69 per cent over the previous year. The single greatest driver of those complaints was related to CP operational issues which have decreased substantially. There were 462 complaints in 2016 related to service delivery and reliability combined. In 2017 that number dropped to 57 complaints, representing a percentage change of 88 per cent. Other areas that saw a decrease in complaints pertained to Stations and Parkways (37 per cent), Customer Relations (45 per cent) and Safety and Security (13 per cent).

During the months of June, July and August, WCE started to see an increase in walk-in business, completing an average of 4,200 transactions per month. This is an annual cycle that sees a large number of tourists visit the Walk-In Centre with Compass Card inquiries and purchases.

The months of September and October brought in a wave of new riders to the system. With that came a slight increase in complaints pertaining to onboard vehicles, including Wi-Fi availability. There were also etiquette related issues about loudness, excessive perfume and seat saving. WCE's Etiquette Outlaw program continues to be utilized throughout the year as a method to promote good commuter behavior. Frequent train walks performed by the Conductor also helped to deter any undesirable conduct.

By year end, TransLink introduced their “Park&Go” phone app, which replaced the WCE Pay by Phone payment service. The transition began near the end of November. Platform signage and brochure handouts which included a complimentary 1-day parking were used to inform customers of the change.

Of the total 239 complaints in 2017, 99 per cent were resolved within 24 hours. Those issues that required assistance from other departments or parts of the organization may take up to seven days to resolve.

### **HandyDART**

HandyDART complaint numbers increased by 14 per cent from 2016 while the number of trips increased by 2 per cent. Significant increases in complaints were in areas of: on-time performance, ride time and taxi driver conduct.

Of all complaints, taxi complaints accounted for 34 per cent, operator-related complaints for 42 per cent and service-related complaints for 24 per cent. Follow-up after each complaint is done as well as any required coaching provided to employees by the HandyDART service provider, MVT Canadian Bus Inc. (MVT). Taxi-related complaints are forwarded to the respective taxi company and followed up with them.

Service availability related complaints remained low at 16. This can be attributed to the additional service that was implemented to reduce the number of trip denials to HandyDART customers in 2017. With denials at a record low level of 1,362, service availability complaints represented less than one per cent of all complaints.

As in 2016, all complaints were followed-up with both the employee as well as the customer, whether it is a complaint regarding a trip on a HandyDART vehicle or in a taxi. Training for taxi drivers continues to be provided by the Justice Institute, the taxi companies, as well as by MVT who provides their train-the-trainer program to all taxi companies at no cost. Furthermore, improvements in taxi training are also under review in 2018 to further enhance the service.

HandyDART feedback was brought in-house to CMBC in early October 2017. Since then there has been an increase in the number of complaints. Complaints are addressed as follows: P1 within 48 hours and all others within five business days.

### **Golden Ears Bridge**

On September 1, 2017, the Province of British Columbia eliminated bridge tolling throughout the province. Toll operations on the Golden Ears Bridge were provided under an agreement with toll operator V-Flow Tolling Inc. (V-Flow). V-Flow performed customer satisfaction surveys from January through to the end of August. In 2017, 5,997 customers were surveyed, giving an overall ‘Completely Satisfied’ average rating of 94 per cent.

### Detailed Complaint Tables

Tables “B” and “C” show complaints received in 2017, 2016, 2015 and 2014. Table “B” reflects specific transit service complaints for the same period. Table “C” covers Golden Ears Bridge and TransLink Corporate for the same period.

**Table B**

| Complaints by Transit Service Type |               |                   | 2017          | 2016          | 2015          | 2014          |
|------------------------------------|---------------|-------------------|---------------|---------------|---------------|---------------|
| CMBC                               | Bus 2017*     | HandyDART<br>2017 | Total         | Total         | Total         | Total         |
| Service Delivery                   | 10,059        | 968               | 11,027        | 11,235        | 10,109        | 9,255         |
| Service Planning                   | 1,524         | 0                 | 1,524         | 2,731         | 2,151         | 1,970         |
| Staff                              | 13,624        | 708               | 14,332        | 15,413        | 15,140        | 15,702        |
| Website                            | 181           | 0                 | 181           | 98            | 20            | 57            |
| Fares / Fare<br>Equipment          | 0             | 0                 | 0             | 3             | 2             | 3             |
| Cell Phone/Radio                   | 39            | 0                 | 39            | 51            | 55            | 47            |
| Accessibility/Racks                | 218           | 0                 | 218           | 161           | 132           | 172           |
| Other                              | 1,738         | 0                 | 1,738         | 1,132         | 975           | 1,688         |
| <b>Subtotal</b>                    | <b>27,383</b> | <b>1,676</b>      | <b>29,059</b> | <b>30,824</b> | <b>28,584</b> | <b>28,894</b> |

\*Includes SeaBus and Community Shuttle, plus the contracted services of Langley, New Westminster Community Shuttles and West Vancouver Transit. Prior year total numbers also include HandyDART.

| Complaints by Transit Service Type 2017          |  |                            |                          | 2016               | 2015               | 2014               |
|--|--|----------------------------|--------------------------|--------------------|--------------------|--------------------|
| BCRTC  | SkyTrain<br>Expo and<br>Millennium<br>Line | SkyTrain<br>Canada<br>Line | West<br>Coast<br>Express | Total              | Total              | Total              |
| System Schedule                                  | 9  | 11                         | 57                       | 77                 | 522                | 684                |
| Fares/TVM/CVM                                    | 1,822                                      | 708                        | 25                       | 2,555              | 1,876              | 1,609              |
| Stations/Parkways                                | 342  | 19                         | 39                       | 400                | 358                | 446                |
| Trains   | 979  | 56                         | 52                       | 1,087              | 805                | 897                |
| Customer Relations                               | 388  | 83                         | 36                       | 507                | 580                | 707                |
| Safety/Security                                  | 78   | 32                         | 13                       | 123                | 74                 | 64                 |
| Other  | 0  | 0                          | 17                       | 17                 | 105                | 148                |
| <b>Sub-Total</b>                                 | <b>3,618</b>                               | <b>909</b>                 | <b>239</b>               | <b>4,766</b>       | <b>4,320</b>       | <b>3,920</b>       |
| <b>Total Complaints (CMBC + BCRTC)</b>           |  |                            |                          | <b>33,825</b>      | <b>35,144</b>      | <b>32,504</b>      |
| <b>Boarded Passengers (actual)</b>               |  |                            |                          | <b>408,237,428</b> | <b>386,191,923</b> | <b>364,261,259</b> |
| <b>Complaints per Million Boarded Passengers</b> |  |                            |                          | <b>82.9</b>        | <b>91.0</b>        | <b>89.2</b>        |

**Table C**

| <b>Golden Ears Bridge</b>               | <b>2017</b>       | <b>2016</b>       | <b>2015</b>       | <b>2014</b>       |
|---|-------------------|-------------------|-------------------|-------------------|
| Customer Service                        | 138               | 147               | 104               | 304               |
| Toll System and Processes               | 25                | 26                | 5                 | 24                |
| Toll Charges and Payment                | 15                | 2                 | 8                 | 18                |
| Miscellaneous                           | 173               | 140               | 86                | 106               |
| <b>Total Complaints</b>                 | <b>351</b>        | <b>315</b>        | <b>203</b>        | <b>452</b>        |
| <b>Total Crossings</b>                  | <b>15,169,500</b> | <b>13,525,700</b> | <b>12,695,900</b> | <b>11,695,900</b> |
| <b>Complaints per Million Crossings</b> | <b>23</b>         | <b>23</b>         | <b>16</b>         | <b>38</b>         |

  

| <b>TransLink Corporate</b>   | <b>2017</b> | <b>2016</b> | <b>2015</b> | <b>2014</b> |
|--|-------------|-------------|-------------|-------------|
| Policy-Related (Fares, service optimization, advertising, Compass, fare gates, etc.) | 5,867       | 4,317       | 3,412       | 2,762       |

### Complaint Handling Through Social Media

TransLink's main social media channels for handling complaints in 2017 were Twitter, Facebook and the Buzzer Blog.

Social media enables TransLink to respond almost instantly to customers, which is critical when there is a transit service disruption and customers need accurate service information quickly. Through social media, TransLink is able to quickly and effectively address issues directly with customers and indirectly with many others as customers re-broadcast TransLink's response. From a complaint management standpoint, this quick response time addresses many of the complaints TransLink would typically receive. However, the volume of interactions and higher expectations for response, particularly during and after a major or prolonged service disruption, presents its own challenge. When complaints are made via social media, the protocol is to ask customers to log their complaints with our Customer Information department and to respond via social media as best as possible.

#### Twitter

Our @TransLink Twitter channel became permanently staffed in 2011 after the proven success of the 2010 social media pilot. Customers continue to enjoy quick replies to their transit service questions, which contributes to continued growth of the channel.

At the end of 2017, @TransLink had 168,853 followers. By comparison, at the end of 2016, @TransLink had 135,826 followers and at the end of 2015, @TransLink had 87,147 followers. We expect to reach nearly 200,000 followers by the end of 2018. By 2017 year end, TransLink averaged roughly 211 tweets a day, which is a significant increase from roughly 150 a day in 2015-2016.

Service disruption was the most popular topic on Twitter in 2017.

#### Buzzer Blog

The Buzzer blog serves as a place for long-form conversations about transportation in Metro Vancouver since 2008. The blog is part of TransLink's digital presence and is often accessed by links posted on our other social media properties. The Buzzer blog had roughly the same page views as 2017 and 2016 at slightly over 200,000 page views.

The #ThanksABillion, #Canada150 and #ILoveTransit campaigns, as well as the Metrotown elevator replacement posts, were the most engaged with or viewed posts for the year.

### **Facebook**

TransLink's Facebook page continues to grow since its inception in 2010. The TransLink Facebook page is a place to communicate with our customers on transit-related information, share photos and videos and provide information on major service changes. By the end of 2017, the TransLink page had 31,218 followers compared to 26,148 followers in 2016 and 17,338 followers in 2015.

Top posts included cougar on transit, the bus operator recruitment video and the double decker bus pilot.

## D. CUSTOMER SATISFACTION

### 2017 Customer Service Performance Ratings

Table D below summarizes the percentage of customers who gave good-to-excellent service ratings, which is defined as a rating of 8, 9, or 10 out of 10.

All Transit System and mode-specific attribute measures, including overall service, are based on asking the customers directly. In other words, overall service is not calculated mathematically from any of the specific service attributes, such as frequency or reliability.

The analysis is segmented into the following groups:

- Transit System (includes people who have ridden the bus, SeaBus or SkyTrain at least once within the last 30 days);
- Bus System (includes all CMBC bus service as well as West Vancouver Transit and contracted Community Shuttle service);
- SkyTrain (as of August 17, 2009, the SkyTrain segment includes the Canada Line);
- SeaBus;
- West Coast Express (excludes TrainBus); and
- HandyDART (with registered HandyDART customers).

Data is from three sources:

- TransLink's Bus, SkyTrain, SeaBus Customer Service Performance Survey interviews adults who have taken transit at least once within the last 30 days in Metro Vancouver. Interviews are conducted daily and by phone.
- TransLink's West Coast Express Customer Service Performance Survey is conducted twice per year (March and September) onboard the West Coast Express train. Surveys are partially administered by an interviewer and may be completed by the individual.
- TransLink's HandyDART Customer Service Performance Survey is conducted once per year in the fall by phone and primarily with past month's users of the service.

### Customer Service Performance Summary for 2017 — Transit System, Bus, SeaBus, SkyTrain, West Coast Express and HandyDART

#### Transit System

In 2017, almost two-thirds of adult transit riders (63 per cent) gave the system good-to-excellent scores of 8, 9 or 10 out of 10 for overall service. This is up from last year (60 per cent), with an increasing trend over the first three quarters of the year. The overall service rating at the system level is lower than each of the overall service ratings by mode.

The transit system service attribute that customers remain most critical of is the availability of bus shelters at bus stops throughout the region. Transit bus shelters are provided by the municipalities. Less than half of customers consistently rate this aspect of transit service as being good to excellent (8 out of 10 or higher). However, more than half (55 per cent) of TransLink's customers feel they are getting good-to-excellent value for the money they spend on transit. This has been trending upward over the past few years (53 per cent in 2016 and 48 per cent in 2015) and appears unaffected by the fare change in July of this year.

## **Bus System**

Close to two thirds (65 per cent) of bus riders rated the overall bus service provided in Metro Vancouver as good-to-excellent, which is consistent with 2016.

The top three areas of bus service strength are: having an operator who drives safely and professionally, feeling safe from crime on board the bus and having a direct route. Four in five riders gave scores of 8 or higher to these attributes.

Overcrowding, on-time reliability and frequency of service remain the three lowest-rated bus service attributes (51 per cent, 57 per cent and 51 per cent, respectively). Most attributes of bus service are consistent with last year, except for improvements in ratings for overcrowding and frequency of service.

## **SkyTrain**

In 2017, 76 per cent of SkyTrain customers, which includes Canada Line, gave the overall service good-to-excellent scores. This is an increase of one percentage point over 2016.

The two lowest-rated attributes of SkyTrain service relate to staff availability and the announcement and explanation of delays. The announcement of delays increased over 2016 (36 per cent, up from 31 per cent) while staff availability remained the same over 2016 at 38 per cent.

## **SeaBus**

SeaBus is the highest-rated transit mode with four in five SeaBus customers (82 per cent) rating the service as an 8 out of 10 or higher for overall service. The overall service and all other SeaBus attributes ratings are mostly consistent with last year.

## **West Coast Express**

Four in five (79 per cent) West Coast Express riders gave overall service good-to-excellent scores (down from 84 per cent in 2016), with lower ratings in the spring pulling down the annual rating. This holds true for some other attributes of WCE service while some saw improvements. Most notably good connections with other transit modes went down to 58 per cent (64 per cent in 2016).

