



2018 Annual Statutory Report

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**SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY
2018 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.

<p>This report should be read in conjunction with the 2018 Annual Report, in order to get a full understanding of the organization and its financial and operational performance. The 2018 Annual Report will be posted on TransLink's website.</p>
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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 2018 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 2018 Annual Report to obtain a full understanding of the organization and the strategic platform that drives its financial and operational performance. The 2018 Annual Report will be posted on the TransLink website.

TransLink's current strategic plan, applicable to 2018, as defined by legislation, is Phase Two of the 10-Year Vision, the 2018-2027 Investment Plan (the "Plan") approved by the Mayors' Council on Regional Transportation on June 28, 2018. This 2018 Statutory Annual Report makes reference to the 2018 year of the Plan.

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 2018 actual results to the Plan.

	Actual 2018	Investment Plan 2018	Fav/(Unfav) Over Plan	% Change
Conventional Transit <i>(thousands of service hours)</i>				
Conventional Bus	4,464	4,509	(45)	(1.0%)
Community Shuttle	667	645	22	3.4%
West Vancouver Conventional Bus	135	142	(7)	(4.9%)
SkyTrain Expo and Millennium Lines	1,339	1,327	12	0.9%
SkyTrain Canada Line	203	186	17	9.1%
SeaBus	12	12	-	-
West Coast Express	37	37	-	-
Total Conventional Transit	6,857	6,858	(1)	(0.0%)
Access Transit Trips <i>(thousands of trips)</i>				
HandyDART	1,166	1,233	(67)	(5.4%)
Taxi Supplement	149	102	47	46.1%
Total Access Transit Trips	1,315	1,335	(20)	(1.5%)
Ridership Ridership (millions of transit journeys)	263	252	11	4.5%
<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 2018 year of the Plan as a result of the successful execution of service expansion as committed to in the 10-Year Vision. The expansion increased the frequency and capacity on the Expo, Millennium and Canada Lines, improved reliability of SkyTrain infrastructure, and added new bus routes and service hours.

Access Transit Service Levels

Access Transit trips were mainly consistent with the 2018 Plan. HandyDART trips were slightly lower than the Plan due to lower than anticipated customer demand. Taxi supplement trips are used for overflow service demand only and were higher than the Plan due to increased demand at peak times when HandyDART was at full capacity. Service improvements committed to in Phase Two of the 10-Year plan includes 13 expansion and 40 replacement HandyDART vehicles entering service during 2018.

Ridership

Journeys for conventional transit service and Access Transit achieved a record of 263 million, growing by 4.5 per cent above the 2018 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 ridership is a result of improved transit service, a strong economy with low unemployment and higher gas prices which are influencing commuters to use more public transportation. Ridership growth continued throughout the year suggesting that the July 1, 2018 transit increase did not negatively impact customer behaviour.

2 2018 Investment Plan Status Report

Phase Two of the 10-Year Vision includes new investments in every mode of transportation – transit, roads, walking and cycling – as well as maintains the existing transportation system in a state of good repair. A status update of the Plan is provided below.

New Transportation Investments in the Phase Two Plan

The Plan expands rapid transit across Metro Vancouver according to the priorities established in the 10-Year Vision. It completes the rapid transit early works investments begun in Phase One, including the Broadway Subway.

Building New Rapid Transit

- Broadway Subway Project
 - During 2018, the Millennium Line extension from VCC-Clark to Arbutus was approved by both the Provincial and Federal governments. The Province of British Columbia is now the agency responsible for delivering the Broadway Subway Project with TransLink providing support.
- South of Fraser Rapid Transit
 - The Surrey-Newton-Guildford Light Rail Transit project was also approved. In October 2018, however, the City of Surrey withdrew support for the project and TransLink suspended the procurement process.
 - In December 2018, the Mayors' Council approved project planning work to inform the development of a business case for the Surrey Langley SkyTrain project along the Fraser Highway corridor. Mayors' Council also directed TransLink to refresh planning priorities along 104 Avenue and King George Boulevard corridors to complete the commitment to the 27 km of rapid transit identified in the 10-year Vision.
- Planning for Future Transportation Investments
 - A feasibility study was completed for a potential gondola to connect the Millennium Line to SFU Burnaby campus.
 - The Rail to UBC Rapid Transit Study was completed for presentation to the Mayors' Council in January 2019.

Upgrading the Existing Rail Network

- SkyTrain
 - Two new Mark III trains, for the Expo and Millennium Lines, arrived at the Burnaby maintenance facility in 2018. Additionally, 24 new Canada Line cars have been ordered.
 - British Columbia Rapid Transit Company (BCRTC) continued rail system maintenance by replacing running rail and rail pads. Work began on the BCRTC Asset Management System through implementation of annual maintenance plans, the maintenance status room and improved technical investigations for serious failures.

- Station Upgrades
 - In 2018, the Expo Line Escalator Replacement Project commenced at Granville Station where six escalators will be replaced.
 - The largest bus canopy in our system was installed at the Commercial-Broadway Station to help keep customers protected from the elements.
 - Joyce-Collingwood SkyTrain station platform tile replacement work commenced in June.
- The refurbishment of two locomotives for the West Coast Express trains progressed in 2018.

New Bus and HandyDART Investments

- Bus
 - Coast Mountain Bus Company (CMBC), along with contracted transit services, provided 5.3 million annual service hours, including approximately 75,000 hours of improvements made throughout the system with a concentration on peak time periods and high-demand corridors.
 - Additional running time was provided to over 100 routes to maintain schedule reliability in Metro Vancouver as congestion continues to increase which slows the average speed of buses.
 - The accelerated program to upgrade 8,400 bus stop signage and implement T-signs and Transit Information Panels with enhanced schedule information system-wide was completed in December 2018.
 - Orders for 254 replacement and expansion buses and 4 battery electric buses were placed.
- SeaBus
 - Construction of the new SeaBus vessel is in progress.
 - Seismic and accessibility upgrades at the South Terminal commenced.
- HandyDART
 - Trips provided in 2018 were 5.2 per cent higher compared to 2017.
 - 13 expansion and 40 replacement HandyDART vehicles entered service during the year.
- B-Line
 - The design for infrastructure advanced on three new and two upgraded B-Line or Better corridors.
 - The development of updated service and bus priority plans progressed for Fraser Highway and King George Boulevard / 104 Avenue in response to the new Mayors' Council (Fall 2018) direction on South of Fraser rapid transit.

New Road Investments

- Minor capital upgrades
 - Committed \$21.4 million for Major Road Network (MRN) infrastructure upgrades for roadway expansion, street corridor improvements and greenway developments.
- Structure rehabilitation and seismic upgrades
 - Allocated \$19.5 million towards rehabilitation and seismic upgrades of structures on the MRN, including Granville Bridge rehabilitation and Marine Drive bridge replacement at Mosquito Creek.
- Operations, maintenance, and rehabilitation of the MRN
 - Provided \$4.9 million in funding for the 10 per cent lane-kilometer expansion as well as operations, maintenance and rehabilitation of the MRN.

New Walking and Cycling Investments

- Walking Access to Transit
 - TransLink provided an additional \$5 million for a total of \$7.5 million from 2017-2018, of the \$12.5 million commitment by the end of 2019, in new regional funding for pedestrian infrastructure around transit corridors.
- Regional Cycling Infrastructure
 - TransLink provided an additional \$15.1 million for a total of \$22.0 million from 2017-2018, of the \$34.5 million commitment by the end of 2019, for municipal cycling infrastructure, including multi-use pathways and bike lanes expansion.

- TransLink-owned Cycling Infrastructure
 - Of the \$11.5 million commitment, \$3.7 million has been earmarked for specific projects, \$1.4 million is allocated to bike parkade upgrades and \$2.3 million for BC Parkway retaining wall rehabilitation in New Westminster and Vancouver.
 - Bike parkades opened at King Edward, Joyce-Collingwood and Metrotown SkyTrain stations, offering increased mobility options to customers.

New Mobility Investments

- New mobility
 - An early prototype of a flexible on-demand micro transit service (ride-hailing service) was launched in conjunction with First Transit, our bus service provider on Bowen Island.

Manage the System to be More Efficient and Customer-Focused

In 2018, 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

- Safety & Emergency Planning
 - Development is underway on several elements of the system including identification of top risks, training matrices and emergency exercise and communications programs. Several departmental business continuity plans are in development or have been completed.
- Security Operations
 - The Metro Vancouver Transit Police (“Transit Police”) continued to implement two dozen action plans associated with its three Strategic Goals: Deliver a Safe and Secure Transit System, Build Confidence in the Use of Public Transit and Provide Regional Services that Enhance Local Policing and Community Safety. Actions taken include launching the third phase of the Anti-Sex Offence Campaign, alongside several community partners, with over 700 safety advertisements placed on transit vehicles, bus stops, exchanges and SkyTrain stations.
- Technology & Cyber Security
 - A multi-year BCRTC Modernization Program is in progress to move to supported, modern systems.
 - The TransLink Technology Infrastructure Renewal Program and Software Application Renewal Program is proceeding as planned to ensure existing enterprise systems are maintained in a state of good repair.

Make Travel Easy and Informative

- Customer Experience Planning
 - TransLink’s enterprise-wide Customer Experience Plan was released to employees in 2018 and implementation of key projects and initiatives are now underway.
 - BCRTC and CMBC provided extra service for various special events, such as major sporting events, concerts, fireworks and festivals.
- Customer Information & Communication
 - TransLink completed several projects that will improve the flow, timeliness and accuracy of information delivered to customers; including the launch of Customer Information Live Chat and an upgrade of Text Alerts messaging.
 - During 2018, projects commenced to upgrade Trip Planner (delivering a responsive, map-based Trip Planner using real-time data) and to install new “Next Train” passenger information displays along the Expo and Millennium Lines.
 - TransLink completed the upgrade of all directional signs, maps and information panels on Expo and Millennium Lines as well as bus stops for a consistent and improved navigation experience.

- Implemented the Transit Alerting & Messaging System to improve the presentation, quality, consistency and timeliness of customer alerts and messages through SMS, email and the TransLink Alerts page on our website.
- Beginning in November, TransLink began adding 281 Passenger Information Displays, 264 new guideway cameras, replacing 1,200 CCTV cameras and upgrading the PA systems to improve customer communications technologies at all 33 stations throughout the Expo and Millennium Lines, excluding the Evergreen Extension.
- To make it easier for customers to find a reliable after-hours ride home late at night from Downtown Vancouver, in June, TransLink launched a new NightBus District pilot. All 10 NightBus routes that connect the downtown core with destinations across the region now start their routes at a new, well-lit hub in the heart of downtown at the corner of Granville and West Georgia streets. The pilot has since been fully integrated into NightBus service.
- Public Art
 - New art that was installed as part of the upgrades at Joyce-Collingwood Station won industry accolades.
- Accessibility
 - The Travel Training Program and strategy framework were developed and shared across the community in 2018. TransLink participated in 25 public events and reached out to 1,500 participants during large group presentations and information booths at major community events.
 - During 2018, the percentage of accessible bus stops increased to 77.5 per cent from 76.0 per cent in 2017.
Installation of radio-frequency identification (RFID) technology was completed at all SkyTrain and Canada Line stations. The installation of RFID is in support of the Universal Fare Gate Access Program which allows passengers unable to physically tap a Compass card enter and exit through the fare gates independently.

Make Travel More Efficient and Reliable

- Transit Network Performance
 - Pattern changes were implemented at the Lougheed Station platform leading to trains moving through the station faster resulting in more efficient and reliable trips for our customers.
 - The Annual Transit Service Performance Review (TSPR) that measures transit use and service reliability was completed. The results of the review indicate increased ridership across Bus, SkyTrain and SeaBus and improved service reliability.
 - The Bus Speed & Reliability report is under development as well as a new funding program for transit priority with the Regional Transportation Advisory Committee (RTAC).
- Road Network Performance
 - Work progressed on the development of Regional Road Network Strategy, that will help define and manage performance of the region's road network.
- Harmonizing Regulations
 - TransLink reached an agreement with municipal partners on implementing bylaw changes to harmonize truck-related definitions and regulations.
 - The Commercial Vehicle Route Planner beta had a soft launch in the fourth quarter of 2018 to help improve freight wayfinding and trip planning.
- Low-Carbon Fleet
 - Phase One of the Low Carbon Fleet Strategy, which consisted of the overall plan was approved during 2018. TransLink continued work on Phase Two, which will provide a detailed roadmap for the electrification of TransLink's bus fleet, including the development and design of an optimal network of in-route chargers and depot chargers.