Over the course of the year, there were a few track-sharing and switching issues leading to delays, including at least four during the data-gathering period in spring that may have contributed to the lower ratings seen during that period.

## **HandyDART**

HandyDART Service is a highly-rated transit service, with three quarters of its riders (74 per cent) giving it good-to-excellent ratings for overall service, which is down from the 2016 ratings (79 per cent). Most attributes continue to achieve very high ratings, especially those related to drivers' abilities. Ratings for value for money remain very high as well (87 per cent).

The three lowest-scoring HandyDART attributes are: service availability, on-time reliable service and ease of booking a trip. These attributes all achieve very respectable ratings (73 per cent, 68 per cent and 70 per cent respectively).

**Table D - 2017 Customer Service Performance Scores**

| Attributes   | Transit system  | Bus system <sup>1</sup> | SkyTrain <sup>2</sup> | SeaBus | West Coast Express | Handy DART <sup>3</sup> |
|--|---|-------------------------|-----------------------|--------|--------------------|-------------------------|
|  | <b>Per cent who gave scores of 8, 9 or 10 out of 10</b> |                         |                       |        |                    |                         |
| Overall Service  | 63  | 65                      | 76                    | 82     | 79                 | 74                      |
| Value for Money  | 55  |                         |                       |        | 60                 | 87                      |
| Good Connections   | 50  |                         |                       |        | 58                 |                         |
| Adequacy of Transit Information — Stops/Stations   | 48  |                         |                       |        |                    |                         |
| Adequacy of Transit Information On-Board — Bus   | 50  |                         |                       |        |                    |                         |
| Adequacy of Transit Information On-Board-- SkyTrain  | 64  |                         |                       |        |                    |                         |
| Adequacy of Transit Information On-Board — SeaBus  | 55  |                         |                       |        |                    |                         |
| Transit Information Availability (On-Board and Stations)                                       |   |                         |                       |        | 72                 |                         |
| Operation of Service During Convenient Hours   | 55  |                         |                       |        | 47                 |                         |
| Having Enough Bus Shelters   | 36  |                         |                       |        |                    |                         |
| Ease of Getting Information from Telephone Information Line                                    | 70  |                         |                       |        |                    |                         |
| Ease of Finding Information on Website   | 59  |                         |                       |        |                    |                         |
| Having a Courteous Bus Operator/Having Courteous, Competent and Helpful Staff/Drivers          |   | 76                      | 76                    | 94     | 93                 | 94                      |
| Safe and Professional Bus Operator   |   | 84                      |                       |        |                    |                         |
| Feeling Safe from Crime On Board the Bus / SkyTrain  |   | 83                      | 81                    |        |                    |                         |
| Feeling Safe from Crime at the Stop and Transit Exchange /Inside SkyTrain Stations / at SeaBus |   | 78                      | 74                    | 87     |                    |                         |
| Feeling Safe from Crime (On-Board and Stations)  |   |                         |                       |        | 90                 |                         |
| Feeling Safe from Crime (WCE Parking Lots)   |   |                         |                       |        | 65                 |                         |
| Not Being Overcrowded  |   | 51                      | 48                    | 73     | 60                 |                         |
| On-Time, Reliable Service  |   | 57                      | 81                    | 93     | 69                 | 68                      |
| Clean and Graffiti Free Buses / SkyTrain Cars / Vessel / Vehicles And Stations                 |   | 73                      | 74                    | 84     | 92                 |                         |
| Having A Direct Route  |   | 80                      |                       |        |                    |                         |
| Trip Duration from the Time You Boarded to the Time You Got Off                                |   | 75                      |                       | 87     | 85                 |                         |
| Frequency of Service   |   | 51                      | 74                    | 66     | 62                 |                         |

| Attributes  | Transit system | Bus system <sup>1</sup> | SkyTrain <sup>2</sup> | SeaBus | West Coast Express | Handy DART <sup>3</sup> |
|---|----------------|-------------------------|-----------------------|--------|--------------------|-------------------------|
| Staff Availability  |                |                         | 38                    | 68     | 84                 |                         |
| Delays Are Announced and Explained                                  |                |                         | 36                    |        | 64                 |                         |
| Enough Parking  |                |                         |                       |        | 49                 |                         |
| Equipment Provides a Safe Ride                                      |                |                         |                       |        | 91                 |                         |
| Driver's Skills to Assist Passengers Who Have a Physical Disability |                |                         |                       |        |                    | 93                      |
| Feeling Safe from Injury When Riding HandyDART                      |                |                         |                       |        |                    | 93                      |
| Ease of Booking a Trip on HandyDART                                 |                |                         |                       |        |                    | 70                      |
| HandyDART Vehicle Cleanliness and Good Repair                       |                |                         |                       |        |                    | 91                      |
| Availability of HandyDART When Needed                               |                |                         |                       |        |                    | 73                      |

<sup>1</sup>Beginning in April 2008, the bus service attribute, courteous, competent and helpful bus operator was split into two attributes, "having a courteous bus operator" and "having an operator who drives safely and professionally".

<sup>2</sup>As of August 17, 2009, the overall SkyTrain measures include Canada Line customers.

<sup>3</sup>Beginning in 2013, when rating the HandyDART service, customers were asked to focus on trips they made on traditional HandyDART vehicles.

**E. CHANGES TO ARTICLES OF THE AUTHORITY**

There were no amendments to the Articles of the Authority in 2017.

**F. BOARD SUMMARY**

| Meeting Date      | Board/Committee Meeting  | Resolutions/Outcomes   |
|-------------------|--|--|
| January 25, 2017  | Board Meeting  | <ul style="list-style-type: none"> <li>Proposed Amendment to Metro Vancouver’s Regional Growth Strategy – Sewerage Extension Provisions, approved.</li> </ul>  |
| February 3, 2017  | Joint Regional Mobility Pricing Steering Committee (Board and Mayors’ Council)           | <ul style="list-style-type: none"> <li>Establishment of a Mobility Pricing Independent Commission recommended for Board and Mayors’ Council approval.</li> <li>Regional Mobility Pricing Steering Committee meetings to be open to the public as appropriate, approved.</li> <li>Mobility Pricing Independent Commission recruitment and screening criteria, endorsed.</li> <li>Direction to staff to obtain quotes and arrange interviews with recruitment firms, approved.</li> <li>Compensation model for the Mobility Pricing Independent Commission, endorsed.</li> </ul> |
| February 17, 2017 | Joint Regional Mobility Pricing Steering Committee (Board and Mayors’ Council)           | <ul style="list-style-type: none"> <li>Mobility Pricing Independent Commission membership set at ten, approved.</li> </ul>   |
| February 23, 2017 | Board of Directors, Consent Resolution   | <ul style="list-style-type: none"> <li>Proposed Amendment to Metro Vancouver’s Regional Growth Strategy – revised Housing Demand Estimates Extension, approved.</li> </ul>   |
| March 2, 2017     | Joint Investment Plan Committee (Board) and Funding Strategy Committee (Mayors’ Council) | <ul style="list-style-type: none"> <li>Public Education Campaign, recommended for approval by the Mayors’ Council.</li> </ul>  |
| March 21, 2017    | Planning & Stakeholder Relations Committee   | <ul style="list-style-type: none"> <li>Independent Transit Service application – White Rock Trolley, recommended for Board approval.</li> <li>Recommendations arising out of the Custom Transit Service Delivery Review recommended for Board approval.</li> </ul>   |
| March 21, 2017    | Human Resources & Governance Committee   | <ul style="list-style-type: none"> <li>Appointment of Conduct Review Advisor recommended for Board approval.</li> <li>Appointment of Director of TransLink Security Management Ltd. recommended for board approval.</li> </ul>   |
| March 22, 2017    | Finance & Audit Committee  | <ul style="list-style-type: none"> <li>Amendments to the TransLink Enterprise Acceptable Use of Corporate Computing Systems Policy recommended for Board approval.</li> <li>South Coast British Columbia Transportation Authority 2017 Tariff Bylaw Number 113-2017 recommended for Board adoption.</li> <li>South Coast British Columbia Transportation Authority 2017 Tariff Bylaw Number 114-2017 recommended for Board adoption.</li> </ul>  |

| Meeting Date   | Board/Committee Meeting  | Resolutions/Outcomes   |
|----------------|--|--|
|                |  | <ul style="list-style-type: none"> <li>• Enactment of South Coast British Columbia Transportation Authority 2017 Property Tax Bylaw Number 115-2017 recommended for Board adoption.</li> <li>• Enactment of South Coast British Columbia Transportation Authority 2017 Replacement Tax Bylaw Number 116-2017 recommended for Board adoption.</li> <li>• 2016 Statutory Annual Report recommended for Board Approval.</li> <li>• 2016 Audited Consolidated Financial Statements recommended for Board approval.</li> <li>• 2016 Year End Financial and Performance Report received for information.</li> </ul>  |
| March 30, 2017 | Board Meeting  | <ul style="list-style-type: none"> <li>• Amendments to the TransLink Enterprise Acceptable Use of Corporate Computing Systems Policy, approved.</li> <li>• Recommendations arising out of the Custom Transit Service Delivery Review, approved.</li> <li>• 2016 Statutory Annual Report, approved.</li> <li>• 2016 Audited Consolidated Financial Statements, approved.</li> <li>• South Coast British Columbia Transportation Authority 2017 Tariff Bylaw Numbers 113-2017, adopted.</li> <li>• South Coast British Columbia Transportation Authority 2017 Tariff Bylaw Numbers 114-2017, adopted.</li> <li>• South Coast British Columbia Transportation Authority 2017 Property Tax Bylaw Number 115-201, adopted.</li> <li>• South Coast British Columbia Transportation Authority 2017 Replacement Tax Bylaw Number 116-2017, adopted.</li> <li>• Independent Transit Service application – White Rock Trolley, approved.</li> <li>• Appointment of Conduct Review Advisor, approved.</li> <li>• CEO performance review, approved.</li> <li>• Appointment of Director of TransLink Security Management Ltd., approved.</li> </ul> |
| March 31, 2017 | Joint Investment Plan Committee (Board) and Funding Strategy Committee (Mayors' Council) | <ul style="list-style-type: none"> <li>• Advancement of the Cure Congestion education campaign, approved.</li> </ul>   |

| Meeting Date   | Board/Committee Meeting  | Resolutions/Outcomes   |
|----------------|--|--|
| April 5, 2017  | Joint Regional Mobility Pricing Steering Committee (Board and Mayors' Council)           | <ul style="list-style-type: none"> <li>• Mobility Pricing Independent Commission budget, endorsed.</li> </ul>  |
| April 27, 2017 | Joint Investment Plan Committee (Board) and Funding Strategy Committee (Mayors' Council) | <ul style="list-style-type: none"> <li>• Cascadia Partners to prepare a report on the collection of Provincial property taxes in rapid transit areas, approved.</li> </ul>   |
| May 16, 2017   | Joint Regional Mobility Pricing Steering Committee (Board and Mayors' Council)           | <ul style="list-style-type: none"> <li>• Revised Terms of Reference for the Mobility Pricing Independent Commission, approved.</li> <li>• Recommendations for appointment of the Mobility Pricing Independent Commission Chair, Vice-Chair, Members and Alternates, endorsed.</li> <li>• The Mobility Pricing Independent Commission's Terms of Reference(s), membership and media release recommended to the Board and the Mayors' Council for approval.</li> </ul> |
| May 18, 2017   | Finance & Audit Committee  | <ul style="list-style-type: none"> <li>• 2016 <i>Financial Information Act</i> filing report recommended for Board approval.</li> <li>• Financial and Performance Report as at March 31, 2017, endorsed for public release.</li> <li>• "Designated Tolls" for Golden Ears Bridge (as defined in the Tolling Bylaw) for the period of June 1, 2017 to July 31, 2017 recommended for Board approval.</li> </ul>  |
| May 18, 2017   | Board Meeting  | <ul style="list-style-type: none"> <li>• 2016 <i>Financial Information Act</i> filing report, approved.</li> <li>• "Designated Tolls" for Golden Ears Bridge (as defined in the Tolling Bylaw) for the period of June 1, 2017 to July 31, 2017, approved.</li> </ul>   |
| May 19, 2017   | Joint Investment Plan Committee (Board) and Funding Strategy Committee (Mayors' Council) | <ul style="list-style-type: none"> <li>• Post-Provincial election plan, approved.</li> <li>• Staff directed to undertake assessment of Pattullo Bridge replacement options.</li> </ul>   |
| May 23, 2017   | Board of Directors, Consent Resolution   | <ul style="list-style-type: none"> <li>• Proposed Amendment to Metro Vancouver 2040: Shaping Our Future (Metro 2040) to update Section G Performance Measures, approved.</li> </ul>  |
| May 25, 2017   | Joint Board and Mayors' Council Meeting  | <ul style="list-style-type: none"> <li>• Terms of reference for the Mobility Pricing Independent Commission; recommendations for Chair, Vice-Chair and Members of the Mobility Pricing Commission; and revised terms of reference for the Joint Regional Mobility Pricing Steering Committee approved by the Board and Mayors' Council.</li> </ul>   |