Price the Transportation System to Reduce Congestion and Overcrowding, Improve Fairness, and Support Transportation Investment

- **Payment**
 - “Tap to Pay” was introduced in 2018 which allows customers to pay directly at fare gates and on buses with their contactless Visa, Mastercard or smartphone, enabling customers to quickly and conveniently pay for travel and transfer between services.
 - Compass wristbands were introduced in December, providing customers with a new, convenient way to pay.
 - TransLink continues to promote the Compass for Organizations program and has successfully enrolled several large organizations in 2018 including several hotels and tech industry companies.
- **Transit**
 - Management completed the four-phase Transit Fare Review. The Mayors’ Council and Board endorsed the final recommendations: eliminate zones and shift to pricing by distance, expand targeted off-peak discounts and/or rewards to better manage overcrowding and work with the Provincial Government to explore potential options for expanded discounts for low-income residents, children and youth. A phased approach will be used in implementing changes to the fare structure.
- **Parking**
 - Work was initiated to study variable demand-based pricing at parking facilities to ensure optimal usage.
- **Roads**
 - Management has continued to advance research and analysis on mobility pricing following the final report from the Mobility Pricing Independent Commission in May 2018.

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**
 - The Southwest Area Transport Plan was completed in 2018 including Richmond, South Delta and Tsawwassen First Nation.
 - The Maple Ridge-Pitt Meadows and Lougheed Long-term Transit Corridor study was initiated.
 - TransLink collaborated with the City of Vancouver on East Fraser Lands transit study.
 - TransLink participated in and supported Metro Vancouver’s Transit-Oriented Affordable Housing Study.
 - A partnership was initiated with Metro Vancouver to jointly develop Long-Range Scenarios for the region, foundational to updates of both the Regional Transportation Strategy and the Regional Growth Strategy.
- **With Real Estate and Commercial Partners**
 - Planning progressed for retail amenities as part of the following projects: Broadway Subway, Phibbs Exchange and SeaBus terminals.
 - TransLink signed a partnership agreement with Shaw that will see the implementation of free Wi-Fi for transit customers throughout the system.
- **Develop and Implement Project Partnership Agreements**
 - Initial discussions were held with Surrey Planning staff about the future Partnership Agreement for the Fraser Highway corridor.

Innovate Through New Partnerships

- With Goods Movement Partners
 - The Greater Vancouver Urban Freight Council met three times in 2018, including one joint meeting with the Greater Vancouver Gateway Council. Several key priorities were advanced including harmonization of truck definitions and regulations across more of the region's municipalities.
- With New Mobility Partners
 - An "Open Innovation Call" was held and a partnership emerged between TransLink, Modo, Evo and Mobi. The four partners will prototype a bundled offering to assess the viability and consumer interest in a single integrated service.

Funding

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

- In May 2018, the Province of BC passed legislation enabling TransLink to levy a new region-wide Development Cost Charge (DCC) to fund certain types of transit and regional transportation capital projects related to growth. The Phase Two Plan anticipates receiving \$252 million in DCC revenue starting in 2020 through to 2027.
- In October 2018, the Province of BC passed legislation to enable TransLink to increase the parking tax from 21 per cent to 24 per cent. The change comes into effect on July 1, 2019.
- Senior Government funding of \$3.2 billion was confirmed and announced for Broadway Subway and South of Fraser Rapid Transit projects.
- The Province of BC worked on introducing legislation to increase the motor fuel tax from 17.0 cents to 18.5 cents per litre. The legislation is expected to be approved in Spring 2019.

3 2018 Financial Plan

The Plan identifies operating expenditures over the next ten years (2018-2027) 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 2018 actual results to the 2018 Year in the Phase Two Investment Plan.

TransLink

Consolidated Statement of Operations

(\$ millions)	Actual 2018	2018 Year in the Plan (June 28, 2018)	Fav/(Unfav) Over Plan	% Change
Revenue				
Taxation	819.3	825.1	(5.8)	(0.7%)
<i>Fuel tax</i>	351.3	358.4	(7.1)	(2.0%)
<i>Property tax</i>	355.8	355.9	(0.1)	-
<i>Parking Rights</i>	73.2	71.5	1.7	2.3%
<i>Hydro levy</i>	21.1	21.3	(0.2)	(0.7%)
<i>Replacement tax</i>	17.9	18.0	(0.1)	(0.6%)
Transit	638.0	606.8	31.2	5.1%
Government transfers				
<i>Senior Government Funding</i>	245.6	360.1	(114.5)	(31.8%)
<i>Golden Ears Bridge Tolling Replacement Revenue</i>	57.9	57.9	-	-
Investment income	53.2	51.9	1.3	2.4%
Amortization of deferred concessionaire credit	23.3	23.3	-	-
Miscellaneous revenue	11.9	6.1	5.9	96.7%
Sub Total Continuing Operations Revenue	1,849.2	1,931.2	(82.0)	(4.2%)
Gain/(loss) on disposal	-	(0.5)	0.5	100.0%
Total Revenue (PSAB)	1,849.2	1,930.7	(81.5)	(4.2%)
Expenditures				
Bus Operations	724.9	733.4	8.5	1.2%
Corporate Operations	96.8	95.2	(1.6)	(1.7%)
Rail Operations	309.2	309.7	0.5	0.2%
Roads and Bridges	91.2	104.3	13.1	12.5%
Transit Police	38.3	38.4	0.1	0.3%
Amortization of tangible capital assets	197.9	220.6	22.7	10.3%
Interest	183.5	181.5	(2.0)	(1.1%)
Sub Total Continuing Operations Expenditures	1,641.8	1,683.1	41.3	2.5%
Corporate - onetime expenditures	22.0	31.1	9.1	29.3%
Total Expenditures (PSAB)	1,663.8	1,714.2	50.4	2.9%
Surplus (Deficit) for the period (PSAB)	185.4	216.5	(31.1)	(14.4%)
Accumulated Surplus¹, beginning of the year	1,080.3	1,080.3	-	-
Accumulated Surplus¹, end of the year	1,265.7	1,296.9	(31.1)	(2.4%)

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

Revenues:

Total 2018 revenue at \$1.8 billion was \$81.5 million (4.2 per cent) unfavourable to the 2018 year in the Plan. Fuel tax revenue was \$7.1 million (2.0 per cent) unfavourable to the Plan due to lower volumes of diesel and gasoline consumed in the region. This was as a result of record high fuel prices in the first half of 2018 as a result of a refinery shut down, which caused consumers to look outside the region to purchase fuel. This was offset slightly by Parking Rights Tax, which at \$73.2 million, was favourable to the Plan by \$1.7 million (2.3 per cent) due to higher

than expected parking volumes. Property and replacement tax, hydro levy and parking rights tax revenue for 2018, were mainly consistent with the Plan.

Transit revenue at \$638.0 million was \$31.2 million (5.1 per cent) favourable to the Plan due to record ridership and increased program participation.

Government transfers were \$114.5 million (31.8 per cent) unfavourable to the Plan primarily due to timing of planned projects. Major revenue vehicle replacement projects funded by Federal Gas Tax were delayed to 2019 due to changes in vehicle propulsion systems that increased lead time of ordering and delivery, resulting in a corresponding deferral of government transfers.

Investment income was \$1.3 million (2.4 per cent) favourable to the Plan primarily due to higher cash and investment holdings.

Miscellaneous income at \$11.9 million was \$5.9 million (96.7 per cent) favourable to the Plan mainly due to a one-time receipt of \$4.1 million for a contract penalty payment. The remaining favourable variance was driven by higher recoveries from external parties.

Loss on disposal of assets was \$0.5 million favourable to the Plan due to the unexpected net gain on disposal of vehicles in 2018, partly offset by the loss on disposal of BCRTC capital spares.

Expenditures:

Bus Operations expenditures for 2018 were \$724.9 million, \$8.5 million (1.2 per cent) favourable to the Plan mainly due to lower employer-paid benefit costs and lower labour costs from vacancies. These savings were partly offset by higher vehicle repair costs, overtime costs for vacancy coverage, higher fuel costs, higher insurance premium rates and deductibles.

Corporate Operations expenditures were \$1.6 million (1.7 per cent) unfavourable to Plan mainly due to higher software licensing costs and more consulting fees related to upgrading operating software. These were partly offset by contractual savings related to performance abatements, lower professional fees and vacancy savings.

Rail Operations were \$0.5 million (0.2 per cent) favourable to the Plan mainly due to lower employer-paid benefit costs, lower labour costs from vacancies and salary capitalization. Higher train and rail maintenance activities, insurance premiums and higher diesel prices related to the West Coast Express partly offset the favourable variance in the year.

Roads and Bridges spending was \$13.1 million (12.5 per cent) favourable to the Plan mainly due to timing of capital infrastructure contributions to municipalities, lower bridge maintenance costs and lower contractor payments to Golden Ears Bridge due to the elimination of tolls, partly offset by a one-time write-off of uncollectible accounts.

Transit Police expenditures were \$0.1 million (0.3 per cent) favourable to the Plan mainly due to lower labour costs from vacancy savings, lower radio communication costs, lower software licensing costs and lower property rental costs. The expenditures were partly offset by overtime costs for vacancy coverage and higher maintenance costs.

Amortization expense was \$22.7 million (10.3 per cent) favourable to the Plan mainly due to the number of vehicle deliveries in 2018 being lower than expected, changes in the estimated useful lives of the Richmond and Vancouver Transit Centre as compared to Plan and timing of project capitalization.

Interest expense was \$2.0 million (1.1 per cent) higher than the Plan due to lower capitalization of interest due to the timing of capital spending, partly offset by the effect of lower interest rates.

Corporate One-time expenditures were \$9.1 million (29.3 per cent) favourable to the Plan mainly due to unused operating contingency funding and the timing of project activities. The favourable variance was partly offset by the write-off of Pattullo Bridge capitalized costs due to transfer of bridge replacement project and accelerated project spending on the B-Line expansion.

4 2018 Capital Program

Schedule 1

Schedule 1 below lists the projects that were included in the 2018 Capital Program as Approved in Principle (AIP) and indicates their current status. The schedule includes activity related to new capital projects in 2018 including any carry forward AIP projects from 2017.