| Meeting Date    | Board/Committee Meeting  | Resolutions/Outcomes   |
|-----------------|--|--|
| June 9, 2017    | Board of Directors, Consent Resolution   | <ul style="list-style-type: none"> <li>• Recession of the May 18, 2017 resolution that approved “Designated Tolls” (as defined in the Tolling Bylaw) for the period of June 1, 2017 to July 31, 2017, approved.</li> </ul>   |
| June 12, 2017   | Finance & Audit Committee  | <ul style="list-style-type: none"> <li>• Capital project approval controls recommended for Board approval.</li> </ul>  |
| June 13, 2017   | Planning & Stakeholder Relations Committee   | <ul style="list-style-type: none"> <li>• Independent Transit Service application – Bowen Island Express Bus, recommended for Board approval.</li> <li>• Adoption of the Regional Goods Movement Strategy recommended for Board approval.</li> </ul>  |
| June 13, 2017   | Human Resources & Governance Committee   | <ul style="list-style-type: none"> <li>• Discussion on various Human Resources and Governance matters.</li> <li>• Amendments to the Board Governance Manual recommended for Board approval.</li> </ul>   |
| June 21, 2017   | Joint Committee on Transportation Planning and Funding (Board and Mayors’ Council) | <ul style="list-style-type: none"> <li>• Development and delivery of a public affairs strategy to complete the 10-Year Vision, approved.</li> </ul>  |
| June 23, 2017   | Board Meeting  | <ul style="list-style-type: none"> <li>• Independent Transit Service application – Bowen Island Express Bus, approved.</li> <li>• Regional Goods Movement Strategy, adopted.</li> <li>• Capital project approval controls, approved.</li> <li>• Amendments to the Board Governance Manual, approved.</li> <li>• Executive Compensation Plan Adjustment, approved.</li> <li>• Acquisition of Bombardier Mark III SkyTrain Cars, approved.</li> <li>• 2017 CEO goals, approved.</li> </ul> |
| June 30, 2017   | Board of Directors, Consent Resolution   | <ul style="list-style-type: none"> <li>• Two additional appointments to the Mobility Pricing Independent Commission, approved.</li> </ul>  |
| July 6, 2017    | Board of Directors, Consent Resolution   | <ul style="list-style-type: none"> <li>• Consultation Plan to the report “Update to Phase One 2017 Investment Plan – Accelerated SkyTrain Fleet Procurement”, approved.</li> </ul>   |
| July 19, 2017   | Board Meeting  | <ul style="list-style-type: none"> <li>• Update to Phase One 2017 Investment Plan – Accelerated SkyTrain Fleet Procurement approved by the Board.</li> </ul>   |
| August 23, 2017 | Finance & Audit Committee  | <ul style="list-style-type: none"> <li>• Financial and Performance Report as at June 30, 2017, endorsed for public release.</li> <li>• Capital Contingency Request for the Pattullo Bridge Replacement Project recommended for Board approval.</li> </ul>  |
| August 23, 2017 | Board Meeting  | <ul style="list-style-type: none"> <li>• South Coast British Columbia Transportation Authority Golden Ears Bridge Toll Assessment Amending Bylaw Number 117-2017, adopted.</li> </ul>  |

| Meeting Date       | Board/Committee Meeting  | Resolutions/Outcomes   |
|--------------------|--|--|
| September 6, 2017  | Board Meeting  | <ul style="list-style-type: none"> <li>Amendment to Metro Vancouver’s Regional Growth Strategy – Alignment with Updated Regional Context Statements, approved.</li> <li>Capital Contingency Request for the Pattullo Bridge Replacement Project, approved.</li> <li>Pattullo Bridge Investment Plan Consultation Strategy, approved.</li> </ul>  |
| September 18, 2017 | Finance & Audit Committee  | <ul style="list-style-type: none"> <li>Amendments to “Debt Management Policy” and “Investment Policy” approved by the Finance &amp; Audit Committee.</li> </ul>  |
| September 19, 2017 | Planning & Stakeholder Relations Committee   | <ul style="list-style-type: none"> <li>Extension of Langley Community Shuttle Service Contract recommended for Board approval.</li> </ul>  |
| September 19, 2017 | Human Resources & Governance Committee   | <ul style="list-style-type: none"> <li>Discussion of various Human Resources and Governance Committee matters.</li> </ul>  |
| September 28, 2017 | Board Meeting  | <ul style="list-style-type: none"> <li>Extension of Langley Community Shuttle Service Contract, approved.</li> </ul>   |
| October 25, 2017   | Board Meeting  | <ul style="list-style-type: none"> <li>Update to the Omnibus Borrowing Resolution, approved.</li> <li>2017 Bond Issuance approved by the Board.</li> </ul>   |
| November 10, 2017  | Joint Committee on Transportation Planning and Funding (Board and Mayors’ Council) | <ul style="list-style-type: none"> <li>Draft framework for a Development Cost Charge for Transit Infrastructure recommended for approval by the Board and Mayors’ Council.</li> </ul>  |
| November 15, 2017  | Finance & Audit Committee  | <ul style="list-style-type: none"> <li>Financial and Performance Report as at September 30, 2017, endorsed for public release.</li> </ul>  |
| November 27, 2017  | Finance & Audit Committee  | <ul style="list-style-type: none"> <li>2018 Business Plan, Operating and Capital Budget recommended for Board approval.</li> <li>2018 Strategic Internal Audit Plan approved by the Finance &amp; Audit Committee.</li> <li>Eligibility criteria and application process for the Universal Fare Gate Access Program and authorization for TransLink to provide the Universal Fare Gate Access Card as valid fare media at no charge to eligible customers until December 31, 2018 recommended for Board approval.</li> <li>Eighth extension of Credit Agreement recommended for Board approval.</li> </ul> |
| November 28, 2017  | Planning & Stakeholder Relations Committee   | <ul style="list-style-type: none"> <li>Proposed Structure and rates for a Development Cost Charge for Transit Infrastructure recommended for Board approval.</li> <li>Phase Two Investment Plan Municipal Engagement and Public Consultation Strategy recommended for Board approval.</li> </ul>   |
| November 28, 2017  | Human Resources & Governance Committee   | <ul style="list-style-type: none"> <li>Subsidiary Board Appointments recommended for Board approval.</li> </ul>  |

| Meeting Date      | Board/Committee Meeting | Resolutions/Outcomes   |
|-------------------|-------------------------|--|
| December 6, 2017  | Board Meeting           | <ul style="list-style-type: none"> <li>• Eighth Extension of Credit Agreement, approved.</li> <li>• Subsidiary Board Appointments, approved.</li> </ul>  |
| December 14, 2017 | Board Meeting           | <ul style="list-style-type: none"> <li>• Eligibility criteria and application process for the Universal Fare Gate Access Program and authorization for TransLink to provide the Universal Fare Gate Access Card as valid fare media at no charge to eligible customers until December 31, 2018, approved.</li> <li>• Authorization for Management to negotiate a contract with First Canada ULC to operate custom transit services (HandyDART) beginning July 2, 2018, with options to extend, approved.</li> <li>• Proposed structure and rates for a Development Cost Charge for Transit Infrastructure, approved.</li> <li>• Phase Two Investment Plan Municipal Engagement and Public Consultation Strategy, approved.</li> <li>• 2018 Business Plan, Operating and Capital Budget, approved.</li> </ul> |

## G. FARE COLLECTION BYLAW

The current version of the Fare Collection Bylaw is shown below.

### Definitions

1. In this regulation:

**"Act"** means the *South Coast British Columbia Transportation Authority Act*;

**"pass"** means a record that the authority or a related party has issued or recognized as authorization for the person to whom it was issued to enter a fare paid zone or board a transit vehicle that is not a fare paid zone, and includes, without limitation, a transfer, a fare receipt, a monthly pass, any other time-limited pass and a payment card;

**"payment card"** means a record issued by the authority or a related party if the following apply:

(a) the person to whom the record is issued can, by paying money to the authority or a related party, create or increase a credit balance on the record;

(b) the credit balance on the record can be applied by the person to whom the record was issued towards any fare;

**"surcharge date"**, in relation to a ticket, means the later of

(a) the date that is 180 days after the date of service of the ticket,

(b) if the person to whom the ticket was issued disputes his or her liability under the ticket in accordance with section 4, the date that is 31 days after the date on which a notice of decision in response to the dispute is provided to that person under section 4 (4), and

(c) if the person to whom the ticket was issued appeals his or her liability under the ticket in accordance with section 7, the date that is 7 days after the date on which a notice of decision in response to the appeal is provided to that person under section 7 (5);

**"ticket"** means a ticket issued under section 248 of the Act.

### Description of infraction

2. Every word and phrase set out in Column 2 of Schedule 1 to this regulation is authorized to be used on a ticket to describe the infraction of contravening the provision of the Act referred to in Column 1 opposite that word or phrase.

### Ticketed amounts

3. (1) For the contravention of a provision of the Act set out in Column 1 of Schedule 1 to this regulation,
  - (a) Column 2 of Schedule 1 sets out the description of the infraction for the purposes of section 2, and
  - (b) Column 3 of Schedule 1 prescribes the fine for the infraction.(2) On the surcharge date applicable to a ticket, a surcharge of \$40 is added to and forms part of the ticketed amount if full payment of the ticketed amount is not made before the surcharge date.  
(3) On the date that is 366 days after the date of service of the ticket, an additional surcharge of \$60 is added to and forms part of the ticketed amount if full payment of the ticketed amount is not made on or before that date.

### Dispute process

4. (1) For the purposes of section 251 (1) of the Act, a person to whom a ticket has been issued may dispute his or her liability under the ticket
  - (a) within 14 days after the date of service of the ticket, or

- (b) if the authority is satisfied that, due to extenuating circumstances, the person was not reasonably able within that 14 day period to dispute liability under the ticket, within any longer period that the authority may, in writing, specify.
- (2) To dispute liability under a ticket, the person to whom the ticket was issued must, within the dispute period referred to in subsection (1) of this section, provide to the authority, in accordance with subsection (3), a notice of the dispute
  - (a) identifying on which of the grounds set out in section 251 (1) of the Act the person is basing the dispute, and
  - (b) providing any information relevant to the dispute.
- (3) A notice of dispute under subsection (2) of this section must be provided to the authority by
  - (a) mailing it to the head office of the authority, or
  - (b) providing it electronically in the manner set out on the authority's website.
- (4) Within 30 days after receiving a notice of dispute under subsection (2), the authority must
  - (a) decide whether to confirm or cancel the ticket, and
  - (b) provide to the person who submitted the notice of dispute, in accordance with subsection (5), notice of that decision and the basis on which it was made.
- (5) A notice of decision under subsection (4) must be provided to the person who submitted the notice of dispute by
  - (a) mailing the notice of decision to the postal address provided for that person in the notice of dispute, or
  - (b) emailing the notice of decision to the email address provided for that person in the notice of dispute.

#### **Appeal period**

- 5. (1) For the purposes of section 253 of the Act, a person who has disputed liability under a ticket in accordance with section 4 of this regulation and Division 3 of Part 12 of the Act may appeal liability under the ticket to an arbitrator
  - (a) within 30 days after the authority provided notice under section 4 (4) of this regulation of the authority's decision, or
  - (b) if the arbitrator is satisfied that, due to extenuating circumstances, the person was not reasonably able within that 30 day period to appeal liability under the ticket, within any longer period that the arbitrator may, in writing, specify.
- (2) A request under subsection (1) (b) for an extension of time within which to appeal liability under a ticket must
  - (a) set out the reason why the person was unable to provide a notice of appeal within the 30 day period referred to in subsection (1) (a), and
  - (b) be provided to the authority by
    - (i) mailing the request to the head office of the authority, or
    - (ii) providing the request electronically in the manner set out on the authority's website.
- (3) Promptly after receiving a request referred to in subsection (2), the authority must provide the request to the arbitrator.
- (4) Within 14 days after receiving a request under subsection (3), the arbitrator must provide notice to the appellant and the authority as to whether an extension of time within which to appeal liability under the ticket has been granted and if an extension is granted, indicate the date before which the notice of appeal must be provided to the authority.

#### **Additional grounds for appeal**

- 6. For the purpose of section 253 (c) of the Act, a person may appeal liability under a ticket on the ground that relevant information was not submitted in the dispute procedure.

**Appeal process**

7. (1) To appeal liability under a ticket, the person to whom the ticket was issued must, within the appeal period referred to in section 5 (1), provide to the authority, in accordance with subsection (2) of this section, a notice of appeal
  - (a) identifying on which of the grounds set out in section 253 of the Act or section 6 of this regulation the person is basing the appeal, and
  - (b) providing any information relevant to the appeal.
- (2) A notice of appeal under subsection (1) must be provided to the authority by
  - (a) mailing it to the head office of the authority, or
  - (b) providing it electronically in the manner set out on the authority's website.
- (3) Promptly after receiving a notice of appeal under subsection (2), the authority must provide the notice of appeal to the arbitrator who has the earliest availability.
- (4) An arbitrator to whom a notice of appeal is provided under subsection (3) may request from the appellant or the authority any additional records or information that the arbitrator considers appropriate and may, in his or her sole discretion, authorize the appellant and the authority to provide the additional records or information to the arbitrator in one or more of the following manners:
  - (a) in person;
  - (b) in writing;
  - (c) electronically.
- (5) After receiving a notice of appeal under subsection (3), the arbitrator must
  - (a) confirm or cancel the ticket, and
  - (b) provide, in accordance with subsection (6), to
    - (i) the person who submitted the notice of appeal, and
    - (ii) the authority notice of that decision and the basis on which it was made.
- (6) A notice of decision under subsection (5) must be provided to the person who submitted the notice of appeal by
  - (a) mailing the notice of decision to the postal address provided for that person in the notice of appeal, or
  - (b) emailing the notice of decision to the email address provided for that person in the notice of appeal.

**Cancellation of tickets**

8. If a ticket is cancelled under section 4 or 7 and some or all of the ticketed amount of the ticket has been paid to the authority, the authority must refund the amount paid.