Project and Program Titles (\$ thousands)	Approved in Principle (AIP)	Specific Project Approval (SPA) for the year ended December 31, 2018		Current Project Status as at December 31, 2018				
	Budget	Approval Date	Budget	Current Budget	Actual Cost to Date	Forecast to Complete	Final Forecast Cost	Estimated Completion Date
Equipment								
B-Line Passenger Information Displays (PIDS)	3,950	Jun-07-18	3,950	3,950	165	3,772	3,937	Dec-31-19
CCTV Camera System Upgrade on Expo and Millennium Lines ¹	10,500	Nov-22-18	10,500	11,615	609	11,057	11,666	Dec-31-20
CMBC Farebox Expansion and Replacement	2,000	Jun-20-18	1,900	1,900	382	1,275	1,657	Dec-31-19
Expo Line Traction Power Equipment Replacement	5,617	Nov-08-18	10,347	10,347	162	10,293	10,455	Dec-31-20
Operator Protection Barrier Retrofit	2,360	Apr-26-18	1,630	3,500	-	3,270	3,270	Dec-31-20
Passenger Address System Quality Improvement ¹	13,000	Jun-12-18	12,950	14,500	1,069	13,340	14,409	Dec-31-20
Propulsion Power Existing Equipment Maintenance Upgrade ²	275	-	-	780	573	-	573	Dec-31-18
Railborne Equipment Replacement	3,000	Nov-22-18	4,980	4,980	-	4,979	4,979	Dec-31-21
SkyTrain Customer and Operations Telecommunications (SCOT) Upgrade ^{1 2}	8,725	Nov-15-18	3,359	4,459	901	3,123	4,024	Dec-31-20
SkyTrain Physical Security System Project	7,415	Mar-08-18	7,104	7,704	495	6,955	7,450	Dec-31-19
Transit Management and Communications (TMAC) Radio Replacement ^{1 2}	34,195	Aug-15-18	20,543	25,600	771	21,652	22,423	Dec-31-20
Equipment Total	91,037		77,263	89,335	5,127	79,716	84,843	
Facilities								
2018 Transit Centre Infrastructure to Support Expansion	2,500	Jul-19-18	2,500	2,500	10	2,368	2,378	Dec-31-20
BTC South Garage Roof Replacement	2,199	May-24-18	2,199	2,505	127	2,378	2,505	Dec-31-19
BTC South Seismic Upgrade - Design ³	2,422	Mar-12-18	8,422	9,277	950	7,190	8,140	Dec-31-19
Burnaby Transit Centre (BTC) South Fleet Overhaul (FOH) Building Garage Doors Replacement	180	Jul-19-18	180	180	-	67	67	Dec-31-19
Fir and Bodwell Rectifiers - Roof Replacement	632	Nov-08-18	690	690	-	660	660	Oct-31-19
Marpole Transit Centre Silvertree Site - Pre-Design Services ⁴	3,002	-	-	-	-	3,000	3,000	Dec-31-19
Metro Vancouver Transit Police (MVTP) - Sapperton Facilities Expansion & Renovation	450	Aug-30-18	450	450	5	1	6	Dec-31-19
Operations & Maintenance Centre (OMC) 1 & 2 Space Optimization and Modernization ⁴	8,000	-	-	-	-	8,000	8,000	Dec-31-20
Operations & Maintenance Centre (OMC) Perimeter Security Upgrade ⁴	1,990	-	-	-	-	1,990	1,990	Dec-31-19
PowerSmart Upgrades - 2017	350	Jul-05-18	350	2,700	1,763	235	1,998	Dec-31-19

Project and Program Titles (\$ thousands)	Approved in Principle (AIP)	Specific Project Approval (SPA) for the year ended December 31, 2018		Current Project Status as at December 31, 2018				
	Budget	Approval Date	Budget	Current Budget	Actual Cost to Date	Forecast to Complete	Final Forecast Cost	Estimated Completion Date
Richmond Transit Centre (RTC) Facility Upgrades to accommodate double decker Buses	4,000	Apr-12-18	4,000	4,000	154	3,836	3,990	Dec-31-19
RTC Maintenance Office Renovations	230	Apr-26-18	230	230	-	190	190	Dec-31-19
SeaBus Crew Facilities Rehabilitation	1,680	Jan-18-18	1,680	1,680	94	1,591	1,685	Dec-31-19
SeaBus Maintenance Dock Expansion	10,000	Apr-26-18	1,585	10,000	74	9,797	9,871	Dec-31-20
SeaBus Terminals Interior Refurbishment	1,868	Apr-12-18	1,867	1,867	174	1,809	1,983	Dec-31-19
SeaBus Transformer Replacement	480	Mar-15-18	480	480	38	438	476	Dec-31-19
Facilities Total	39,983		24,633	36,559	3,389	43,550	46,939	
Infrastructure								
BC Hydro Upgrades	3,700	Oct-25-18	3,428	16,728	9,158	7,232	16,390	Nov-30-19
BCRTC Yard Track Reconditioning	3,000	Dec-14-18	3,000	3,095	56	3,000	3,056	Oct-31-20
Bear Creek Replacement	2,500	Jun-20-18	2,778	23,531	11,774	11,964	23,738	Dec-31-19
Brentwood SkyTrain Station and Bus Facilities Upgrade Phased Design and Implementation	7,370	Aug-30-18	7,370	7,370	126	7,307	7,433	Dec-31-20
BTC North Garage Replacement - Design	7,866	Nov-19-18	7,866	8,620	414	7,586	8,000	Dec-31-19
Bus Stop Infrastructure for New Routes ⁴	750	-	-	-	-	750	750	Dec-31-19
Canada Line Bus Loops - Brighthouse ^{4 5}	4,000	-	-	-	-	4,000	4,000	Dec-31-20
Canada Line Fleet Expansion - Infrastructure ¹	25,000	Nov-23-17	25,000	35,885	15,427	20,405	35,832	Dec-31-20
CMBC BTC South Tire Shop & FOH Building Extension ³	6,000	-	-	-	-	-	-	-
CMBC SeaBus Emergency Exit Ramps Replacement	1,000	Oct-25-18	1,250	1,250	12	1,176	1,188	Dec-31-19
Edmonds OMC Capacity Upgrades	9,000	Apr-26-18	5,630	9,000	48	8,791	8,839	Dec-31-19
Evergreen Extension Station Bicycle Parkades	1,376	Apr-12-18	1,376	5,344	1,150	4,174	5,324	Dec-31-19
Expo Line Station Escalators - Stage 4 ^{4 5}	15,893	-	-	-	-	15,893	15,893	Dec-31-19
Expo Line Tunnel Ventilation System Condition Assessment Feasibility Study ¹	4,300	-	-	1,865	154	5,577	5,731	Dec-31-20
Expo Line Upgrade Strategy - Burrard Station: Design & Implementation ¹	59,780	Aug-15-18	675	60,700	1,291	59,118	60,409	Dec-31-20
Guideway Intrusion System Upgrade ¹	9,800	Mar-15-18	780	9,800	242	9,496	9,738	Dec-31-20
Guildford Exchange	2,643	Mar-27-18	10,048	14,000	1,016	11,630	12,646	Dec-31-19
Implement Enterprise-Level Regional Demand Management Strategies ⁴	500	-	-	-	-	500	500	Dec-31-19
Investments in Transit Priority on Priority B- Line Corridors	1,644	Aug-02-18	3,770	3,770	1,603	2,167	3,770	Dec-31-20
Knight Street Bridge Rehabilitation - Detailed Design ^{4 5}	1,800	-	-	-	-	1,800	1,800	Dec-31-21
Lonsdale Quay Bus Loop and SeaBus Terminal Upgrade	8,000	Jan-18-18	8,000	10,542	506	10,057	10,563	Dec-31-19
Metrotown Bus Loop Refurbishment ¹	3,720	-	-	5,000	309	3,757	4,066	Dec-31-20
Nanaimo Bus Loop Upgrades ²	9,440	Nov-02-18	5,680	6,240	665	5,547	6,212	Dec-31-19
Newton Exchange ⁴	12,017	-	-	-	-	3,185	3,185	Dec-31-20
Pattullo Bridge Wind Monitoring & Seismic Warning Systems - Detailed Design	5,000	Jul-19-18	5,000	5,595	551	5,081	5,632	Dec-31-19
Pattullo Procurement Readiness & Environmental Work ²	13,940	-	-	-	-	-	-	-
Phibbs Exchange Upgrade ^{2 4}	23,190	-	-	-	-	6,001	6,001	Dec-31-19

Project and Program Titles (\$ thousands)	Approved in Principle (AIP)	Specific Project Approval (SPA) for the year ended December 31, 2018		Current Project Status as at December 31, 2018				
	Budget	Approval Date	Budget	Current Budget	Actual Cost to Date	Forecast to Complete	Final Forecast Cost	Estimated Completion Date
Propulsion Power Substation Redundant Incomers at 3 Locations	7,172	Nov-08-18	7,172	7,172	-	7,127	7,127	Nov-30-19
Rapid Transit Noise Migration Design ⁴	1,000	-	-	-	-	1,000	1,000	Dec-31-19
Replace Platform LEDs System	19,100	Apr-05-18	19,100	26,450	6,134	20,530	26,664	Dec-31-19
Roofing Replacements (#1&2)	5,540	Apr-26-18	5,540	7,575	1,238	6,458	7,696	Dec-31-19
Second Power Feed (BC Hydro) for SkyTrain OMC ²	2,650	-	-	410	374	-	374	Dec-31-18
SkyTrain OMC Upgrades	50,000	Dec-04-18	8,320	50,000	1,007	48,850	49,857	Dec-31-20
South SeaBus Terminal Accessibility Improvement Detail Design ⁴	250	-	-	-	-	250	250	Dec-31-19
Transit Centre Paving Replacement	950	Apr-12-18	950	950	39	877	916	Dec-31-19
Transit Plan for Millennium Line Broadway Extension Construction	8,950	Oct-12-18	9,590	9,590	-	9,590	9,590	Dec-31-20
TransLink Owned Bicycle Infrastructure ⁴	6,624	-	-	-	-	6,624	6,624	Dec-31-20
TransLink Owned Bicycle Infrastructure Program - 2017 ⁶	1,000	Nov-22-18	3,299	3,299	110	3,243	3,353	Dec-31-20
TransLink Owned Investment in Cycling Infrastructure ⁶	2,300	-	-	-	-	-	-	-
Trolley Overhead Pole Replacement - 2018	2,500	Mar-01-18	2,500	2,500	1,202	1,339	2,541	Dec-31-19
Westham Island Bridge Structural Assessment and Detailed Design	2,000	Mar-01-18	2,000	2,320	363	1,964	2,327	Dec-31-19
Infrastructure Total	353,265		150,122	338,601	54,969	324,046	379,015	
Technology								
BCRTC Enterprise Asset Management Implementation	5,490	-	-	11,760	1,761	10,015	11,776	Dec-31-21
BCRTC Modernization - System Management Center (SMC) Tape Analysis Reporting (STAR)	500	Aug-30-18	494	494	23	232	255	Dec-31-19
BCRTC Modernization 2017 ⁴	500	-	-	-	-	500	500	Dec-31-19
BTS Infrastructure, Applications, Projects - Run	3,750	May-10-18	2,939	2,339	227	1,694	1,921	Dec-31-19
Bus Daily Operations Management System Replacement	2,500	Aug-30-18	481	4,185	1,758	2,385	4,143	Dec-31-20
Bus Scheduling and Trip Planner System Update	3,500	Apr-26-18	3,490	3,490	588	2,541	3,129	Dec-31-20
Compass System Advancements ⁴	461	-	-	-	-	-	-	-
Data Warehouse Business Intelligence Program 2017 ²	500	-	-	-	-	-	-	-
Enterprise Financial System Multi-Currency Enablement ²	210	-	-	-	-	-	-	-
Enterprise Payroll Services - Onboarding BCRTC & WCE ⁴	1,500	-	-	-	-	1,500	1,500	Dec-31-19
Financial System Replacement Implementation ⁴	4,000	-	-	-	-	4,000	4,000	Dec-31-21
Health and Safety System Implementation ⁴	500	-	-	-	-	500	500	Dec-31-19
IT Infrastructure Program 2018	6,000	Jul-19-18	5,966	5,966	1,447	3,416	4,863	Dec-31-19
Online Customer Service (Live Chat) Implementation	300	Jan-18-18	207	207	136	-	136	Dec-31-18
Train Radio Information Management System (TRIMS) Upgrade Project ²	1,510	-	-	-	-	-	-	-
TransLink Enterprise Asset Management ⁴	3,240	-	-	-	1,862	4,738	6,600	Dec-31-21
Technology Total	34,461		13,577	28,441	7,802	31,521	39,323	

Project and Program Titles (\$ thousands)	Approved in Principle (AIP)	Specific Project Approval (SPA) for the year ended December 31, 2018		Current Project Status as at December 31, 2018				
	Budget	Approval Date	Budget	Current Budget	Actual Cost to Date	Forecast to Complete	Final Forecast Cost	Estimated Completion Date
Vehicles								
2018 BCRTC Non-Revenue Vehicles (NRV) Expansion Project	900	Feb-15-18	1,030	1,069	68	880	948	Dec-31-19
2019 Community Shuttle Vehicle Replacement	12,000	Aug-30-18	12,000	12,000	-	12,000	12,000	Dec-31-20
2019 Conventional Bus Expansion	82,000	Mar-01-18	82,742	82,742	1,596	81,285	82,881	Dec-31-20
2019 Conventional Bus Replacement	33,300	Apr-12-18	33,922	33,922	618	33,589	34,207	Sep-30-20
2019 HandyDART Vehicle Replacement	5,750	May-24-18	5,750	5,750	112	5,599	5,711	Dec-31-20
2019 HandyDART Vehicles Expansion	1,500	May-24-18	1,550	1,550	30	1,523	1,553	Dec-31-20
Non-Revenue Vehicles - Replacements	1,518	Jul-05-18	1,300	1,300	-	1,207	1,207	Dec-31-20
NRV Fleet Life Cycle Management	217	Feb-15-18	217	217	-	216	216	Dec-31-19
TOH Truck Replacement	2,400	Aug-02-18	2,424	2,424	-	2,424	2,424	Dec-31-20
Transit Police NRV Expansion	225	Feb-01-18	218	218	177	-	177	Dec-31-18
Transit Police NRV Replacement	305	Feb-01-18	292	292	260	-	260	Dec-31-18
Vehicles Total	140,115		141,445	141,484	2,861	138,723	141,584	
Major Road Network (MRN)								
2017 MRN and Bicycle Infrastructure Capital Cost Sharing Program (BICCS) Capital Program	3,102	-	-	20,555	3,322	17,232	20,554	Dec-31-21
2018 Bicycle Infrastructure Capital Cost Sharing (BICCS) Funding Program	13,450	Jun-20-18	15,148	15,148	-	15,147	15,147	Dec-31-21
2018 MRN and Bike Upgrade Funding Program	20,000	Jun-20-18	21,404	21,404	-	21,404	21,404	Dec-31-21
2018 MRN Minor Capital Program	22,718	Jun-20-18	22,718	22,799	22,784	-	22,784	Dec-31-21
2018 MRN Structures Rehabilitation & Seismic Upgrade Funding Program ⁷	13,000	Jun-20-18	19,500	19,500	-	19,500	19,500	Dec-31-21
2018 Walking Infrastructure to Transit Funding Program	5,000	Jun-20-18	5,000	5,000	-	5,000	5,000	Dec-31-21
MRN Structures Rehabilitation & Seismic Upgrade Funding Program ⁷	6,500	-	-	-	-	-	-	-
Major Road Network (MRN) Total	83,770		83,770	104,406	26,106	78,283	104,389	
Major Construction								
Broadway Subway ⁸	16,627	Dec-14-17	16,627	39,627	27,500	5,942	33,442	Dec-31-19
South of Fraser Rapid Transit ⁸	13,249	Dec-14-17	13,249	33,249	29,108	4,439	33,547	Dec-31-19
Major Construction Total	29,876		29,876	72,876	56,608	10,381	66,989	
Grand Total	772,507		520,686	811,702	156,862	706,220	863,082	

- (1) These are Public Transit Infrastructure Fund (PTIF) funded projects that have Phases which will be completed after March 31, 2020. The phases of these project which are eligible for funding under PTIF are on schedule to be completed prior to March 31, 2020.
- (2) These were cancelled projects or projects that disencumbered Approved in Principle funds. See Schedule 1a for details.
- (3) Approved in Principle budget of project "CMBC BTC South Tire Shop & FOH Building Extension" consolidated with project "BTC South Seismic Upgrade - Design" and a single Specific Project Approval issued out of project "BTC South Seismic Upgrade - Design".
- (4) These projects were not initiated in 2018 or have a partial remainder of the Approved in Principle budget not used in 2018 and are being carried forward to year 2019, see Schedule 1a for details.
- (5) The 2018 Planned Approved in Principle Budget of these projects have not been initiated, while the prior program years' phases have commenced.
- (6) Approved in Principle budget of project "TransLink Owned Investment in Cycling Infrastructure" consolidated with project "TransLink Owned Bicycle Infrastructure Program - 2017" and a single Specific Project Approval issued out of project "TransLink Owned Bicycle Infrastructure Program - 2017".
- (7) Approved in Principle budget of project "MRN Structures Rehabilitation & Seismic Upgrade Funding Program" consolidated with project "2018 MRN Structures Rehabilitation & Seismic Upgrade Funding Program" and a single Specific Project Approval issued out of project "2018 MRN Structures Rehabilitation & Seismic Upgrade Funding Program".
- (8) These are projects that received advance approvals in 2017.

Schedule 1a

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

Project and Program Titles (\$ thousands)	Budget	Reason
Additions		
Sapperton Building - Leasehold Improvements	5,225	In order to mitigate capacity challenges that TransLink's Sapperton office faced by mid-2018, this project was initiated to secure the lease for the remaining 8th Floor at Sapperton headquarters. This new space was fitted out to align with current Sapperton building standards. This project received funding from the 2018 capital contingency.
SeaBus South Seawall and Skywalk Seismic Design	8,100	This project was initiated in 2018 to minimize customer disruptions by undertaking it in parallel to the Seismic Improvement project. It will expand the South SeaBus terminal and replace the escalators and elevators. This project was funded by the Public Transit Infrastructure Fund (PTIF).
Vulnerability Management System	1,115	This project is to create a vulnerability management practice at TransLink, which will implement a system to identify and assess the risks associated with cyber security. This project received funding from the 2018 capital contingency.
Additions Total	14,440	
Project Cancellations and Disencumbered Projects		
Data Warehouse Business Intelligence Program 2017	500	This project was not required due to other data business intelligence projects initiated in 2018. Majority of the scope of this project will now be delivered in 2019, under the Transportation Analytics Program.
Enterprise Financial System Multi-Currency Enablement	210	As a result of the Financial System Replacement Feasibility Study, the scope of this project was determined to be covered under the 2019 Enterprise Financial System project and therefore cancelled.
Nanaimo Bus Loop Upgrades	3,760	Project budget cancelled in order to allow \$2.5 million to be made available for another bus exchange project (Lonsdale Quay Exchange Upgrade) and the remainder of \$1.2 million was returned to the capital envelope.
Pattullo Procurement Readiness & Environmental Work	13,940	In 2018, the Province took over the funding and construction of the replacement bridge. Upon completion, the Province will own and operate the new Pattullo Bridge.
Phibbs Exchange Upgrade	17,190	The project has been transferred to the BC Ministry of Transportation and Infrastructure (MOTI). Of the original project budget of \$23.2M, \$17.2M has been disencumbered, TransLink remains responsible for providing transit-specific design criteria and standards and development of the transit-related infrastructure with its remaining budget of \$6M. Delays in awarding the construction contract has shifted the project to 2019.
Propulsion Power Existing Equipment Maintenance Upgrade	275	The scope of three projects (Second Power Feed (BC Hydro) for SkyTrain OMC, Power System Upgrades for SkyTrain at OMC and Propulsion Power Existing Equipment Maintenance Upgrade), were consolidated to provide better coordination and contracting for the delivery of future power capacity at OMC 1.

Project and Program Titles (\$ thousands)	Budget	Reason
Second Power Feed (BC Hydro) for SkyTrain OMC	2,650	The scope of three projects (Second Power Feed (BC Hydro) for SkyTrain OMC, Power System Upgrades for SkyTrain at OMC and Propulsion Power Existing Equipment Maintenance Upgrade), were consolidated to provide better coordination and contracting for the delivery of future power capacity at OMC 1.
SkyTrain Customer and Operations Telecommunications (SCOT) Upgrade	5,366	The final phase of this project was established prior to the Expo Millennium Upgrade Program (EMUP) being approved. The scope of this project has been transferred and will now be delivered under EMUP.
Train Radio Information Management System (TRIMS) Upgrade Project	1,510	This project was not required as the scope was included within the SkyTrain Customer and Operations Telecommunications (SCOT) Upgrade project.
Transit Management and Communications (TMAC) Radio Replacement	10,000	Scope and required budget of the project was reassessed resulting in a reduction to the planned budget by \$10 million.
Project Cancellations and Disencumbered Projects Total	55,401	
Projects Not Initiated		
BCRTC Modernization 2017	500	Labour resource constraints led to a delay in completing the planning and due diligence requirements. The project is now expected to initiate in 2019.
Bus Stop Infrastructure for New Routes	750	The project delayed as additional work is needed for defining project scope and cost estimates. The project is now expected to initiate in 2019.
Canada Line Bus Loops - Brighthouse	4,000	The final scope of the project was contingent on development permit approval and subject to a delay in reaching execution of the agreement with the City of Richmond. The project is expected to initiate in 2019.
Compass System Advancements	461	Substantial work on several Compass system enhancements has been completed. The delay to the remaining phase is due to the vendor being unable to complete planned work as anticipated. The remaining phase is now expected to be initiated in March 2019.
Enterprise Payroll Services - Onboarding BCRTC & WCE	1,500	The schedule of this project was adjusted in order to implement the new payroll system alongside a proposed scheduling and timekeeping system. Project is now expected to initiate in 2019.
Expo Line Station Escalators - Stage 4	15,893	Consolidating all phases of the upgrades to Expo Line Station Escalators under one project caused delays in subsequent phase initiation. Project is expected to initiate in 2019.
Financial System Replacement Implementation	4,000	The scope of this project was expanded to include the consideration of an Enterprise Resource Planning (ERP) solution. This has increased the complexity and analysis requirements and this project is now expected to initiate in 2019.
Health and Safety System Implementation	500	An increase in the complexity of the project scope has led to further planning being required prior to approval.
Implement Enterprise-Level Regional Demand Management Strategies	500	Project delayed as additional work is needed for defining project scope and cost estimates. Project is now expected to initiate in 2019.
Knight Street Bridge Rehabilitation - Detailed Design	1,800	Project delayed as additional work is needed for defining project scope and cost estimates. Project is now expected to initiate in 2019.

Project and Program Titles (\$ thousands)	Budget	Reason
Marpole Transit Centre Silvertree Site - Pre-Design Services	3,002	At the end of 2018, this project is pending approval to commence in 2019.
Newton Exchange	3,185	Of the original project budget of \$12.0M, \$8.8M was transferred to the Guildford Exchange project. The project schedule pertaining to the remaining \$3.2M budget has been adjusted due to pending decisions related to South of Fraser Rapid Transit.
Operations & Maintenance Centre (OMC) 1 & 2 Space Optimization and Modernization	8,000	Project delayed as additional work is needed for defining project scope and cost estimates. Project is now expected to initiate in 2019.
Operations & Maintenance Centre Perimeter Security Upgrade	1,990	The delay is due to the intent to deliver this project in conjunction with the OMC 1 & 2 Space Optimization and Modernization project. Project is now expected to initiate in 2019.
Phibbs Exchange Upgrade	6,000	The project has been transferred to the BC Ministry of Transportation and Infrastructure (MOTI). Of the original project budget of \$23.2M, \$17.2M has been disencumbered, TransLink remains responsible for providing transit-specific design criteria and standards and development of the transit-related infrastructure with its remaining budget of \$6M. Delays in awarding the construction contract has shifted the project to 2019.
Rapid Transit Noise Migration Design	1,000	The project was delayed as it took longer than anticipated to complete the Noise Assessment and feasibility study. The project is now expected to initiate in 2019.
South SeaBus Terminal Accessibility Improvement Detail Design	250	The project was delayed as the scope of this project was consolidated for delivery through the SeaBus South Seawall and Skywalk Seismic Design project.
TransLink Enterprise Asset Management	3,240	The project schedule has been adjusted as program initiatives are reviewed and prioritized to take advantage of the efficient financial management of the current phase. The project is expected to initiate in 2019.
TransLink Owned Bicycle Infrastructure	6,624	The current work is still being funded by the previous program budget. Funding from this project is expected to commence in 2019.
Projects Not Initiated Total	63,195	

Schedule 2

Schedule 2 provides a comparison of the 2018 cash flow forecast in the 2018 Investment plan to actual spending in 2018. This schedule includes comments for variances greater than \$1 million.