**Payment of fare**

9. For the purposes of section 244 (1) (a) of the Act, a person may satisfy the requirement to pay the fare required by the tariff in any of the following manners:
  - (a) if a pass has been issued to the person and that pass is valid for application to the fare,
    - (i) if a device that can record the use of the pass has been installed or made available by the authority or a related party for the fare paid zone or transit vehicle, by using the pass in such a way that
      - (A) its use is recorded by the device, and
      - (B) if the pass is a payment card, the unpaid portion, if any, of the fare is debited from the pass, or

- (ii) if there is no such device installed or made available by the authority or a related party for the fare paid zone or transit vehicle but there is a transit employee at the person's entry point to the fare paid zone or transit vehicle, by presenting that pass to that transit employee for inspection;
- (b) if, under the tariff, another form of payment is authorized,
- (i) if a device that can recognize that form of payment has been installed or made available for the fare paid zone or transit vehicle by the authority or a related party, by using that form of payment in such a way that
- (A) its use is recorded by the device, and
- (B) if applicable, the unpaid portion, if any, of the fare is debited from the form of payment, or
- (ii) if there is no such device installed or made available by the authority or a related party for the fare paid zone or transit vehicle but there is a transit employee at the person's entry point to the fare paid zone or transit vehicle, by presenting that form of payment to that transit employee for inspection.

#### **Proof of payment**

- 10.** To comply with section 244 (1) (b) of the Act in relation to a fare, a person must
- (a) obtain and retain any receipt issued by the authority or a related party for the payment of that fare,
- (b) if a pass that is valid for application to the fare is used, retain the pass, or
- (c) if under the tariff another form of payment is authorized and that other form of payment is used, retain that form of payment and obtain and retain
- (i) any receipt issued by the authority or a related party, and
- (ii) any record in the person's power or control, whether in electronic form or otherwise, that confirms that the form of payment was used in payment of the fare.

#### **Schedule 1**

##### **South Coast British Columbia Transportation Authority Act**

| <b>Provision</b>    | <b>Contravention</b> | <b>Fines</b> |
|---------------------|----------------------|--------------|
| Section 244 (1) (a) | Fare evasion         | \$173        |
| Section 244 (2)     | Failure to produce   | \$173        |

#### **H. SECTION 248 TICKETS AND COLLECTIONS**

The numbers of tickets issued and collected under Section 248 from January 1 to December 31, 2017 are represented in the table below.

|                                | Tickets issued under Section 248<br>(number) | Collected ticket amounts<br>(\$) |
|--------------------------------|--|----------------------------------|
| January 1 to December 31, 2017 | 20,945                                       | 1,270,137                        |

Consolidated Financial Statements  
(Expressed in thousands of dollars)

**SOUTH COAST BRITISH COLUMBIA  
TRANSPORTATION AUTHORITY**

Year ended December 31, 2017



KPMG LLP  
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Canada  
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## INDEPENDENT AUDITORS' REPORT

To the Members of the Board of the South Coast British Columbia Transportation Authority

We have audited the accompanying consolidated financial statements of the South Coast British Columbia Transportation Authority, which comprise the consolidated statement of financial position as at December 31, 2017, the consolidated statements of operations, changes in net debt and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the South Coast British Columbia Transportation Authority as at December 31, 2017 and its consolidated results of operations, consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

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Chartered Professional Accountants

Burnaby, Canada  
March 29, 2018

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Financial Position  
(Expressed in thousands of dollars)

December 31, 2017, with comparative information for 2016

|  | 2017                | 2016              |
|--|---------------------|-------------------|
| <b>Financial assets</b>  |                     |                   |
| Cash and cash equivalents  | \$ 424,010          | \$ 252,436        |
| Accounts receivable (note 7(i))                                  | 120,852             | 133,736           |
| Loan receivable (note 3)   | 310,197             | 325,313           |
| Restricted cash and cash equivalents and investments (note 4(a)) | 780,240             | 504,295           |
| Investments (note 4(b))  | 60,951              | 80,917            |
| Debt reserve deposits (note 5)                                   | 32,754              | 35,049            |
|  | <u>1,729,004</u>    | <u>1,331,746</u>  |
| <b>Liabilities</b>   |                     |                   |
| Accounts payable and accrued liabilities (note 7(ii))            | 269,057             | 234,522           |
| Debt (note 6)  | 2,462,731           | 2,347,266         |
| Deferred government transfers (note 7(a))                        | 1,149,696           | 941,046           |
| Golden Ears Bridge contractor liability (note 8(a))              | 1,045,557           | 1,049,021         |
| Deferred concessionaire credit (note 9(a))                       | 525,785             | 549,059           |
| Employee future benefits (note 10(b))                            | 130,902             | 120,147           |
| Deferred revenue and deposits                                    | 46,412              | 35,519            |
| Deferred lease inducements                                       | 12,486              | 12,578            |
|  | <u>5,642,626</u>    | <u>5,289,158</u>  |
| Net debt   | (3,913,622)         | (3,957,412)       |
| <b>Non-financial assets</b>                                      |                     |                   |
| Tangible capital assets (note 11)                                | 4,907,241           | 4,867,996         |
| Supplies inventory   | 65,293              | 61,831            |
| Prepaid expenses   | 21,403              | 11,657            |
|  | <u>4,993,937</u>    | <u>4,941,484</u>  |
| Commitments and contingencies (note 12)                          |                     |                   |
| Subsequent event (note 17)                                       |                     |                   |
| Accumulated surplus  | <u>\$ 1,080,315</u> | <u>\$ 984,072</u> |

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board:

Original signed by Lorraine Cunningham  
Chair

Original signed by Tony Gugliotta  
Director

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Operations  
(Expressed in thousands of dollars)

Year ended December 31, 2017, with comparative information for 2016

|  | 2017<br>Budget<br>(note 2(s)) | 2017<br>Actual | 2016<br>Actual |
|--|-------------------------------|----------------|----------------|
| Revenue:   |                               |                |                |
| Taxation (note 15)   | \$ 833,028                    | \$ 821,333     | \$ 825,670     |
| Transit (note 7(j))  | 558,910                       | 590,964        | 541,589        |
| Golden Ears Bridge tolling (note 7(h))                     | 55,744                        | 29,743         | 52,116         |
| Government transfers (note 7(a))                           | 281,904                       | 166,902        | 240,533        |
| Amortization of deferred concessionaire credit (note 9(a)) | 23,337                        | 23,274         | 23,337         |
| Investment income  | 37,712                        | 50,278         | 40,567         |
| Miscellaneous revenue                                      | 5,464                         | 7,009          | 6,351          |
| Gain (loss) on disposal of tangible capital assets         | 149,677                       | (1,104)        | 422,183        |
|  | 1,945,776                     | 1,688,399      | 2,152,346      |
| Expenses:  |                               |                |                |
| Bus division   | 838,110                       | 826,089        | 789,843        |
| Corporate  | 150,100                       | 136,460        | 144,870        |
| Rail division  | 412,924                       | 407,761        | 363,537        |
| Roads and bridges  | 199,059                       | 184,351        | 151,711        |
| Transit Police   | 37,306                        | 37,495         | 33,988         |
|  | 1,637,499                     | 1,592,156      | 1,483,949      |
| Surplus for the year                                       | 308,277                       | 96,243         | 668,397        |
| Accumulated surplus, beginning of year                     | 504,775                       | 984,072        | 315,675        |
| Accumulated surplus, end of year                           | \$ 813,052                    | \$ 1,080,315   | \$ 984,072     |

See accompanying notes to consolidated financial statements.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Changes in Net Debt  
(Expressed in thousands of dollars)

Year ended December 31, 2017, with comparative information for 2016

|   | 2017<br>Budget<br>(note 2(s)) | 2017<br>Actual        | 2016<br>Actual        |
|---|-------------------------------|-----------------------|-----------------------|
| Surplus for the year                                  | \$ 308,277                    | \$ 96,243             | \$ 668,397            |
| Acquisition of tangible capital assets                | (578,144)                     | (234,568)             | (453,777)             |
| Amortization of tangible capital assets               | 209,286                       | 192,171               | 181,663               |
| Loss (gain) on disposal of tangible capital assets    | (149,677)                     | 1,104                 | (422,183)             |
| Net proceeds from disposal of tangible capital assets | 151,283                       | 869                   | 432,924               |
| Write-down of tangible capital assets                 | -                             | 1,179                 | -                     |
|   | (367,252)                     | (39,245)              | (261,373)             |
| Change in supplies inventory                          | (1,744)                       | (3,462)               | (5,389)               |
| Change in prepaid expenses                            | (363)                         | (9,746)               | 62                    |
|   | (2,107)                       | (13,208)              | (5,327)               |
| Decrease (increase) in net debt                       | (61,082)                      | 43,790                | 401,697               |
| Net debt, beginning of year                           | (4,471,761)                   | (3,957,412)           | (4,359,109)           |
| <b>Net debt, end of year</b>                          | <b>\$ (4,532,843)</b>         | <b>\$ (3,913,622)</b> | <b>\$ (3,957,412)</b> |

See accompanying notes to consolidated financial statements.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Cash Flows  
(Expressed in thousands of dollars)

Year ended December 31, 2017, with comparative information for 2016

|  | 2017       | 2016       |
|--|------------|------------|
| Cash provided by (used for):                                 |            |            |
| Operating transactions:                                      |            |            |
| Surplus for the year   | \$ 96,243  | \$ 668,397 |
| Non-cash changes to operations (note 13)                     | 45,951     | (483,515)  |
| Changes in non-cash operating working capital (note 13)      | 70,975     | (338,298)  |
| Cash provided by (used for) operating transactions           | 213,169    | (153,416)  |
| Capital transactions:  |            |            |
| Purchase of tangible capital assets                          | (226,907)  | (421,886)  |
| Net proceeds from disposal of tangible capital assets        | 869        | 432,924    |
| Cash provided by (used for) capital transactions             | (226,038)  | 11,038     |
| Investing transactions:                                      |            |            |
| Increase in restricted cash and investments                  | (275,945)  | (3,286)    |
| Decrease (increase) in investments                           | 19,966     | (19,974)   |
| Decrease in debt reserve deposits                            | 2,295      | 1,358      |
| Cash used for investing transactions                         | (253,684)  | (21,902)   |
| Financing transactions:                                      |            |            |
| Debt proceeds  | 200,000    | 270,000    |
| Premium (issue costs) on financing                           | (1,469)    | 24,021     |
| Repayments of debt   | (90,880)   | (93,256)   |
| Repayments of Golden Ears Bridge contractor liability        | (3,464)    | (1,892)    |
| Government transfers received for tangible capital additions | 333,940    | 6,925      |
| Cash provided by financing transactions                      | 438,127    | 205,798    |
| Increase in cash and cash equivalents                        | 171,574    | 41,518     |
| Cash and cash equivalents, beginning of year                 | 252,436    | 210,918    |
| Cash and cash equivalents, end of year                       | \$ 424,010 | \$ 252,436 |
| Supplementary information:                                   |            |            |
| Interest paid  | \$ 182,955 | \$ 179,682 |
| Tangible capital assets acquired by capital lease            | 7,661      | 1,630      |
| Contributed tangible capital asset received                  | -          | 30,261     |

See accompanying notes to consolidated financial statements.

# **SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY**

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

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## **1. Operations:**

The South Coast British Columbia Transportation Authority, formerly the Greater Vancouver Transportation Authority, (the “Authority” or “TransLink”) was established in June 1998 as a regional public transportation authority under the South Coast British Columbia Transportation Authority Act (the “Act”) to provide for the planning, funding, management and operation of an integrated regional transportation system for the Greater Vancouver region.

## **2. Significant accounting policies:**

### **(a) Basis of presentation:**

The consolidated financial statements of the Authority have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants Canada.

### **(b) Basis of consolidation:**

The consolidated financial statements include the accounts of the Authority and its active wholly owned subsidiaries as follows:

- (i) Coast Mountain Bus Company Ltd. (“CMBC”) – bus, SeaBus and community shuttle services;
- (ii) British Columbia Rapid Transit Company Ltd. (“BCRTC”) – SkyTrain services on the Expo, Millennium and Canada Lines;
- (iii) West Coast Express Limited (“WCE”) – commuter rail services;
- (iv) Transportation Property and Casualty Company Inc. (“TPCC”) – a captive insurance company which provides insurance liability coverage to the Authority’s operating subsidiaries; and
- (v) TransLink Security Management Ltd. (“TSML”) – transit police services transferred from the TransLink entity to TSML effective March 4, 2013.

All intercompany balances and transactions have been eliminated upon consolidation.

### **(c) Basis of accounting:**

TransLink follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay. Interest expense is accrued as the obligation is incurred.

# **SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY**

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

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## **2. Significant accounting policies (continued):**

### (d) Cash and cash equivalents:

Cash and cash equivalents include highly liquid investments with a term to maturity of three months or less at the date of purchase.

### (e) Financial instruments:

Financial instruments are classified into two categories: fair value or cost.

#### (i) Fair value:

Investments and derivatives that are quoted in an active market and loans receivable are reflected at fair value as at the reporting date. The Authority does not hold any investments or derivatives that are quoted in an active market. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and related balances are reversed from the Statement of Remeasurement Gains and Losses. As at December 31, 2017, the Authority does not have any unrealized gains or losses and a Statement of Remeasurement Gains and Losses has not been included in these financial statements.

#### (ii) Cost:

All other financial instruments are recorded at cost. Gains and losses on financial instruments recorded at cost are recognized in the Statement of Operations when the financial asset is recognized due to disposal or impairment. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are included in the cost of the related investments.

Accounts receivable and accounts payable and accrued liabilities are measured at cost using the effective interest rate method. Any gains, losses or interest expense is recorded in the annual surplus depending on the nature of the financial liability that gave rise to the gain, loss or expense. Valuation allowances are made when collection is in doubt.