	2018 Cash Flow (\$ thousands)			
Project and Program Titles (\$ thousands)	10 Year Plan	Actual Jan 1 - Dec 31 2018	Variance Plan - Actuals	Comments on Variances > \$1 Million
Equipment				
ATC Existing Equipment Replacement on Expo Line	5,081	1,653	3,428	Variance is due to a change in the scope of the project to incorporate findings from the feasibility study completed in 2017. This resulted in a change to the work schedule and cash flows from those anticipated in the Investment Plan.
CCTV Camera System Upgrade on Expo and Millennium Lines	6,222	609	5,613	Variance is due to delays in the design phase, relative to that anticipated in the Investment Plan. This resulted in shifting of cash flows related to planning and implementation to later years.
CMBC Farebox Expansion and Replacement	2,000	382	1,618	Variance is due to delayed arrival of the fareboxes, resulting in the installation costs shifting to the first quarter of 2019, compared to the Investment Plan which expected arrival and installation to occur in 2018.
Expo Line Traction Power Equipment Replacement	6,565	162	6,403	Variance is due to a revision in the project schedule. Project expenses incurred in 2018 relate to inspection, testing and design. Implementation related cash flows will commence in 2019.
Mark (MK) III Vehicle Lifting Jacks	1,646	55	1,591	Variance is due to delays in contract negotiation and execution with the equipment supplier. The cash flows are expected to take place in 2019.
Millennium Line Fire Life Safety System	7,530	1,303	6,227	Variance is due to delays in contract negotiation and execution. The cash flows are now expected to take place in 2019 and 2020.
Operator Protection Barrier Retrofit	1,159	-	1,159	The variance is due to project schedule shift to allow for scope increase to retrofit the operator protection barriers on 256 trolley coaches in addition to the original scope. The cash flows are expected to take place in 2019.
Passenger Address System Quality Improvement	6,332	923	5,409	Variance is due to changes to TransLink's design standards associated with customer communications. This resulted in a delay to the system design phase. The schedule was also realigned for it to be delivered in conjunction with two associated customer communication projects.

Project and Program Titles (\$ thousands)	2018 Cash Flow (\$ thousands)			Comments on Variances > \$1 Million
	10 Year Plan	Actual Jan 1 - Dec 31 2018	Variance Plan - Actuals	
Railborne Equipment Replacement	2,991	-	2,991	Variance is due to longer than expected time required during the feasibility study to ensure sufficient due diligence on the railborne equipment specifications. The commencement and cash flows are expected to take place in 2019.
Replace Rail Rotary Grinder 1 (including Dust Collection System)	3,063	-	3,063	Variance is due to delays in contract negotiation and execution. The cash flows are now expected to take place in 2019 and 2020.
SkyTrain Customer and Operations Telecommunications (SCOT) Upgrade	2,918	853	2,065	Variance is due to the system architecture and phasing reviews being shifted to 2019.
SkyTrain Physical Security System Project	6,278	326	5,952	Variance is due to timing shifts related to the design phase which have shifted cash flows to 2019.
Transit Management and Communications (TMAC) Radio Replacement	9,894	709	9,185	Variance is mainly due to change in project scope to include other transit management and communication projects. As a result, the project is expected to be completed in multiple phases. Majority of the costs have shifted to 2019 and 2020.
Equipment projects with current year variances less than \$1 million	889	3,375	(2,486)	Variances are mainly due to project schedule shifts caused by installation technical and delayed equipment deliveries of the ATC Existing Equipment Replacement - Phase 2 project; longer than expected completion of the Running Rail Replacement project and the Transit Police Next Generation Radios (E-Comm) project. This has resulted in anticipated cash flows shifting from earlier years into 2018.
Equipment Total	62,568	10,350	52,218	
Facilities				
BTC South Seismic Upgrade - Design	6,224	876	5,348	Variance is due to project scope change to include the delivery of the Tire Shop and Fleet Overhaul Building Extension. As a result, the majority of the cash flows have shifted to from 2018 to 2019.
Operations & Maintenance Centre (OMC) Perimeter Security Upgrade	1,990	-	1,990	Project initiation is delayed due to the intent to deliver this project in conjunction with the OMC 1 & 2 Space Optimization and Modernization project.
Marpole Transit Centre Silvertree Site - Pre-Design Services	34,310	-	34,310	Variance is due to delays in the project initiation, largely attributable to permitting delays, which have resulted in cash flows shifting to 2019.

Project and Program Titles (\$ thousands)	2018 Cash Flow (\$ thousands)			Comments on Variances > \$1 Million
	10 Year Plan	Actual Jan 1 - Dec 31 2018	Variance Plan - Actuals	
SeaBus Crew Facilities Rehabilitation	1,133	94	1,039	Variance is due to delays in the design phase, relative to the Investment Plan. This impacted the planned permit approvals and implementation.
SeaBus Terminals Interior Refurbishment	1,856	174	1,682	Variance is due to delays in awarding the contract for project design, resulting in the implementation phase shifting to 2019.
Facilities projects with current year variances less than \$1 million	8,846	3,598	5,248	Variances are mainly due to a longer lead time than expected for lighting fixtures required for the PowerSmart Upgrades project and delayed deliveries of the BTC South Garage Roof Replacement project and OMC 1 & 2 Space Optimization and Modernization project.
Facilities Total	54,359	4,742	49,617	
Infrastructure				
2017 Trolley Overhead Hanger Replacement	1,050	-	1,050	Variance is due to project completing ahead of schedule in 2017.
BC Hydro Upgrades	-	7,392	(7,392)	Variance is due to a revision in the project schedule and invoicing based on completed milestones. As a result of these milestones completing in 2018, related cash flows shifted from 2017 to 2018.
Brentwood SkyTrain Station and Bus Facilities Upgrade Phased Design and Implementation	3,003	126	2,877	Variance is due to a delay in finalizing the project scope, which resulted in project initiation and related cash flows shifted to 2019.
Broadway Commercial 99 B-line Canopy	-	1,023	(1,023)	Variance is due to rescheduling this project from 2017 to 2018 that was delivered in conjunction with the Commercial Broadway Station Upgrade project in 2018.
BTC North Garage Replacement - Design	7,339	414	6,925	Project initiation was delayed as it took longer than expected to receive a development permit.
Canada Line Bus Loops	3,988	1,109	2,879	Variance is due to delays in obtaining design and permit approvals for the final bus loop at Richmond Brighthouse, as a result cash flows have shifted from 2018 to 2019.
Canada Line Fleet Expansion - Infrastructure	7,500	15,125	(7,625)	Variance is due to project schedule shifting planned expenditure from 2017 to 2018 for station updates.
Commercial Broadway SkyTrain Station Phase 2 Upgrade Design	27,943	14,642	13,301	Variance is due to increased CN rail traffic in the Grandview cut which caused construction schedule delays. Project is expected to complete in 2019.

Project and Program Titles (\$ thousands)	2018 Cash Flow (\$ thousands)			Comments on Variances > \$1 Million
	10 Year Plan	Actual Jan 1 - Dec 31 2018	Variance Plan - Actuals	
Edmonds OMC Capacity Upgrades	8,160	48	8,112	Variance is due to delays as a result of an extension to the procurement phase. The cash flows are expected to take place in 2019.
Expo and Millennium Line Signage and Station Fixture Replacement	1,621	3,018	(1,397)	Variance is due to project scope change to include Canada Line and West Coast Express stations, which extended contract negotiations. As a result, planned expenditure shifted from 2017 to 2018.
Expo Line Station Escalators Replacement	6,981	5,439	1,542	Variance is due to consolidating all phases under one project and re-phasing initiation dates. Cash flow is shifted to 2019.
Expo Line Tunnel Ventilation System Condition Assessment Feasibility Study	2,476	131	2,345	Variance is due to longer than expected procurement phase. As a result, cash flows shifted from 2018 to 2019.
Expo Line Upgrade Strategy - Burrard Station: Design & Implementation	9,420	935	8,485	Variance is due to delays resulting from higher cost estimates in the proof of concept phase.
Guideway Intrusion System Upgrade	9,800	242	9,558	Variance is due to delays in commencing Phase 2 Implementation resulting in cash flows shifting from 2018 to 2019.
Guildford Exchange	5,000	909	4,091	Variance is due to delays in receiving required development permits from the City of Surrey, resulting in delayed project initiation and a shift in cash flows from 2018 to 2019.
Hoist Replacements - 2017	3,000	1,206	1,794	Variance is due to delays caused by an increase in the scope of the project to include a third articulated bay. Cash flows shifted to 2019.
Implement Enterprise-Level Regional Demand Management Strategies	1,500	-	1,500	Project timing shifted as additional work is needed for defining project scope and cost estimates. Project is now expected to initiate in 2019.
Investments in Transit Priority on Priority B-Line Corridors	-	1,603	(1,603)	Delivery of Phase 1 B-Line expansion has been moved up to Fall 2019, as a result work planned for later years has been executed early and cash flows advanced to 2018.
Joyce-Collingwood Station Upgrade Design	36,782	10,666	26,116	Variance is due to delays in acquiring the necessary land and tree cutting permits needed to commence Phase 2 construction.
Lonsdale Quay Bus Loop and SeaBus Terminal Upgrade	8,000	506	7,494	Variance is due to delays in completion of concept design. This has shifted timing of the implementation phase and the related cash flows has shifted from 2018 to 2019.

Project and Program Titles (\$ thousands)	2018 Cash Flow (\$ thousands)			Comments on Variances > \$1 Million
	10 Year Plan	Actual Jan 1 - Dec 31 2018	Variance Plan - Actuals	
Metrotown Bus Loop Refurbishment	2,500	216	2,284	The design phase was extended to accommodate additional stakeholder input into the schematic design. The revised cost estimates for the construction phase exceeded available funding, as a result the project is on hold pending further engagement with the City of Burnaby.
Metrotown Station and Exchange Upgrade Design	14,748	9,074	5,674	Variance is due to additional costs incurred related to water intrusion into the station, installation of CCTV cameras and implementing a permanent cooling solution for the elevator machine room, resulting in cash flows being advanced from 2018 into 2017.
Nanaimo Bus Loop Upgrades	5,000	538	4,462	Variance is due to delays in resolving design requirements with the City of Vancouver and bus scheduling constraints. This resulted in the project schedule and related cash flows shifting from 2018 to 2019.
Pattullo Bridge Rehabilitation Phase 2 - Design	5,554	711	4,843	Variance is due to the project having to do less repair work than expected based on previous years' expenditure.
Pattullo Bridge Wind Monitoring & Seismic Warning Systems - Detailed Design	4,747	436	4,311	Variance is due to delays in project expenditures due to longer than anticipated design and procurement phases.
Phibbs Exchange Upgrade	19,960	-	19,960	Variance is due to the project being transferred to the BC Ministry of Transportation and Infrastructure (MOTI).
Power System Upgrades for SkyTrain at OMC	1,550	2,836	(1,286)	Variance is due the consolidation of three OMC power system upgrade projects, which delayed the design completion and procurement phase from 2017 to 2018.
Propulsion Power Substation Redundant Incomers at 3 Locations	2,126	-	2,126	Variance is due to previous delays in 2017, leading to late project initiation. Cash flows were shifted from 2018 to 2019.
Rail Clamping Retrofit	-	2,864	(2,864)	Variance is due to capacity constraints on scheduling rail closures alongside other train operations. This has resulted in project schedule shifts in prior years' anticipated project closures and related cash flows shifted from 2017 into 2018.
Replace Platform LEDs System	1,844	4,780	(2,936)	Variance is due to project schedule shifting planned expenditure from 2017 to 2018 and 2019.

Project and Program Titles (\$ thousands)	2018 Cash Flow (\$ thousands)			Comments on Variances > \$1 Million
	10 Year Plan	Actual Jan 1 - Dec 31 2018	Variance Plan - Actuals	
Roofing Replacements (#1&2)	5,735	1,152	4,583	Variance is due to challenges in completing the original project scope in one roofing season, consequently the project schedule was extended to allow an additional year of construction and thereby shifted substantial portion of expected cash flow from 2018 to 2019.
Running Rail Replacement	5,411	1,277	4,134	Variance is due to changes in the scope following RFP and a lower rail production rate than initially estimated.
SeaBus South Seawall and Skywalk Seismic Design	8,350	2,518	5,832	Variance is due to change of project scope. The installation phase of accessibility improvement project was combined into this project.
SkyTrain OMC Upgrades	17,646	1,007	16,639	Variance is due to a delay in initiation as additional time was required to identify the location for the new Operations Control Centre. Resulting in significant cash flows shifting to 2019.
SkyTrain Storage - Port Coquitlam Vehicle Storage Facility Expansion	86,193	846	85,347	Variance is due to delays caused by complexities in the procurement phase and a change in project delivery methodology from Design Build to Design Bid Build which shifted the project schedule and related cash flows from 2018 to 2019.
Surrey Central Station Upgrades Design	23,521	9,140	14,381	Variance is due to the extension of the construction schedule from 2018 to 2019.
Surrey Transit Centre Compressed Natural Gas Facility Retrofit	-	3,075	(3,075)	Variance is due to project construction being delayed from issues with unforeseen site conditions. Cash flows were shifted from 2017 to 2018.
Transit Plan for Millennium Line Broadway Extension Construction	1,011	-	1,011	Variance is due to delay in project approval as a result of ongoing negotiations with the Province regarding cost recoveries.
TransLink Owned Bicycle Infrastructure	5,555	-	5,555	The current work is still being funded by the previous program budget. This funding will be applied towards state of good repair and capital improvements in 2019 and 2020.
Trolley Overhead Pole Replacement - 2017	3,055	1,692	1,363	Variance is due to work being completed ahead of schedule in 2017 and costs to replace the underground cable being less than expected.
University of British Columbia (UBC) Diesel Bus Terminal TransLink Related Infrastructure	3,000	10	2,990	Variance is due to extended project schedule caused by design changes, resulting in shifting cash flows from 2018 into 2019.

Project and Program Titles (\$ thousands)	2018 Cash Flow (\$ thousands)			Comments on Variances > \$1 Million
	10 Year Plan	Actual Jan 1 - Dec 31 2018	Variance Plan - Actuals	
Westham Island Bridge Structural Assessment and Detailed Design	1,301	117	1,184	Variance is due to stakeholders' restrictions on the Bridge closures, which caused project schedule delays. The cash flows are expected to take place in 2019.
Infrastructure projects with current year variances less than \$1 million	28,936	25,304	3,632	Variance is mainly due to delays in contract negotiation and execution for the ATC System Recovery and Operation Improvements project and reduced costs due to circuitry relocation in the TOH Pole Replacement project.
Infrastructure Total	391,306	132,127	259,179	
Technology				
BCRTC Enterprise Asset Management Implementation	10,396	1,761	8,635	Variance is due to the project schedule being adjusted to be delivered as within a larger Enterprise Resource Planning initiative in 2019.
BTS Infrastructure, Applications, Projects - Run	1,609	227	1,382	Variance is due to lower than expected costs for contract resources to deliver the scope of the project.
Compass Fare Adjustment Utility	5,220	2,923	2,297	Variance is due to delays in Broadway Station, Surrey Central and Joyce Station upgrades. The fare gate radio-frequency identification (RFID) installation cannot be completed until each of these stations are substantially completed. This has resulted in a shift of the cash flows from 2018 to 2019.
Compass System Advancements	4,824	286	4,538	Variance is due to lower marketing costs and the completion of system change requirements being delayed to 2019.
Customer Digital Services - Customer Messaging	18	1,354	(1,336)	Variance is due to delays in commencement of the project, which resulted in majority of the expected project cash flows shifting from 2017 into 2018.
MyTime System Update	1,074	18	1,056	Variance is due to an overall lower than expected project costs, mainly from savings in implementation, contract resource costs and needing to access contingencies built into planned costs.
Technology projects with current year variances less than \$1 million	9,073	8,395	678	Variance is mainly due to lower than expected internal labour cost for the Bus Scheduling and Trip Planner System Update project and timing differences for equipment replacement activity related to the 2017 and 2018 IT Infrastructure Programs.
Technology Total	32,214	14,964	17,250	

	2018 Cash Flow (\$ thousands)			
Project and Program Titles (\$ thousands)	10 Year Plan	Actual Jan 1 - Dec 31 2018	Variance Plan - Actuals	Comments on Variances > \$1 Million
Vehicles				
100-400 Series MK I Refurbishment Project	8,044	3,074	4,970	Variance is due to a delay in renegotiation of the procurement contract. Cash flows shifted to 2019 and 2020.
2016 Conventional Bus Replacement	5,400	1,179	4,221	Variance is due to 30 compressed natural gas (CNG) buses being delayed in order to prioritize the 60-foot hybrid buses for delivery.
2017 Conventional Bus Replacement (54-40G and 52-60H)	95,085	50,416	44,669	Variance is due to an increase in the scope of the project, to purchase an additional 52 diesel electric hybrid powered 60-foot articulated buses. This resulted in delays to securing contracts and shifted the cash flows to 2019.
2017 HandyDART Vehicle Replacement	4,163	2,614	1,549	Variance is due to a reduction in the budget from more accurate vehicle pricing. Funding related to early vehicle deliveries was also advanced to 2017.
2018 Community Shuttle Vehicle Replacement	3,534	2,352	1,182	Variance is due to delays caused by issues at the manufacturer's assembly area. This resulted in the delivery of vehicles and cash flows shifted to 2019.
2018 Conventional Bus Replacement	62,381	51,460	10,921	Variance is due to shifting from 2018 to 2019 the delivery of 17 compressed natural gas (CNG) buses, in order to allow prioritizing the delivery for 60-foot hybrid buses under other projects. As a result, this has shifted the cash flows from 2018 to 2019.
Bus-Vehicles Conventional 40-foot	68,075	41,310	26,765	Variance is due to delays in finalizing purchase contracts caused by a scope change from a standard diesel engine system to a hybrid vehicle propulsion system. This has resulted in an overall increase in project costs over the project life as well as shift in cash flows from 2018 to 2019.
Bus-Vehicles Conventional 60-foot	11,669	140	11,529	Variance is due to delays in finalizing purchase contracts caused by a scope change from a standard diesel engine system to a hybrid vehicle propulsion system. This has resulted in an overall increase in project costs over the project life as well as shift in cash flows from 2018 to 2019.
Canada Line Fleet Expansion - Fleet	44,000	21,327	22,673	Variance is due to revisions in the milestone payment schedule subsequent to the Investment Plan being developed, resulting in shifting the cash flows from 2018 to 2019 and 2020.

Project and Program Titles (\$ thousands)	2018 Cash Flow (\$ thousands)			Comments on Variances > \$1 Million
	10 Year Plan	Actual Jan 1 - Dec 31 2018	Variance Plan - Actuals	
CMBC Trolley Overhead (TOH) Replacement - Phase 2	2,400	-	2,400	Variance is due to revisions in the project scope and schedule subsequent to the Investment Plan being developed. The trolley overhead truck replacement will now be delivered in two stages and this project will be implemented in 2019.
Community Shuttle Vehicles	3,060	653	2,407	Variance is due to delays caused by issues at the manufacturer's assembly area. This resulted in the delivery of vehicles and cash flows shifted to 2019.
CUTRIC Battery Electric Bus Trial	9,482	1,734	7,748	Variance is due to delays in fabrication and the delivery times of equipment from manufacturers. As a result, scheduled cash flows shifted into 2019.
Expansion SeaBus Vessel	20,684	7,091	13,593	Variance is due to delays in vessel construction by the manufacturer, resulting in project delays and the shift of scheduled cash flows into 2019.
HandyDART Vehicles	2,851	1,801	1,050	Variance is due to lower pricing being secured during the RFP process than previously anticipated, resulting in overall lower project costs and minor cash flows shifted to 2019.
PTIF MK III Vehicle Procurement	68,167	41,570	26,597	Variance is due to manufacturing delays which resulted in less contract milestone payments being paid than originally forecasted for 2018.
WCE Fleet Expansion	10,500	141	10,359	Variance is due to delays in Request for Proposal (RFP) procurement process, which resulted in changes in project schedule and related cash flows shifting from 2018 to 2019 and 2020.
Non-Revenue Vehicles - Replacements	1,331	-	1,331	Variance is due to delays in approval to commence procurement. As a result, vendor lead times for delivery and outfitting shifted to 2019.
Vehicles projects with current year variances less than \$1 million	8,299	10,653	(2,354)	Variance is mainly due to delays in cash flows in 2019 Fleet projects and Non-Revenue Vehicle Replacement projects.
Vehicles Total	429,125	237,515	191,610	

Major Road Network (MRN)				
2010 MRN Minor Capital Program	-	2,535	(2,535)	Variance is due to delays in receiving final vendor invoices pertaining to prior year programs, resulting in cash flows in 2018.

Project and Program Titles (\$ thousands)	2018 Cash Flow (\$ thousands)			Comments on Variances > \$1 Million
	10 Year Plan	Actual Jan 1 - Dec 31 2018	Variance Plan - Actuals	
2011 MRN Minor Capital Program	-	2,842	(2,842)	Variance is due to delays in receiving final vendor invoices pertaining to prior year programs, resulting in cash flows in 2018.
2012 MRN Minor Capital Program	277	1,634	(1,357)	Variance is due to delays in receiving final vendor invoices pertaining to prior year programs, resulting in cash flows in 2018.
2017 MRN and Bicycle Infrastructure Capital Cost Sharing (BICCS) Program Capital Program	5,996	3,063	2,933	The BICCS Funding Program allows municipalities up to four years to complete construction. Municipalities have an additional year to invoice TransLink following completion of the projects. The variance is due to remaining projects not yet completed and delayed invoices.
2018 Bicycle Infrastructure Capital Cost Sharing Funding Program	3,363	-	3,363	The BICCS Funding Program allows municipalities up to four years to complete construction. Municipalities have an additional year to invoice TransLink following completion of the projects. The variance is due to remaining projects not yet completed and delayed invoices.
2018 MRN and Bike Upgrade Funding Program	5,000	-	5,000	The Bike Upgrade Funding Program allows municipalities up to four years to complete construction. Municipalities have an additional year to invoice TransLink following completion of the projects. The variance is due to remaining projects not yet completed and delayed invoices.
2018 MRN Structures Rehabilitation & Seismic Upgrade Funding Program	6,500	-	6,500	The Structures Rehabilitation & Seismic Upgrade Funding Program allows municipalities up to four years to complete construction. Municipalities have an additional year to invoice TransLink following completion of the projects. The variance is due to remaining projects not yet completed and delayed invoices.
2018 Walking Infrastructure to Transit (WITT) Funding Program	1,250	-	1,250	The WITT Funding Program allows municipalities up to four years to complete construction. Municipalities have an additional year to invoice TransLink following completion of the projects. The variance is due to remaining projects not yet completed and delayed invoices.
MRN projects with current year variances less than \$1 million	27,826	26,437	1,389	Variance is mainly due to delays in vendor invoices pertaining to 2015 MRN and 2017 MRN Capital Program projects, resulting in shifting cash flows into 2019.
Major Road Network (MRN) Total	50,212	36,511	13,701	
Major Construction				

Project and Program Titles (\$ thousands)	2018 Cash Flow (\$ thousands)			Comments on Variances > \$1 Million
	10 Year Plan	Actual Jan 1 - Dec 31 2018	Variance Plan - Actuals	
Broadway Subway	217,956	17,460	200,496	Variance is mainly due to delays in finalizing the external funding for the project and completing procurement readiness. Also, as of October 31, 2018 it was decided that the project will be executed by the BC Ministry of Transportation and Infrastructure.
South of Fraser Rapid Transit	70,897	20,164	50,733	Variance relates to reassessment of project scope to reflect decisions by the Mayors' Council.
Major Construction projects with current year variances less than \$1 million	-	902	(902)	It was anticipated that there would be little spending on Evergreen Extension beyond 2017. There continues to be some system integration works being done on the line by BCRTC.
Major Construction Total	288,853	38,526	250,327	
Grand Total	1,308,637	474,735	833,902	

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 / non-governmental agencies and industry partners all committed to helping more people choose transit, ridesharing, carpooling, car sharing, cycling and walking in place of single occupancy vehicle (SOV) trips. Changing behavior 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.