### (f) Supplies inventory:

Supplies inventory is valued at the lower of average cost and net realizable value. Cost includes purchase price, import duties, other net taxes, and transport, handling and other costs directly attributable to acquisition. Net realizable value is the estimated current replacement cost.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

## 2. Significant accounting policies (continued):

### (g) Tangible capital assets:

Tangible capital assets have been recorded as follows:

- (i) Tangible capital assets are recorded at cost, including capitalized interest as described in note 2(h). Cost includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset, including the purchase price and other acquisition costs such as installation costs, design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation, insurance costs and duties.
- (ii) As part of the establishment of the Authority, certain tangible capital assets contributed by the Province of British Columbia (the "Province") and BC Transit were recorded at the estimated fair value at the date of acquisition based on appraisals carried out.
- (iii) Amortization is provided on the cost less estimated salvage value on a straight-line basis over a period not exceeding the estimated useful lives as follows:

| Asset  | Years    |
|--|----------|
| Land improvements  | 30       |
| Buildings  | 30 - 50  |
| Bridges, guideways, stations and tunnels   | 30 - 100 |
| Other supporting systems (tracks, rail, roads, electrical, drainage, ventilation, tolling) | 8 - 40   |
| Vehicles and SeaBus  | 5 - 40   |
| Equipment  | 5 - 40   |

### (h) Capitalization of interest:

Interest costs directly attributable to construction projects and major capital acquisitions are capitalized from the commencement of the capital outlays until the assets are placed into service.

### (i) Major Road Network ("MRN") expenditures:

Part 2 of the Act provides that the Authority must establish a MRN, comprising an integrated system of highways throughout the transportation service region, and the Authority must contribute funds to the municipalities for the purpose of constructing and maintaining any part of the MRN within that municipality if certain conditions are met.

Funding related to constructing the MRN is expensed under the heading "capital infrastructure contributions" as the related assets are the property of the appropriate municipalities who assume all the rights and obligations.

Funding related to operating and maintaining the MRN are expensed under the heading "maintenance, materials and utilities".

# **SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY**

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

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## **2. Significant accounting policies (continued):**

### (i) Major Road network ("MRN") expenditures (continued):

For the MRN and Bike ("MRNB") programs, the amount of allocated funding contribution to each municipality for construction is determined by the proportion of a municipality's regional population and employment growth, consistent with the Metro Vancouver Growth Strategy. For the Operations, Maintenance and Rehabilitation funding of the MRN, the amount of annual Operation and Maintenance ("O&M") contribution and the annual Pavement Rehabilitation ("R") contribution to each municipality are determined by the corresponding set funding rate per lane kilometer of the MRN.

### (j) Pension plans and employee future benefits:

#### (i) Pension plan:

The Authority, its subsidiaries and employees make contributions to the Public Service Pension Plan ("PSPP"). These contributions to the PSPP are expensed as incurred.

#### (ii) Employee future benefits:

Post-retirement and post-employment benefits are available to the majority of the Authority's employees. The cost of post-retirement benefits is actuarially determined, prorated on service and management's best estimate of retirement ages and expected health care costs. The cost of post-employment benefits to disabled employees is actuarially determined based on future projected benefits of currently disabled employees. The obligations under these post-retirement and post-employment benefit plans are accrued as the employees render services necessary to earn the future benefits. The measurement date of the accrued benefit obligation coincides with the Authority's fiscal year. The most recent actuarial valuation of the plans was December 31, 2017. The plans are unfunded and require no contributions from employees. Employer contributions are based upon expected annual benefit payments.

Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The net accumulated actuarial gains (losses) are amortized over the average remaining service period of active employees in the consolidated statement of operations. The amortization period of the active employees covered by the post-retirement plan is 11 years (2016 - 12 years) and post-employment plan is 6 years (2016 - 6 years).

### (k) Deferred revenue:

The Authority defers the portion of the revenue collected from transit services relating to services not yet rendered. This revenue is recognized in the year in which related services are provided.

# **SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY**

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

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## **2. Significant accounting policies (continued):**

### (l) Deferred concessionaire credit:

Deferred concessionaire credit represents the funding provided by the Canada Line Concessionaire towards the design and construction phases of the Canada Line in exchange for the right to operate the line over the 30 year operating term. This amount is amortized to income on a straight-line basis over the operating term of the concessionaire agreement which commenced in August 2009 and will expire in July 2040.

### (m) Government transfers:

Restricted transfers from governments are deferred and recognized as revenue as the related stipulations in the agreement are met. Unrestricted transfers are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

A significant portion of the Authority's government funding for capital purposes is received from the federal government through the Gas Tax program and other similar programs. Under these agreements, the Authority is required to acquire specific transit assets with the funds. The Authority is also required under certain agreements to maintain the assets over a set holding period and repay funds if the associated assets are sold before the end of the holding period.

### (n) Liability for contaminated sites:

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. Liabilities are recorded net of any expected recoveries.

A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) the Authority is directly responsible or accepts responsibility;
- (iv) it is expected that future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

### (o) Income taxes:

The Authority is a tax exempt corporation, which is exempt from Canadian Federal and British Columbia Provincial income taxes as it is deemed to be a public body performing the function of government in Canada. The Authority's subsidiaries file on the basis that they are exempt from Canadian Federal and British Columbia Provincial income taxes.

# **SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY**

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

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## **2. Significant accounting policies (continued):**

(p) Foreign currency translation:

Transactions of the Authority and its subsidiaries originating in foreign currencies are translated at the rates in effect at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at exchange rates in effect at the statement of financial position dates. Foreign exchange gains and losses are included in income.

(q) Use of estimates:

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of estimates include determination of useful lives of tangible capital assets, percentage of completion of construction-in-progress, allowance for doubtful accounts receivable, obsolete inventory, determination of employee future benefits, liability for contaminated sites, self-insurance liability provisions and provisions for legal contingencies. Actual results could differ from those estimates.

(r) Segment disclosure:

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. TransLink has provided definitions of segments used and presented financial information in the segmented format (note 16). The Business Technology, Human Resource, Payroll and Administrative Services costs are managed by the corporate segment and allocated among the operating segments, as appropriate. Interest has been allocated based on the allocated depreciation.

(s) Budget data:

The budget data presented in these consolidated financial statements were approved by the Board of Directors on December 8, 2016.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

### 3. Loan receivable:

In 2016, the Authority sold the Oakridge Transit Centre land for proceeds of \$440,000,000. The Authority received \$22,000,000 of proceeds in 2017 (2016 - \$88,000,000) with the remaining payment due in annual instalments as follows:

|                  | Instalments       |
|------------------|-------------------|
| January 20, 2019 | \$ 66,000         |
| January 20, 2020 | 66,000            |
| January 20, 2021 | 66,000            |
| January 20, 2022 | 66,000            |
| January 20, 2023 | 66,000            |
| <b>Total</b>     | <b>\$ 330,000</b> |

The instalments are secured by a mortgage on the land sold.

The loan receivable of \$310,197,000 (2016 - \$325,313,000) is the present value of the instalments due as at December 31, 2017 using a discount rate of 2.10%.

Interest accrues on each instalment if it is not paid one month prior to its due date. Interest accrues at 18.00% per annum, calculated and compounded half-yearly. Provided the purchaser is in compliance with the land sale agreement and related mortgage, the purchaser can prepay all or any part of the remaining instalments at any time without notice, bonus or penalty.

### 4. Restricted and unrestricted cash and investments:

The Authority holds investments consisting of term deposits, money market instruments, and bonds held at various financial institutions.

All these investments are recorded at amortized cost. The bonds have an average initial term of 173 months (2016 - 147 months) and an average remaining term to maturity of 148 months (2016 - 129 months). All bonds held by the Authority, as at December 31, 2017 and 2016, were rated A or higher.

Details of interest rate and maturity date ranges of the term deposits are as follows:

|                     | 2017                      | 2016                      |
|---------------------|---------------------------|---------------------------|
| Interest rate range | 1.45% - 2.15%             | 1.40% - 1.95%             |
| Maturity date range | January 2018 – April 2019 | January 2017 - April 2018 |

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

#### 4. Restricted and unrestricted cash and investments (continued):

Details of effective interest rates and coupon rates of the government and corporate bonds are as follows:

|                       | 2017            |               | 2016            |               |
|-----------------------|-----------------|---------------|-----------------|---------------|
|                       | Effective rates | Coupon rates  | Effective rates | Coupon rates  |
| Weighted average rate | 2.87%           | 3.30%         | 2.59%           | 3.20%         |
| Interest rate range   | 1.09% - 4.51%   | 1.50% - 5.60% | 1.09% - 4.51%   | 1.33% - 5.60% |

##### (a) Restricted cash and cash equivalents and investments:

|  | 2017       | 2016       |
|--|------------|------------|
| Government transfers for capital project funding (i):  |            |            |
| Cash and cash equivalents                              | \$ 242,317 | \$ 52,354  |
| Investments:   |            |            |
| Term deposits and money market instruments             | 118,842    | 72,013     |
| Bonds (note 14(b))                                     | 47,804     | 68,097     |
| Total government transfers for capital project funding | 408,963    | 192,464    |
| Self-administered sinking funds:                       |            |            |
| Cash and cash equivalents                              | 1          | 14         |
| Bonds maturing beyond one year (note 14(b))            | 209,261    | 162,380    |
| Total self-administered sinking funds                  | 209,262    | 162,394    |
| Land reserve:  |            |            |
| Cash and cash equivalents                              | 91,406     | 128,016    |
| Term deposits  | 47,482     | -          |
| Total land reserve                                     | 138,888    | 128,016    |
| TPCC (wholly-owned captive insurance subsidiary):      |            |            |
| Bonds (note 14(b))                                     | 23,127     | 21,421     |
| Total restricted cash and investments                  | \$ 780,240 | \$ 504,295 |

(i) Unspent government transfers for capital project funding consists of \$405,924,000 (2016 - \$190,464,000) of Gas Tax funds and \$3,039,000 (2016 - \$2,000,000) of other funding.

##### (b) Unrestricted investments:

Unrestricted investments are comprised of term deposits and money market instruments in the amount of \$60,951,000 (2016 - \$80,917,000).

# **SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY**

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

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## **5. Debt reserve deposits and callable demand notes:**

The Authority is required to pay the Municipal Finance Authority of British Columbia (“MFA”) debt reserve deposits into a debt reserve fund of 1.00% of the face value of each debenture borrowing from the MFA. These are interest bearing restricted funds administered by the MFA and are only refundable once the respective debt issue has been fully repaid.

If at any time the MFA does not receive sufficient funds to meet payments or sinking fund contributions due on the Authority’s debt obligations, the interest and principal payments or sinking fund contributions will be deducted from this debt reserve fund.

In addition to the debt reserve deposit, the Authority is required by the MFA to issue a non-interest bearing demand note for an amount equal to one-half the average annual installment of principal and interest relative to any debt borrowed less the debt reserve deposit. The demand notes payable to the MFA are callable only if, in the event of a default by the Authority or Metro Vancouver (the interposed significant lender over the Authority’s long-term debt), there are insufficient funds in the Authority’s debt reserve deposit held at the MFA to meet a required interest, principal payment or sinking fund contribution. As the Authority is in full compliance with its debt payments and no such call has been made by the MFA on these demand notes, their face value have not been recorded as a liability on the consolidated statement of financial position. At year-end, the maximum value of the demand notes totaled \$36,070,000 (2016 - \$42,299,000).

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

## 6. Debt:

|  | 2017                | 2016                |
|--|---------------------|---------------------|
| Unsecured commercial paper, due next 12 months   | \$ 239,636          | \$ 239,603          |
| Unsecured sinking fund bonds held by the MFA, weighted average coupon rate of 4.23% (effective rate 4.27%), maturing at various dates from 2018 to 2036, 10 to 30 year original term                                       | 1,288,228           | 1,417,315           |
| Less: MFA administered debt sinking funds  | (648,913)           | (694,896)           |
| Unsecured serial debenture held by the MFA, coupon rate of 5.10% interest payable semi-annually (effective rate 5.19%), maturing in 2025, principal repayment of approximately \$2 million annually, 20 year original term | 21,410              | 23,817              |
| Unsecured bullet maturity bond series TL-1, interest rate 3.80% (effective rate 3.88%), maturing 2020, original 10 year term   | 299,326             | 299,121             |
| Unsecured bullet maturity bond series TL-2, interest rate 4.65% (effective rate 4.70%), maturing 2041, original 30 year term   | 198,613             | 198,587             |
| Unsecured bullet maturity bond series TL-3, interest rate 3.85% (effective rate 3.82%), maturing 2052, original 40 year term   | 251,474             | 251,502             |
| Unsecured bullet maturity bond series TL-4, interest rate 4.45% (effective rate 3.97%), maturing 2044, original 30.5 year term   | 394,925             | 395,606             |
| Unsecured bullet maturity bond series TL-5, interest rate 3.05% (effective rate 3.06%), maturing 2025, original 10.5 year term   | 214,934             | 214,932             |
| Unsecured bullet maturity bond series TL-6, interest rate 3.15% (effective rate 3.18%), maturing 2048, original 31 year term   | 198,682             | -                   |
| Capital lease, weighted average implicit rate of 4.00% (2016 - 4.00%), maturing at various dates from 2018 to 2021   | 4,416               | 1,679               |
|  | <b>\$ 2,462,731</b> | <b>\$ 2,347,266</b> |

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

## 6. Debt (continued):

The Authority has an unsecured revolving credit facility with a syndicate of Canadian financial institutions totaling \$500 million which will expire on March 23, 2021. The credit facility is to be used primarily as a liquidity backstop of commercial paper and provides for loans at varying rates of interest based on certain benchmark interest rates, specifically the Canadian prime rate and the Canadian bankers' acceptance rate, and on the Authority's credit ratings at the time of drawdown. The Authority is also required to pay commitment fees, which are also dependent on the Authority's credit ratings. This credit facility has no financial covenants or requirement to maintain a specific credit rating and was not drawn upon in 2017.