Transportation Demand Management 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 was established following a successful pilot in nine Metro Vancouver communities in 2005/06.

The 10 Year Investment Plan and Regional Growth Strategy 1 (RGS 2013) adopted describe policies to meet the growing demands from an anticipated one million-plus new residents and 600,000 new jobs to the region 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 Framework2 (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 to enable individuals to change their travel habits.

The following summarizes activity and outcomes from the 2018 business year according to the 'target area' headings contained in the 2018 TravelSmart work and program plans.

2018 TravelSmart Headline Results

- 200+ TravelSmart / Transit 101 presentations and workshops delivered to over 10,000 people in schools, workplaces, senior centers and newcomer groups.
- Community outreach encouraging sustainable transportation use at 30+ events and festivals. Over 20,000 people boarded the TransLink engagement bus and garnered 1.5+ million positive brand impressions.
- Released the "Getting Around on Transit" online video series providing tips, tools and information on transit services to encourage transit and sustainable transportation use.
- Engaged with 100+ regional workplaces / organizations with TravelSmart for Business Solutions.
- 100,000+ customers assisted during the Tap to Pay "don't tap your wallet" behavior change campaign / service launch.
- Supported the Night Bus District launch through in person outreach and scaled key messages through partnerships including entertainment, universities, government and businesses.
- Partnered with HUB Cycling, Mobi, Better Environmentally Sound Transportation (BEST) and Project 529 on 5 new bike parkade opening celebration events at SkyTrain Stations.
- 6,700+ children and adults learned how to bike safely through cycling education programs.
- 20,500+ bicycles were parked by BEST's Bike Valet at 180+ community events.
- Bike to Work Week counted a record 55,000+ bikes at over 132 celebration stations across the region. Bike to School Week had a record 122 participating schools.
- Sponsored and supported the launch of bc211, a non-profit organization that specializes in providing free information and referral regarding community, government and social services in BC with a focus on transit to seniors.

2018 TravelSmart Programs, Partners & Initiatives

- 50,000+ personal safety reflectors distributed to transit customers through pedestrian safety campaign in partnership with ICBC, regional police forces, BCRTC and CMBC.
- 175 participants and over \$125,000 spent at 230 local shops at the second annual TravelSmart-sponsored Bike to Shop Days.
- Fostered a Regional School Travel Planning working group to advance active youth travel, including but not limited to, partnerships with health authorities, municipalities and service providers.
- The Newcomer Bike Host Program, a collaborative partnership between HUB Cycling and the Immigrant Services Society of BC, and the first of its kind in Western Canada, delivered over 1,100 hours of cycling instruction and orientation to 30+ new families to the region.
- Over 3,200 registrants participated in the annual Commuter Challenge, a national campaign to encourage sustainable transportation through the workplace. Over 267,000kms travelled were logged.
- Through *story, music, interactive media* and *live theatre*, Planet Protector engaged with 574 kids (2,600 participant hours) and reached an estimated 1,150 family members. The program instilled positive environmental values among kids, such as sustainable transportation.
- Delivered 10 transit “Cool It!” Climate Leadership workshops to 8 schools, 248 youth. During the program challenge, students committed to several energy saving actions over a 4-week period.
- Delivered a *#biketotransit* campaign in partnership with HUB Cycling and MOBI Bike-Share which resulted in 2,637 24-hour MOBI bike share passes redeemed, 106 registrations and an estimated 4 million impressions.
- Completed installation of the first on transit system bus bike rack demo station @ Main Street Station.
- Launched the School Travel Planning Toolkit for teachers & PAC’s.
- Ran the second annual “*I Love Transit Week*” in October, that engages youth to celebrate transit and encourage teachers to use transit for field trips through contests and free bus travel. This year’s campaign received over 100 contest entries.
- Developed and launched a Charitable Donation Program providing access to transit to those most in need, allowing access to community programs and services. The program also supports institutions and emergency services with retired equipment & fleet vehicles for training purposes.
- To increase the customer experience, the number of buskers / musicians performing on the transit system was expanded from 43 to 69. Two new performance locations were introduced at Metrotown Station and Surrey Central Station (10 in total).
- Offered free trolley rides aboard a 1957 Historical Trolley to thousands of excited passengers to celebrate the 70th Anniversary of trolley service in Metro Vancouver.

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
Supported stronger municipal partnerships through shared resources, information, campaigns, programs and initiatives.	<ul style="list-style-type: none"> Facilitated TDM Municipal Roundtable meetings with municipal TDM partners to share resources, encourage collaboration and update and report on TransLink/TravelSmart initiatives. Delivered a TDM project grant program for municipalities, to support TDM initiatives. 10 grants were awarded in 2018 including: 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. 2018 TDM Grant projects included but were not limited to school travel planning, seniors transit education and individualized marketing to targeted areas encouraging sustainable transportation. Attended various municipal celebrations and events to support and celebrate sustainable transportation, including Car Free Day festivals in Vancouver and Port Moody, Canada Day in Surrey, Shipped in North Vancouver and World Festival in Richmond.
Delivered Travel Training for Schools, Workplaces, Seniors and Newcomers across the region	<ul style="list-style-type: none"> Continued to promote as a tool within the TravelSmart for Business Program, <i>Compass for Organizations</i>, to encourage workplace transit subsidies for commuting. In 2018 we facilitated sign ups from 11 new companies including LUSH Cosmetics, RAM Engineering and Arbutus Capital. Conducted an employee commuting survey with over 400 Amazon staff. Supported the Hotel Employee subsidy study in partnership with the City of Vancouver, SFU, Hotel Association and 11 local hotels. Further developed partnerships with settlement service providers. Among them were the Immigrant Service Society of BC, S.U.C.C.E.S.S, Mosaic and HUB cycling, which provided newcomers with relevant travel training including catered webinar training.
Increase partnerships with mobility service providers and internal and external stakeholders	<ul style="list-style-type: none"> Ongoing relationship development with mobility services including but not limited to; car, bike sharing services, cycling advocates, walking advocates, health authorities, regional planning agencies (such as Metro Van) and clean energy groups such as the Metro Vancouver-led Regional Clean Air Committee. Introduced 5 new service agreements aimed at scaling active and sustainable transportation messages including MOBI, Planet Protector, BCSEA, Garage 529

	<p>and Pedal Power.</p> <ul style="list-style-type: none"> • In partnership with local car share operators, provided customer awareness to support new car share priority parking at Skytrain Stations: King George, Scott Road, Coquitlam Central, Lougheed, Edmonds and Braid. • Managed annual <i>#biketotransit</i> campaign in partnership with HUB Cycling, BEST and MOBI Bike Share, to encourage the benefits of combining bike trips with transit, such as increased access to the transit network. • Supported New Mobility Dept. with the launch of a Vanpool pilot program launch at SeaSpan, project development of improved transit services on Bowen Island, Open Innovation Call and New Mobility Forums.
Developed strategic partnerships to strengthen community relations and develop ridership	<ul style="list-style-type: none"> • Successful community partnerships delivered in 2018 included: Tourism Vancouver, YVR, Port Authority, BC Ferries, Vancouver Marathon Society, Bar Watch, ICBC, DVBA, United Way, Car Free Day Festivals, TRAMS Historical Vehicle Society, Donnelly Events, BC Lions, World Junior Hockey Championship. • Fostered a Regional School Travel Planning working group to advance active youth travel and partner with health authorities, municipalities and service providers. • Participated with transit vehicles, alongside marching staff at 3 major cultural parades including Chinese New Year, Pride and Santa.
Major Event Partnerships	<ul style="list-style-type: none"> • TransLink's TravelSmart team worked collaboratively with municipalities and event producers to support street festivals, community events and civic plaza celebrations to enable communities to celebrate urban life, reclaim streets and explore their cities with sustainable and active transportation. • Types of support offered include: wayfinding (getting to the event info, additional transit services, volunteer transit training/tickets, contests promotion, bike valet, and activation). • 2018 Examples: New Year's Eve, Khatsahlano Street Party, Surrey Party for the Planet, BC Lions Playoffs, World Junior Hockey Championship and Canada 150 celebrations.

Target Area 2: Support Enterprise priorities through community outreach including; Compass, Millennium Line Evergreen Extension, service changes and service improvements and customer experience	
Objectives	Results
Enhance the customer experience with education and awareness in the community	<ul style="list-style-type: none"> 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 area's receiving new transit services such as Tri-Cities/Maple Ridge and South Surrey. Dozens of presentations, workshops and outreach events focused on the education and awareness of Tap to Pay and Night Bus services.
Continued efforts to build ridership along the Evergreen Extension and awareness of new and improved bus services in communities	<ul style="list-style-type: none"> Partnered with various community groups to leverage marketing channels, disseminate information and foster long term relationships for ridership growth initiatives. <p>Some partners included School District 43, SUCCESS, Coquitlam Library, Coquitlam Mall, Port Moody Business Parks, Eagle Ridge Hospital, Tri-Cities Chamber of Commerce and ICBC Tri-Cities.</p>
Improve the Customer Experience	<ul style="list-style-type: none"> Partnered with existing customer ambassador programs (YVR Green Coats & Tourism Vancouver) to provide relevant transit and transportation information.
Target Area 3: Support Enterprise priorities through customer engagement including; Quarterly Service changes, Area transportation plans, Fare Policy Review	
Informed and promoted Quarterly Service Changes	<ul style="list-style-type: none"> Provided education materials at major transit exchanges to promote and educate on Quarterly Service Changes (delivery of 10-Year Plan) and distributed information materials through TravelSmart partners. Supported promotion and education of Fare Policy Review. Supported promotion and education of revised NightBus services in partnership with Business Improvement Associations, Bar Watch and Restaurant Associations. Supported Tap to Pay launch at stations and transit hubs.
Utilized Community Engagement Bus at community events and public outreach activities	<ul style="list-style-type: none"> Community Engagement Bus and TDM staff participated in large community events providing the public with key messages, travel planning/tips, tools and information related to TransLink projects, products and services. <p>Some events attended included: Car Free Days (Vancouver & Port Moody), Khatsalano Festival (Vancouver), Welcome to Coquitlam, Richmond World Festival, Shipped North Van and more.</p>

	<ul style="list-style-type: none">• Launched a kid's zone on the Outreach Bus with interactive activities and games.• Improved logistics on Outreach Bus including access ramps, storage, lighting and games.
Supported Fare Policy Review	<ul style="list-style-type: none">• Delivered key messages, relevant information and awareness through strategic partner channels, community workshops and presentations and at community events.

6 Short-Term Fares Assessed

Short-term fares for bus, SeaBus, SkyTrain and HandyDART in 2018 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	\$2.95	\$4.20	\$5.70
		Off-Peak	All Zones — \$2.95		
	Concession	Regular	\$1.90	\$2.90	\$3.90
		Off-Peak	All Zones — \$1.90		
DayPass*	Adult	No	\$10.25 — valid all zones		
	Concession	restrictions	\$8.00 — valid all zones		
Discounted Short-Term Fares:					
Stored Value*	Adult	Regular	\$2.30	\$3.35	\$4.40
		Off-Peak	All Zones — \$2.30		
	Concession	Regular	\$1.85	\$2.85	\$3.85
		Off-Peak	All Zones — \$1.85		
FareSavers	Adult		All Zones — \$23.00 (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	\$5.70		\$7.45	\$9.20	\$12.45
	Concession	\$3.40		\$4.40	\$5.65	\$7.65
Return Ticket	Adult	\$10.75		\$14.25	\$17.50	\$23.50
	Concession	\$6.75		\$8.75	\$11.00	\$15.00
Discounted Short-Term Fares:						
One-way Ticket- Stored Value*	Adult	\$4.80		\$6.25	\$7.65	\$10.40
	Concession	\$2.80		\$3.60	\$4.70	\$6.35
Return Ticket- Stored Value	Adult	\$10.50		\$13.50	\$16.75	\$22.50
	Concession	\$6.50		\$8.25	\$10.50	\$14.25

*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 2018

7.1 Long-term Borrowing

TransLink continues to minimize debt costs through strategic borrowing strategies. During 2018, TransLink issued a new inaugural Green Bond, with a total par value of \$400 million. TransLink has now raised more than \$1.93 billion from investors in the capital market since 2010. There was also a scheduled rate reset on one MFA debt issue in 2018, with a term to maturity of ten years.