The Authority's unsecured commercial paper program is backstopped by the abovementioned syndicated credit facility which enables it to issue commercial paper up to a maximum aggregate of \$500 million. As at December 31, 2017, \$239,636,000 (2016 - \$239,603,000), was owed under this commercial paper program at an average interest rate of 1.25% (2016 - 0.76%) and is due for repayment in January and February 2018 (2016 - January and February 2017).

The future debt payments, future actuarial interest on the MFA sinking fund payments and unamortized premium / issue costs are summarized as follows:

|                                     | Commercial Paper | Sinking Fund Bonds Held by MFA | Serial Debenture Held by MFA | Bullet Maturity Bonds | Capital Leases | Total        |
|-------------------------------------|------------------|--------------------------------|------------------------------|-----------------------|----------------|--------------|
| Future payments:                    |                  |                                |                              |                       |                |              |
| 2018                                | \$ 240,000       | \$ 44,012                      | \$ 2,466                     | \$ -                  | \$ 3,331       | \$ 289,809   |
| 2019                                | -                | 36,357                         | 2,529                        | -                     | 698            | 39,584       |
| 2020                                | -                | 34,700                         | 2,593                        | 300,000               | 367            | 337,660      |
| 2021                                | -                | 34,700                         | 2,659                        | -                     | 20             | 37,379       |
| 2022                                | -                | 32,698                         | 2,727                        | -                     | -              | 35,425       |
| Thereafter                          | -                | 165,571                        | 8,607                        | 1,230,000             | -              | 1,404,178    |
|                                     | 240,000          | 348,038                        | 21,581                       | 1,530,000             | 4,416          | 2,144,035    |
| Future actuarial interest           | -                | 293,049                        | -                            | -                     | -              | 293,049      |
|                                     | 240,000          | 641,087                        | 21,581                       | 1,530,000             | 4,416          | 2,437,084    |
| Unamortized premium / (issue costs) | (364)            | (1,772)                        | (171)                        | 27,954                | -              | 25,647       |
|                                     | \$ 239,636       | \$ 639,315                     | \$ 21,410                    | \$ 1,557,954          | \$ 4,416       | \$ 2,462,731 |

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

## 7. Transfers from other governments:

### (a) Deferred government transfers:

|  | Balance,<br>January 1,<br>2017 | Contributions<br>received | Interest<br>earned | Recognized<br>as revenue | Balance,<br>December 31,<br>2017 |
|--|--------------------------------|---------------------------|--------------------|--------------------------|----------------------------------|
| <b>Capital project funding:</b>        |                                |                           |                    |                          |                                  |
| Gas Tax                                | \$ 314,850                     | \$ 272,672                | \$ 4,939           | \$ (90,014)              | \$ 502,447                       |
| Canada Line                            | 524,990                        | -                         | -                  | (23,244)                 | 501,746                          |
| Building Canada Fund                   | 71,750                         | -                         | -                  | (4,464)                  | 67,286                           |
| Public Transit Infrastructure Fund     | -                              | 54,788                    | -                  | -                        | 54,788                           |
| Evergreen Line                         | 7,000                          | -                         | -                  | -                        | 7,000                            |
| Public Transit Fund                    | 9,614                          | -                         | -                  | (3,758)                  | 5,856                            |
| Transit Secure Fund                    | 6,495                          | -                         | -                  | (794)                    | 5,701                            |
| Public Transit Infrastructure Program  | 4,355                          | -                         | -                  | (1,740)                  | 2,615                            |
| Urban Transportation Showcase          | 1,717                          | -                         | -                  | (687)                    | 1,030                            |
| Capstan Station                        | -                              | 1,098                     | -                  | -                        | 1,098                            |
| Miscellaneous programs                 | 275                            | 443                       | -                  | (589)                    | 129                              |
|  | <u>941,046</u>                 | <u>329,001</u>            | <u>4,939</u>       | <u>(125,290)</u>         | <u>1,149,696</u>                 |
| <b>Operating funding:</b>              |                                |                           |                    |                          |                                  |
| Canada Line Operating Fund (note 9(c)) | -                              | 19,290                    | -                  | (19,290)                 | -                                |
| Golden Ears Bridge forgone tolling     | -                              | 18,994                    | -                  | (18,994)                 | -                                |
| Properties Environmental Program       | -                              | 2,808                     | -                  | (2,808)                  | -                                |
| Other cost sharing projects            | -                              | 520                       | -                  | (520)                    | -                                |
|  | <u>-</u>                       | <u>41,612</u>             | <u>-</u>           | <u>(41,612)</u>          | <u>-</u>                         |
|  | <u>\$ 941,046</u>              | <u>\$ 370,613</u>         | <u>\$ 4,939</u>    | <u>\$ (166,902)</u>      | <u>\$ 1,149,696</u>              |

The balance as at December 31, 2017 of \$1,149,696,000 consists of:

- (i) Unspent Gas Tax funds of \$405,924,000 (2016 - \$190,464,000) and unspent funds for various other projects of \$3,039,000 (2016 - \$2,000,000); and
- (ii) Spent funds of \$740,733,000 (2016 - \$748,582,000) that will be recognized as revenue as the related stipulations in the agreement are met.

### (b) Gas Tax funding:

The Authority receives funding annually from the Government of Canada via a Gas Tax funding agreement between the Authority and the Union of British Columbia Municipalities ("UBCM"). The Authority is required to spend the funds on defined tangible capital assets to support the mandate, as prescribed in the agreement.

In 2015, the Authority entered into a new funding agreement with UBCM (the "Agreement").

Under the terms of the Agreement, for tangible capital assets acquired prior to April 1, 2014, the Authority is required to continue to retain title to the ownership of the infrastructure for a period of 10 years, or the useful life of the asset, if less than 10 years. Accordingly, once the contributions are spent on eligible items and the assets are placed into service, the contributions are amortized to revenue over 10 years, or the assets' useful life if less than 10 years.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

## 7. Transfers from other governments (continued):

### (b) Gas Tax funding (continued):

Tangible capital assets acquired on or subsequent to April 1, 2014 are not subject to stipulations and the contributions are recognized in revenue when the funds are spent on eligible items.

Receipts and disbursements for the year are as follows:

|  | 2017       | 2016       |
|--|------------|------------|
| Opening balance, unspent funds                     | \$ 190,464 | \$ 320,009 |
| Amount received during the year                    | 272,672    | -          |
| Interest earned                                    | 4,939      | 3,799      |
| Amount spent on designated public transit projects | (62,151)   | (133,344)  |
| Closing balance, unspent funds                     | \$ 405,924 | \$ 190,464 |

### (c) Canada Line funding:

The Authority has received certain contributions for the Canada Line infrastructure from the federal and provincial government with the stipulation that TransLink operate and maintain the Canada Line for a minimum of 30 years, equal to the operating agreement with the concessionaire. As such, the Authority recognizes the revenue from the contributors over the holding period of 30 years.

### (d) Building Canada Fund:

The Building Canada Fund was established by the Federal Government to provide strategic funding to infrastructure projects managed by Canadian provinces, territories and municipalities. Through an agreement with the Province, the Authority obtains funding from the Major Infrastructure Component of the Building Canada Fund which supports various projects related to public transit. In addition to the federal funds, the Authority also receives provincial funding for certain Building Canada Fund related projects.

Under the agreement, if any of the assets acquired are disposed or used in a manner other than as described in their request for funding, the Authority is required to return a portion of the contribution to the Province as follows:

| Portion of contribution refund | Up to 1 year after the project completion date | Reduction in refund each year afterward |
|--------------------------------|--|---|
| Fixed assets (non-movable)     | 100%   | 4%                                      |
| Non-fixed assets (movable)     | 100%   | 10%                                     |

# **SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY**

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

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## **7. Transfers from other governments (continued):**

### (d) Building Canada Fund (continued):

Accordingly, the Authority recognizes the revenue over the stipulation periods of 10 or 25 years.

### (e) Public Transit Infrastructure Fund:

The Public Transit Infrastructure Fund ("PTIF") was established by the Federal Government to provide funding to support the rehabilitation of transit systems, new capital projects, and planning and studies for future transit expansion to foster long-term transit plans. The Government of Canada has entered into a bilateral agreement with the Province of British Columbia, which in turn has entered into an agreement with the Authority to provide senior government funding for eligible projects under the PTIF program.

Under the agreement, if any of the acquired or constructed assets are sold, leased, disposed or used in a manner other than as described in their request for funding for five years after the agreement end date of March 31, 2020, the Authority is required to return a portion of the contribution to the Province.

Accordingly, the Authority recognizes the revenue over the stipulation period of five years.

### (f) Evergreen Line:

In 2016, TransLink received \$30,261,000 of Evergreen Line project assets funded by partners of the British Columbia Transportation Financing Authority ("BCTFA"), of which \$7,000,000 was funded by PPP Canada Inc. and has a 25 year holding period stipulation on the related tangible capital asset.

Accordingly, the Authority recognizes the revenue based on milestones throughout the stipulation period of 25 years.

### (g) Capstan Station funding:

On March 21, 2012, TransLink entered into a Funding Agreement with City of Richmond ("CoR") in relation to the design and construction of the Canada Line Capstan Station. The project was divided into three phase: preliminary design, detailed design and construction, and CoR agreed to contribute funding for the three phases totaling \$25,316,600 (subject to inflationary adjustments). In 2017, TransLink received \$1,098,000 from CoR for funding of the preliminary design phase and is required to complete the construction of the project within 30 months upon receipt of the full amount of funding.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

## 7. Transfers from other governments (continued):

### (h) Golden Ears Bridge forgone tolling revenue:

In August 2017, the Province announced the removal of tolls on the Golden Ears Bridge ("GEB") effective September 1, 2017. The Authority entered into an agreement with the Province to receive payments for foregone projected toll revenue to 2050, provided that the Authority does not charge users tolls for any new crossings and ensures the continued availability and operation of the GEB. The Authority recognizes the funding as government transfers revenue if these conditions are met.

### (i) Working capital balances:

|   | 2017              | 2016              |
|---|-------------------|-------------------|
| Trade accounts receivable                       | \$ 30,596         | \$ 45,283         |
| Due from Federal Government                     | 4,984             | 6,806             |
| Due from Province of British Columbia           | 78,588            | 74,490            |
| Due from Regional Districts                     | 4,344             | 4,767             |
| Due from other Authorities                      | 2,340             | 2,390             |
| <b>Accounts receivable</b>                      | <b>\$ 120,852</b> | <b>\$ 133,736</b> |
|   |                   |                   |
|   | 2017              | 2016              |
| Trade accounts payable and accrued liabilities  | \$ 215,020        | \$ 202,106        |
| Due to Federal Government                       | 11,304            | 4,663             |
| Due to Province of British Columbia             | 3,076             | 1,879             |
| Due to Regional Districts                       | 31,533            | 19,396            |
| Due to other Authorities                        | 8,124             | 6,478             |
| <b>Accounts payable and accrued liabilities</b> | <b>\$ 269,057</b> | <b>\$ 234,522</b> |

### (j) Transit revenue:

Included in transit revenues is \$10,888,000 (2016 - \$11,614,000) of contributions from the provincial government to assist with administering the U-Pass BC program and to offset any lost transit revenues.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

## 8. Golden Ears Bridge:

### (a) Golden Ears Bridge contractor liability:

In 2006, the Authority entered in a fixed-price contract with the Golden Crossing General Partnership (the "GCGP") to design, construct, finance, operate, maintain and rehabilitate the GEB. The contract was executed in March 2006 and terminates in June 2041.

The GEB contractor liability to finance the construction is repaid by the Authority over the operating term as follows:

|   | 2017         | 2016         |
|---|--------------|--------------|
| Opening balance   | \$ 1,049,021 | \$ 1,050,913 |
| Interest accretion on contractor liability to last payment date | 66,095       | 66,638       |
| Payments made   | (69,559)     | (68,530)     |
| Ending balance  | \$ 1,045,557 | \$ 1,049,021 |

As the last monthly payment of the year was made on December 8, 2017, the interest accrual from December 9 to 31, 2017 of \$4,203,000 (2016 - \$4,104,000) is included in accounts payable and accrued liabilities.

Capital and interest payments to the GCGP commenced on substantial completion of the project. The nominal (based on 2005 dollars) monthly blended capital and interest payments, prior to escalation for the CPI index, are \$4,792,000.

The obligation to the GCGP bears interest at an effective rate of 6.70% per annum. The effective interest rate is the implicit interest rate, which establishes the net present value of the payment stream equal to the cost of the bridge, considering future payments adjusted by the forecasted CPI index with an estimated annual inflation rate of 2.00%. The estimated payments in the next five years are as follows:

|      | Capital and interest |
|------|----------------------|
| 2018 | \$ 73,018            |
| 2019 | 74,477               |
| 2020 | 75,977               |
| 2021 | 77,504               |
| 2022 | 79,046               |

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

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## 8. Golden Ears Bridge (continued):

### (b) Operating agreement with GCGP:

The Authority also pays the GCGP a monthly Operating, Maintenance, Rehabilitation (“OMR”) fee of \$316,198 (based on 2005 dollars), which escalates based on a CPI index. Including an estimated 2.00% inflation rate per annum, the OMR payments to GCGP in the next 5 years are expected to be as follows:

|      | OMR      |
|------|----------|
| 2018 | \$ 4,818 |
| 2019 | 4,914    |
| 2020 | 5,013    |
| 2021 | 5,114    |
| 2022 | 5,215    |

### (c) Agreement with V-Flow Tolling Inc. (“V-Flow”):

The Authority has a contract with V-Flow to design, furnish, install, test, operate and maintain a toll system for the GEB on behalf of the Authority. The contract expires on July 15, 2018.

Payments to V-Flow under the contract terms consist of fixed and variable components and are adjusted periodically based on a CPI index. The fixed component of the remaining payments under the contract from January 2018 to July 2018 totals \$2,140,000. TransLink is in the process of evaluating the next steps subsequent to the termination of the V-Flow agreement.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

## 9. Canada Line:

The Canada Line is a light rail rapid transit line that links central Richmond, the Vancouver International Airport and downtown Vancouver. The concessionaire ("InTransit BC") is contracted to operate the Canada Line from August 2009 to July 2040.

### (a) Deferred concessionaire credit:

The deferred concessionaire credit represents contributions made by the concessionaire to design and construct the Canada Line in exchange for the right to operate. This amount is being amortized over the concession term which ends July 2040.

|                    | 2017       | 2016       |
|--------------------|------------|------------|
| Opening balance    | \$ 549,059 | \$ 572,396 |
| Less: amortization | (23,274)   | (23,337)   |
| Closing balance    | \$ 525,785 | \$ 549,059 |

### (b) Operating commitments:

Base operational and maintenance payments to the Canada Line concessionaire (with 2003 being the base year), prior to adjustments for operational metrics and inflation, are as follows:

|                               | Each<br>28-day period |
|-------------------------------|-----------------------|
| January 2018 to December 2034 | \$ 6,458              |
| January 2035                  | 5,285                 |
| February 2035 to July 2040    | 4,113                 |

The total estimated base operating and maintenance payments, excluding taxes, to the concessionaire for each of the next five years adjusted for certain operational metrics and inflation, are as follows:

|      |            |
|------|------------|
| 2018 | \$ 113,000 |
| 2019 | 116,000    |
| 2020 | 118,000    |
| 2021 | 120,000    |
| 2022 | 122,000    |

The base operating and maintenance payments are subject to special events and passenger volume adjustments as well as quality and availability deductions according to the provisions of the contract.

# **SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY**

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

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## **9. Canada Line (continued):**

### (c) Operating contributions:

The Province of British Columbia has committed to provide funding of \$1,478,000 at each 28 day period for 395 periods to November 2039 related to the Canada Line operating expenses, which is approximately \$19,300,000 per annum subject to quality and availability deductions. The funding received in 2017 was \$19,290,000 (2016 - \$19,290,000).

## **10. Pension plans and employee future benefits:**

### (a) Pension plans:

The Authority and its subsidiaries contribute to the Public Service Pension Plan (the "Plan"), which is a multi-employer defined benefit plan, together with other British Columbia public service employers, in accordance with the Public Sector Pension Plans Act.

The British Columbia Pension Corporation administers the Plan, including the payment of pension benefits and other post-retirement benefits, on behalf of the employers and the employees to whom the Act applies. The long-term funding of the Plan is based on the level contribution method. Using this method, employer contribution rates are set out so that, in combination with member contributions, they will fully pay for benefits earned by the typical new entrants to the Plan and will maintain the Plan's unfunded accrual liability ("UAL") for funding purposes, if any, as a constant percentage of employer payroll. The actuary does not attribute portions of the UAL to individual employers. Contributions to the Plan are expensed in the year when payments are made. Every three years, an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of plan funding. The latest full actuarial valuation for the Public Service Pension Plan, which was carried out as at March 31, 2017, resulted in a surplus of \$1,895,876,000. The total expense recorded in the consolidated financial statements, in respect of pension contributions to the Plan, amounts to \$44,940,000 (2016 - \$42,559,000).

### (b) Employee future benefits:

#### (i) Post-retirement:

In addition to the post-retirement benefits provided by the Plan, the Authority, CMBC and TSML continue to provide life insurance benefits to eligible retired employees.

In fiscal 2011, PSPP officially announced that effective April 1, 2012 it will no longer subsidize the Retiree MSP for Retirees and their dependents and extended health benefits for the Retiree's dependents. As per the COPE collective agreements, the benefits are the responsibility of TransLink and CMBC and therefore, the Authority funds (for eligible retired COPE employees) the remaining cost of MSP and extended health, which is not paid by the PSPP.

# **SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY**

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

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## **10. Pension plans and employee future benefits (continued):**

(b) Employee future benefits (continued):

(i) Post-retirement (continued):

In the collective agreement between TSML and the Transit Police Professional Association ("TPPA") union ratified on November 27, 2014, the parties eliminated the MSP and extended health retiree benefits for new employees. Employees with one complete year of service or more as of November 27, 2014 were eligible for retirement benefits as follows:

- employees with at least 10 consecutive years of service at TSML and eligible to retire on pension with TSML as of December 31, 2018 who elected by May 26, 2015 to retire on or before December 31, 2018.
- all other eligible employees were paid a lump-sum of \$750 per year of service calculated as of November 27, 2014.

BCRTC also sponsors a post-retirement plan which provides MSP coverage, extended health and dental benefits to eligible retired employees.

The total expense recorded in the consolidated financial statements, in respect of obligations under these plans, amounts to \$12,347,000 (2016 - \$11,140,000).

(ii) Post-employment:

The Authority, CMBC and TSML provide MSP, extended health, dental and life insurance benefits to employees on approved long-term disability leave (post-employment benefits).

BCRTC provides MSP, extended health, dental, life insurance and pension benefits to employees on approved long-term disability leave.

Effective December 24, 2012, WCE employees on approved long-term disability leave receive MSP, extended health, dental and life insurance benefits.

The total expense recorded in the consolidated financial statements for the year, in respect of obligations under these plans, amounts to \$2,336,000 (2016 - \$2,893,000).

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

## 10. Pension plans and employee future benefits (continued):

(b) Employee future benefits (continued):

(iii) Summary of the Authority's post-retirement and post-employment plans is as follows:

|  | Post-<br>retirement<br>benefits | Post-<br>employment<br>benefits | Total<br>2017     | Total<br>2016     |
|--|---------------------------------|---------------------------------|-------------------|-------------------|
| Accrued benefit obligation               | \$ 100,483                      | \$ 18,840                       | \$ 119,323        | \$ 121,761        |
| Unamortized net<br>actuarial (loss) gain | (416)                           | 11,995                          | 11,579            | (1,614)           |
| <b>Accrued benefit liability</b>         | <b>\$ 100,067</b>               | <b>\$ 30,835</b>                | <b>\$ 130,902</b> | <b>\$ 120,147</b> |

The accrued benefit liabilities are not funded.

(iv) The expense for the year is comprised of the following components:

|   | Post-<br>retirement<br>benefits | Post-<br>employment<br>benefits | Total<br>2017    | Total<br>2016    |
|---|---------------------------------|---------------------------------|------------------|------------------|
| Current period benefit cost                     | \$ 6,277                        | \$ 5,033                        | \$ 11,310        | \$ 10,687        |
| Interest cost                                   | 3,943                           | 677                             | 4,620            | 4,241            |
| Amortization of actuarial<br>(gains) and losses | 2,127                           | (3,374)                         | (1,247)          | (895)            |
| Net expense                                     | 12,347                          | 2,336                           | 14,683           | 14,033           |
| Actuarially determined payments                 | (1,436)                         | (2,492)                         | (3,928)          | (3,909)          |
| <b>Change in accrued<br/>benefit liability</b>  | <b>\$ 10,911</b>                | <b>\$ (156)</b>                 | <b>\$ 10,755</b> | <b>\$ 10,124</b> |

(v) The significant assumptions used are as follows:

|                                       | 2017          | 2016          |
|---------------------------------------|---------------|---------------|
| Discount rates                        | 2.90% - 3.20% | 2.80% - 3.60% |
| Expected health care cost trend rates | 4.40% - 6.80% | 4.40% - 7.20% |

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

## 11. Tangible capital assets:

| Cost                                     | Balance,<br>January 1,<br>2017 | Additions,<br>net of<br>transfers | Disposals          | Write-down<br>of<br>assets | Balance,<br>December 31,<br>2017 |
|--|--------------------------------|-----------------------------------|--------------------|----------------------------|----------------------------------|
| Land                                     | \$ 355,318                     | \$ 3,360                          | \$ -               | \$ -                       | \$ 358,678                       |
| Land improvements                        | 40,397                         | -                                 | -                  | -                          | 40,397                           |
| Buildings                                | 305,526                        | 4,928                             | -                  | -                          | 310,454                          |
| Bridges, guideways, stations and tunnels | 2,371,411                      | 633                               | -                  | -                          | 2,372,044                        |
| Other supporting systems                 | 1,041,059                      | 21,420                            | -                  | (11,422)                   | 1,051,057                        |
| Vehicles and SeaBus                      | 1,638,870                      | 66,360                            | (13,287)           | -                          | 1,691,943                        |
| Equipment                                | 672,979                        | 27,614                            | (2,883)            | -                          | 697,710                          |
| Tangible capital projects in progress    | 154,516                        | 110,253                           | -                  | -                          | 264,769                          |
|  | <b>\$ 6,580,076</b>            | <b>\$ 234,568</b>                 | <b>\$ (16,170)</b> | <b>\$ (11,422)</b>         | <b>\$ 6,787,052</b>              |

| Accumulated<br>amortization              | Balance,<br>January 1,<br>2017 | Additions           | Disposals        | Write-down<br>of<br>assets | Balance,<br>December 31,<br>2017 |
|--|--------------------------------|---------------------|------------------|----------------------------|----------------------------------|
| Land                                     | \$ -                           | \$ -                | \$ -             | \$ -                       | \$ -                             |
| Land improvements                        | (19,591)                       | (1,201)             | -                | -                          | (20,792)                         |
| Buildings                                | (106,751)                      | (7,923)             | -                | -                          | (114,674)                        |
| Bridges, guideways, stations and tunnels | (165,755)                      | (24,291)            | -                | -                          | (190,046)                        |
| Other supporting systems                 | (218,038)                      | (38,024)            | -                | 10,243                     | (245,819)                        |
| Vehicles and SeaBus                      | (826,225)                      | (79,195)            | 11,894           | -                          | (893,526)                        |
| Equipment                                | (375,720)                      | (41,537)            | 2,303            | -                          | (414,954)                        |
|  | <b>\$ (1,712,080)</b>          | <b>\$ (192,171)</b> | <b>\$ 14,197</b> | <b>\$ 10,243</b>           | <b>\$ (1,879,811)</b>            |

| Net book value                           | Balance,<br>January 1,<br>2017 |  |  |  | Balance,<br>December 31,<br>2017 |
|--|--------------------------------|--|--|--|----------------------------------|
| Land                                     | \$ 355,318                     |  |  |  | \$ 358,678                       |
| Land improvements                        | 20,806                         |  |  |  | 19,605                           |
| Buildings                                | 198,775                        |  |  |  | 195,780                          |
| Bridges, guideways, stations and tunnels | 2,205,656                      |  |  |  | 2,181,998                        |
| Other supporting systems                 | 823,021                        |  |  |  | 805,238                          |
| Vehicles and SeaBus                      | 812,645                        |  |  |  | 798,417                          |
| Equipment                                | 297,259                        |  |  |  | 282,756                          |
| Tangible capital projects in progress    | 154,516                        |  |  |  | 264,769                          |
|  | <b>\$ 4,867,996</b>            |  |  |  | <b>\$ 4,907,241</b>              |

Included in tangible capital assets is capital leased equipment with a net book value of \$8,600,000 (2016 - \$2,700,000).

Interest capitalized during the year ended December 31, 2017 amounted to \$2,125,000 (2016 - \$7,900,000).

# **SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY**

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

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## **11. Tangible capital assets (continued):**

As at December 31, 2017, the net book value of Expo and Millennium Line guideways or system improvements totaled \$328,000,000 (2016 - \$327,000,000) of which \$227,000,000 (2016 - \$224,000,000) relates to improvements on the assets that are leased/licensed from the Province. The guideways are leased/licensed from the Province for nominal proceeds and the Authority is responsible for operations and maintenance. The Expo and Millennium line leases expire on January 29, 2019. Both leases have available renewal options and the agreements provide the Authority with reimbursement of the unamortized cost of capital improvements to the assets that are leased/licensed from the Province should the leases not be renewed. As the Authority expects to either renew the leases or be reimbursed for any unamortized costs, the improvements are capitalized and amortized over their expected useful lives and not the term of the leases.

BCTFA leases to TransLink all of its interests (owned and otherwise) with respect to the West Coast Express properties and infrastructure. As at December 31, 2017, the net book value of West Coast Express improvements totaled \$3,700,000 (2016 - \$4,000,000).

The Evergreen Line (an extension of the Millennium Line) links neighborhoods in Burnaby, Port Moody and Coquitlam and is operated by TransLink as part of the regional transportation network. The Evergreen Line is funded by the Government of Canada, BCTFA, TransLink and other partners. On October 31, 2016, the Evergreen Line was substantially completed and accordingly, a portion of the Evergreen Line infrastructure ("TransLink Evergreen Line Infrastructure") was transferred from BCTFA to TransLink including stations, guideway and the related systems east of Inlet Centre station (excluding Inlet Centre station) and the vehicle storage facility. As at December 31, 2017, the net book value of Evergreen Line guideways and system owned by TransLink, excluding skytrain vehicles, totaled \$331,675,000 (2016 - \$335,072,000).

As BCTFA holds the underlying property rights on which the TransLink Evergreen Line Infrastructure is located, BCTFA and TransLink have agreed to enter into an agreement whereby TransLink may exercise and obtain the benefit of BCTFA's interests to such property rights for a 100 year term on certain terms and conditions, including that if the agreement expires or terminates then BCTFA will reimburse TransLink for the unamortized portion of the initial cost of the TransLink Evergreen Line Infrastructure.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

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## 12. Commitments and contingencies:

(a) Operating leases:

The Authority is committed to annual lease payments in respect of office premises, in the following amounts:

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|      |           |
|------|-----------|
| 2018 | \$ 17,478 |
| 2019 | 15,994    |
| 2020 | 15,755    |
| 2021 | 15,462    |
| 2022 | 15,010    |
|      | <hr/>     |
|      | \$ 79,699 |

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Included in the payment schedule above are certain commitments that extend beyond 2022. Significant commitments beyond 2022 are as follows:

- (i) The Authority has a premise lease with the Brewery District Investments Ltd. for the head office of TransLink and TSML which ends in 2033. The monthly commitment for basic rent and operating costs subsequent to year 2022 ranges from \$826,000 to \$884,000.
- (b) WCE - lease and operating commitments:

In connection with operating the Commuter Rail System, the operating commitment for WCE include train operations, office lease, rolling stock maintenance, ticket vending and parking management, land leases and miscellaneous services.

The following summarizes the WCE operating commitments:

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|      |           |
|------|-----------|
| 2018 | \$ 15,041 |
| 2019 | 12,311    |
| 2020 | 11,199    |
| 2021 | 6,186     |
| 2022 | 6,108     |
|      | <hr/>     |
|      | \$ 50,845 |

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Subsequent to 2022, monthly operating commitments for WCE are \$425,000 to \$509,000 for 2023 to 2025.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

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## 12. Commitments and contingencies (continued):

(c) Operating commitment with Cubic Transportation System Inc.:

The Authority has a contract with Cubic Transportation Systems Inc. ("Cubic") to operate its transit fare system. The contract expires in January 2026 with the Authority having the option to extend the term of the contract for an additional 5 years.

Base payments to Cubic under the contract terms for operations and maintenance are adjusted periodically based on a CPI index.

The base payments prior to adjustments for operational metrics based on 2011 dollars are as follows:

---

|      | Fixed<br>component    |
|------|-----------------------|
| 2018 | \$ 11,161             |
| 2019 | 11,386                |
| 2020 | 11,716                |
| 2021 | 13,465                |
| 2022 | 12,057                |
|      | <hr/> \$ 59,785 <hr/> |

Subsequent to 2022, the fixed monthly base payments range from \$969,000 to \$1,038,000 for 2023 to 2025.

(d) Diesel fuel purchase:

The Authority has entered into multiple fixed price future agreements for diesel purchase volumes up to September 2018. The approximate total payment relating to the fixed price future agreements for the contracted purchase volumes is \$19,700,000 (2016 - \$11,900,000).

(e) Natural gas supply contract:

The Authority has entered into multiple fixed price natural gas purchase agreements for varying terms up to October 2021. The approximate total payment relating to these agreements is as follows:

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|      | Contract<br>Amount   |
|------|----------------------|
| 2018 | \$ 875               |
| 2019 | 1,801                |
| 2020 | 1,800                |
| 2021 | 1,800                |
|      | <hr/> \$ 6,276 <hr/> |

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

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## 12. Commitments and contingencies (continued):

### (f) Major Road Network ("MRN") Capital Funding:

The Authority has signed several funding agreements with municipalities on major MRN projects. At December 31, 2017, the net amount of MRN capital infrastructure contributions committed and not paid is \$2,270,000 (2016 - \$3,090,000). This amount will be paid to the municipalities upon completion of their projects.

### (g) Lawsuits and claims:

As at December 31, 2017, a number of lawsuits and claims, arising in the ordinary course of business, have been initiated against the Authority. Management is of the opinion that sufficient provisions net of any recoveries have been made in the financial statements for any lawsuits and claims made against the Authority, except as noted below.

A number of lawsuits commenced against TransLink and/or its subsidiary, , in relation to the Canada Line project remain outstanding. The Authority does not believe that reasonable estimates of any potential losses can be estimated at this time and therefore, no provisions have been made in the consolidated financial statements for the following:

- A class action lawsuit filed by Cambie area merchants, where no specific amount has been claimed at this time. The trial of the first phase of this class action concluded April 2, 2015. Reasons for Judgment were delivered November 6, 2015. The main claims of the merchants for damages for the tort of nuisance were dismissed. The Court's decision allows for a certain claim of lesser value, injurious affection to property interests, to be advanced. The number of claims that may be advanced in the future is approximately 100; the amount of these claims cannot be estimated at this time.
- A lawsuit filed by a number of Cambie area merchants, where no specific amount has been claimed at this time.
- Two additional lawsuits each filed by individual Cambie area merchants, where no specific amount has been claimed at this time.

Once a reasonable estimate of the potential liability, if any, is determined, a provision will be recognized.

### (h) Other capital and inventory commitments:

At December 31, 2017, \$403,018,000 (2016 - \$119,988,000) has been contractually committed for other capital projects and inventory.

### (i) Letters of credit:

As at December 31, 2017, the Authority has issued letters of credit to the City of Richmond and the City of Surrey totaling \$1,005,000 (2016 - \$1,023,000) which expire in 2018.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

## 13. Statement of cash flows:

|   | 2017             | 2016                |
|---|------------------|---------------------|
| Non-cash changes to operations:                                 |                  |                     |
| Amortization of tangible capital assets                         | \$ 192,171       | \$ 181,663          |
| Amortization of bond (premium) discount                         | (35)             | 576                 |
| Amortization of debt issue cost                                 | 188              | 193                 |
| Amortization of deferred concessionaire credit                  | (23,274)         | (23,337)            |
| Amortization of deferred government transfers                   | (125,290)        | (196,945)           |
| Amortization of deferred lease inducements                      | (92)             | (221)               |
| Government transfers revenue - asset received                   | -                | (23,261)            |
| Write-down of tangible capital assets                           | 1,179            | -                   |
| Loss (gain) on disposal of tangible capital assets              | 1,104            | (422,183)           |
|   | <u>\$ 45,951</u> | <u>\$ (483,515)</u> |
| Changes in non-cash operating working capital:                  |                  |                     |
| Decrease (increase) in accounts receivable                      | \$ 12,884        | \$ (31,315)         |
| Decrease (increase) in loan receivable                          | 15,116           | (325,313)           |
| Increase in supplies inventory                                  | (3,462)          | (5,389)             |
| Decrease (increase) in prepaid expenses                         | (9,746)          | 62                  |
| Increase (decrease) in accounts payable and accrued liabilities | 34,535           | (7,244)             |
| Increase in deferred revenue and deposits                       | 10,893           | 20,777              |
| Employee future benefit payable                                 | 10,755           | 10,124              |
|   | <u>\$ 70,975</u> | <u>\$ (338,298)</u> |

## 14. Financial instruments:

### (a) Credit, interest and foreign exchange risk:

Unless otherwise noted, it is management's opinion that the Authority is not exposed to any significant credit or interest rate risk as a result of these financial instruments. Interest rate risk related to the Authority's debt will be subject to the market interest rates at the date of refinancing, but this risk is mitigated by spreading maturities of borrowings over multiple years and also regularly making contributions to sinking funds in order to repay all long-term bullet debt over a pre-determined amortization period. The Authority's operations are all based in Canada and exposure to foreign exchange fluctuations is not significant.

### (b) Fair values:

The fair values of certain debt and assets are represented in the table below. Management considers term deposits and money market instruments carrying amounts to approximate fair values. For all other classes of financial instruments presented in these consolidated financial statements, management considers the carrying amounts approximate the fair values.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

## 14. Financial instruments (continued):

(b) Fair values (continued):

| 2017  | Fair values | Cost      |
|---|-------------|-----------|
| Restricted investments:                           |             |           |
| Government transfers for capital projects - bonds | \$ 47,457   | \$ 47,804 |
| TPCC - bonds                                      | 22,989      | 23,127    |
| Self-administered sinking funds - bonds           | 218,339     | 209,261   |

| 2016  | Fair values | Cost      |
|---|-------------|-----------|
| Restricted investments:                           |             |           |
| Government transfers for capital projects - bonds | \$ 68,121   | \$ 68,097 |
| TPCC - bonds                                      | 21,487      | 21,421    |
| Self-administered sinking funds - bonds           | 165,044     | 162,380   |

## 15. Taxation revenue:

|                   | 2017       | 2016       |
|-------------------|------------|------------|
| Fuel tax          | \$ 373,780 | \$ 395,731 |
| Property tax      | 339,124    | 324,496    |
| Parking sales tax | 70,019     | 67,032     |
| Hydro levy        | 20,576     | 20,450     |
| Replacement tax   | 17,834     | 17,961     |
|                   | \$ 821,333 | \$ 825,670 |

# **SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY**

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

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## **16. Segmented information:**

### (a) Bus division:

Fixed route bus services, SeaBus service and custom transit are delivered through TransLink's wholly-owned subsidiary, Coast Mountain Bus Company Ltd., and various contractors that operate the Community Shuttle routes, West Vancouver Blue Bus, and HandyDART. The Bus division represents the operating costs and the allocated depreciation and interest costs.

### (b) Corporate:

TransLink corporate is the organization's head office, responsible for organizational leadership and oversight, and the development and undertaking of TransLink's strategic transportation and financial plans. Other functions centralized at the corporate office include capital project approvals, legal services, information systems, human resources, corporate finance, transportation systems planning, internal audit, marketing, real estate services and the transportation demand management program.

### (c) Rail division:

Automated light rail and commuter train services are provided by TransLink's wholly-owned subsidiaries, British Columbia Rapid Transit Company Ltd. and West Coast Express Ltd., and through the concession agreement for the Canada Line. The Rail division represents the operating costs and the allocated depreciation and interest costs.

### (d) Roads and Bridges:

TransLink owns and operates the Knight Street Bridge, Pattullo Bridge, Westham Island Bridge, and the Golden Ears Bridge. In partnership with the municipalities, TransLink supports the Major Road Network ("MRN"), a network of major roads throughout Metro Vancouver. The MRNs are generally owned by municipalities. TransLink provides funding for the operations, maintenance, and rehabilitation of the MRN, and shares in the costs of eligible capital improvements.

### (e) Transit Police:

The South Coast British Columbia Transportation Authority Police Service ("Transit Police") maintains order, safety and security on transit facilities and adjacent areas, and is authorized to enforce laws. The Transit Police coordinate its activities with jurisdictional police as well as other transit security staff.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

## 16. Segmented Information (continued):

|   | 2017            |              |                  |                    |                   |            | 2016       |
|---|-----------------|--------------|------------------|--------------------|-------------------|------------|------------|
|   | Bus<br>division | Corporate    | Rail<br>division | Roads &<br>bridges | Transit<br>Police | Total      |            |
| <b>Revenue:</b>                                       |                 |              |                  |                    |                   |            |            |
| Taxation  | \$ -            | \$ 821,333   | \$ -             | \$ -               | \$ -              | \$ 821,333 | \$ 825,670 |
| Transit   | -               | 590,964      | -                | -                  | -                 | 590,964    | 541,589    |
| Golden Ears Bridge tolling                            | -               | -            | -                | 29,743             | -                 | 29,743     | 52,116     |
| Government transfers                                  | -               | 166,040      | -                | 862                | -                 | 166,902    | 240,533    |
| Amortization of deferred concessionaire credit        | -               | -            | 23,274           | -                  | -                 | 23,274     | 23,337     |
| Investment income                                     | -               | 50,278       | -                | -                  | -                 | 50,278     | 40,567     |
| Miscellaneous revenue                                 | 2,832           | 2,557        | 602              | -                  | 1,018             | 7,009      | 6,351      |
| Gain (loss) on disposal of tangible<br>capital assets | -               | (523)        | (581)            | -                  | -                 | (1,104)    | 422,183    |
|   | 2,832           | 1,630,649    | 23,295           | 30,605             | 1,018             | 1,688,399  | 2,152,346  |
| <b>Expenses:</b>                                      |                 |              |                  |                    |                   |            |            |
| Administration  | 15,482          | 18,752       | 6,738            | 58                 | 2,510             | 43,540     | 48,982     |
| Capital infrastructure contributions                  | -               | -            | -                | 33,389             | -                 | 33,389     | 3,910      |
| Contracted services                                   | 74,910          | 11,231       | 120,048          | 12,927             | -                 | 219,116    | 211,790    |
| Fuel and power  | 49,435          | -            | 16,085           | -                  | -                 | 65,520     | 56,764     |
| Insurance   | 17,278          | 286          | 5,237            | 979                | 45                | 23,825     | 21,181     |
| Maintenance, materials and utilities                  | 72,445          | 2,888        | 43,912           | 27,404             | 1,565             | 148,214    | 133,975    |
| Professional and legal                                | 3,321           | 26,703       | 2,967            | 7,565              | 473               | 41,029     | 40,893     |
| Rentals, leases and property tax                      | 12,882          | 7,583        | 1,859            | 107                | 1,908             | 24,339     | 24,694     |
| Salaries, wages and benefits                          | 443,124         | 41,992       | 100,520          | 1,754              | 30,678            | 618,068    | 587,392    |
| Write-down of tangible capital assets                 | -               | 1,179        | -                | -                  | -                 | 1,179      | -          |
| Expenses before amortization and interest             | 688,877         | 110,614      | 297,366          | 84,183             | 37,179            | 1,218,219  | 1,129,581  |
| Amortization of tangible capital assets               | 85,679          | 16,138       | 68,940           | 21,214             | 200               | 192,171    | 181,663    |
| Interest  | 51,533          | 9,708        | 41,455           | 78,954             | 116               | 181,766    | 172,705    |
|   | 137,212         | 25,846       | 110,395          | 100,168            | 316               | 373,937    | 354,368    |
|   | 826,089         | 136,460      | 407,761          | 184,351            | 37,495            | 1,592,156  | 1,483,949  |
| <b>Surplus (deficit), for the year</b>                | \$ (823,257)    | \$ 1,494,189 | \$ (384,466)     | \$ (153,746)       | \$ (36,477)       | \$ 96,243  | \$ 668,397 |

# **SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY**

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2017

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## **17. Subsequent event:**

On February 16, 2018, the Province of British Columbia announced that it will take over the Pattullo Bridge replacement project that was previously within TransLink's long term investment plan. TransLink has determined that no adjustment to the capital costs is required on the financial statements. Assessment of the future benefit of these costs will continue into the next fiscal year.