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-7 Green (issued on 23-Nov-2018)	\$400,000,000	3.25%	10 Years	23-Nov-2028	\$6,500,000	\$400,000,000

Note 1: Unsecured, par value.

Note 2: Coupon rate fixed to maturity. Effective yield: **3.314%**.

The terms of the MFA Issue 104B (20 Year Loan Amortization) rate resets are detailed in the table below:

Issue No.	Balance Outstanding at Date of Interest Rate Reset	Coupon Rate (Note 1)	Remaining term	Final Maturity Date	Semi-Annual Interest Payments	Annual Sinking Fund Payments (Note 2)
MFA 104B	\$59,681,391	2.90%	10 Years	20-Nov-2028	\$1,450,000	\$3,358,175

Note 1: Rate reset from 5.15% down to 2.90% on Nov 20, 2018. This rate is only fixed for the next 5-years until Nov 20, 2023.

Note 2: Due annually on anniversary date. These payments plus accrued interest in the MFA administered sinking funds are expected to reduce the outstanding balances to zero on maturity.

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	234	(\$60,000,000)		04-Jan-18		\$180,000,000
Issue	237	\$60,000,000	1.39964	04-Jan-18	08-Mar-18	\$240,000,000
Repay	235	(\$60,000,000)		11-Jan-18		\$180,000,000
Issue	238	\$60,000,000	1.40976	11-Jan-18	15-Feb-18	\$240,000,000
Repay	231	(\$60,000,000)		18-Jan-18		\$180,000,000
Issue	239	\$60,000,000	1.45159	18-Jan-18	22-Feb-18	\$240,000,000

Action	Deal #	Amount	Interest Rate (%)	Transaction Date	Maturity Date	Total Outstanding
Repay	236	(\$60,000,000)		08-Feb-18		\$180,000,000
Issue	240	\$60,000,000	1.44113	08-Feb-18	15-Mar-18	\$240,000,000
Repay	238	(\$60,000,000)		15-Feb-18		\$180,000,000
Issue	241	\$60,000,000	1.42022	15-Feb-18	22-Mar-18	\$240,000,000
Repay	239	(\$60,000,000)		22-Feb-18		\$180,000,000
Issue	242	\$60,000,000	1.43067	22-Feb-18	29-Mar-18	\$240,000,000
Repay	237	(\$60,000,000)		08-Mar-18		\$180,000,000
Issue	243	\$60,000,000	1.47250	08-Mar-18	12-Apr-18	\$240,000,000
Repay	240	(\$60,000,000)		15-Mar-18		\$180,000,000
Issue	245	\$60,000,000	1.47250	15-Mar-18	19-Apr-18	\$240,000,000
Repay	241	(\$60,000,000)		22-Mar-18		\$180,000,000
Issue	246	\$60,000,000	1.48296	22-Mar-18	26-Apr-18	\$240,000,000
Repay	242	(\$60,000,000)		29-Mar-18		\$180,000,000
Issue	247	\$60,000,000	1.50388	29-Mar-18	03-May-18	\$240,000,000
Repay	243	(\$60,000,000)		12-Apr-18		\$180,000,000
Issue	248	\$60,000,000	1.50388	12-Apr-18	17-May-18	\$240,000,000
Repay	245	(\$60,000,000)		19-Apr-18		\$180,000,000
Issue	249	\$60,000,000	1.51434	19-Apr-18	24-May-18	\$240,000,000
Repay	246	(\$60,000,000)		26-Apr-18		\$180,000,000
Issue	250	\$60,000,000	1.51434	26-Apr-18	31-May-18	\$240,000,000
Repay	247	(\$60,000,000)		03-May-18		\$180,000,000
Issue	251	\$60,000,000	1.51434	03-May-18	07-Jun-18	\$240,000,000
Repay	248	(\$60,000,000)		17-May-18		\$180,000,000
Issue	252	\$60,000,000	1.52480	17-May-18	21-Jun-18	\$240,000,000
Repay	249	(\$60,000,000)		24-May-18		\$180,000,000
Issue	253	\$60,000,000	1.52480	24-May-18	28-Jun-18	\$240,000,000
Issue	254	\$30,000,000	1.61893	24-May-18	23-Aug-18	\$270,000,000
Repay	250	(\$60,000,000)		31-May-18		\$210,000,000
Issue	255	\$90,000,000	1.56852	31-May-18	02-Aug-18	\$300,000,000
Repay	251	(\$60,000,000)		07-Jun-18		\$240,000,000
Issue	256	\$60,000,000	1.51434	07-Jun-18	12-Jul-18	\$300,000,000
Issue	257	\$30,000,000	1.51434	14-Jun-18	19-Jul-18	\$330,000,000
Repay	252	(\$60,000,000)		21-Jun-18		\$270,000,000
Issue	258	\$60,000,000	1.50388	21-Jun-18	26-Jul-18	\$330,000,000
Issue	259	\$60,000,000	1.50388	21-Jun-18	26-Jul-18	\$390,000,000
Repay	253	(\$60,000,000)		28-Jun-18		\$330,000,000
Issue	260	\$90,000,000	1.51434	28-Jun-18	02-Aug-18	\$420,000,000
Repay	256	(\$60,000,000)		12-Jul-18		\$360,000,000
Issue	261	\$60,000,000	1.70263	12-Jul-18	16-Aug-18	\$420,000,000

Action	Deal #	Amount	Interest Rate (%)	Transaction Date	Maturity Date	Total Outstanding
Issue	262	\$30,000,000	1.78882	12-Jul-18	11-Oct-18	\$450,000,000
Repay	257	(\$30,000,000)		19-Jul-18		\$420,000,000
Issue	263	\$30,000,000	1.70263	19-Jul-18	23-Aug-18	\$450,000,000
Repay	258	(\$60,000,000)		26-Jul-18		\$390,000,000
Repay	259	(\$60,000,000)		26-Jul-18		\$330,000,000
Issue	264	\$60,000,000	1.70263	26-Jul-18	30-Aug-18	\$390,000,000
Repay	255	(\$90,000,000)		02-Aug-18		\$300,000,000
Repay	260	(\$90,000,000)		02-Aug-18		\$210,000,000
Repay	261	(\$60,000,000)		16-Aug-18		\$150,000,000
Issue	265	\$60,000,000	1.70263	16-Aug-18	20-Sep-18	\$210,000,000
Repay	254	(\$30,000,000)		23-Aug-18		\$180,000,000
Repay	263	(\$30,000,000)		23-Aug-18		\$150,000,000
Issue	266	\$60,000,000	1.71310	23-Aug-18	27-Sep-18	\$210,000,000
Repay	264	(\$60,000,000)		30-Aug-18		\$150,000,000
Issue	267	\$60,000,000	1.70263	30-Aug-18	04-Oct-18	\$210,000,000
Repay	265	(\$60,000,000)		20-Sep-18		\$150,000,000
Issue	268	\$60,000,000	1.69217	20-Sep-18	25-Oct-18	\$210,000,000
Repay	266	(\$60,000,000)		27-Sep-18		\$150,000,000
Issue	269	\$60,000,000	1.68171	27-Sep-18	01-Nov-18	\$210,000,000
Repay	267	(\$60,000,000)		04-Oct-18		\$150,000,000
Issue	270	\$60,000,000	1.72356	04-Oct-18	08-Nov-18	\$210,000,000
Repay	262	(\$30,000,000)		11-Oct-18		\$180,000,000
Issue	271	\$30,000,000	1.95076	11-Oct-18	10-Jan-19	\$210,000,000
Repay	268	(\$60,000,000)		25-Oct-18		\$150,000,000
Issue	272	\$60,000,000	1.93286	25-Oct-18	29-Nov-18	\$210,000,000
Repay	269	(\$60,000,000)		01-Nov-18		\$150,000,000
Issue	273	\$60,000,000	1.96426	01-Nov-18	06-Dec-18	\$210,000,000
Repay	270	(\$60,000,000)		08-Nov-18		\$150,000,000
Issue	274	\$60,000,000	1.96426	08-Nov-18	13-Dec-18	\$210,000,000
Repay	272	(\$60,000,000)		29-Nov-18		\$150,000,000
Issue	275	\$30,000,000	2.02708	29-Nov-18	03-Jan-19	\$180,000,000
Repay	273	(\$60,000,000)		06-Dec-18		\$120,000,000
Issue	276	\$30,000,000	2.04801	06-Dec-18	10-Jan-19	\$150,000,000
Repay	274	(\$60,000,000)		13-Dec-18		\$90,000,000
Issue	277	\$30,000,000	2.11084	13-Dec-18	17-Jan-19	\$120,000,000

B. AUDITED FINANCIAL STATEMENTS

The 2018 Audited Financial Statements are attached as Appendix A.

C. COMPLAINTS SUMMARY

Corporate Overview

In 2018, ridership on the system continued to grow, and TransLink is continuing to increase service hours on all services to accommodate this growth in demand. Concurrent with these increases, there was also an increase in feedback from customers in 2018. TransLink and its operating companies use this feedback to inform planning and policy work as well as to improve the customer experience. A summary of complaints and customer interactions is provided in Table A below.

The most common sources of customer feedback in 2018 were:

- a bus was early or late
- operator behaviour
- operator drove past a stop
- operator driving
- request for increase in service or a service change
- bus did not show up
- bus was full
- other issues: escalators/elevators, rail disruptions, bus delays caused by construction, air conditioning on buses and delays due to special events

The increase in complaints to TransLink Corporate are largely due to the reclassification of “bus was full” complaints that were previously attributed to CMBC. These complaints are now attributed to TransLink which is responsible for network planning. Also, Compass Vending Machine (CVM) complaints previously reported under SkyTrain and West Coast Express have now been categorized under TransLink Corporate.

Table A

Corporate Summary	2018	2017	2016	2015
CMBC	29,019	26,375	27,995	26,371
SkyTrain (Expo and Millennium Lines)	1,711	1,796	1,518	1,622
SkyTrain (Canada Line)	233	201	170	97
West Coast Express	259	236	774	888
HandyDART	2,763	1,676	1,471	1,337
Transit Service Complaints	33,985	30,284	31,928	30,261
Golden Ears Bridge*	N/A	351	315	203
TransLink Corporate	10,370	9,408	7,533	5,655
Total Complaints**	44,355	40,043	39,776	36,119
Total Customer Interactions	437,375,700	423,406,928	399,717,623	376,957,159
Complaints per Million Customer Interactions	101.4	94.6	99.5	95.8

* On September 1st, 2017, the Province of British Columbia eliminated bridge tolling throughout the province. Complaints related to bridge tolling are no longer tracked.

** Restated 2015 - 2017 to reallocate CVM complaints from SkyTrain and West Coast Express and “bus was full” complaints from CMBC to TransLink Corporate.

Coast Mountain Bus Company

CMBC saw an increase of 2,644 complaints which is 10 per cent higher compared to the previous year mainly due to service expansion in the region as ridership increased by 7 per cent.

Focus on customer experience continued in 2018 and resulted in the following accomplishments:

- Completed the accelerated program to upgrade the bus stop signage and implement T-signs and Transit Information Panels with enhanced schedule information system-wide.
- Implemented high visibility signage for HandyDART taxi trips.
- Launched the Transit Alert Management System and Live Chat.
- Continued to increase visibility aboard buses with Transit Security as well as in the new Night Bus District.

For CMBC, in 2018, more than half (55 per cent) of the complaints involved staff (operators), while 32 per cent of complaints were related to service delivery.

All complaints are logged and assigned a priority code of P1 or P3. P1 complaints are urgent and in 2018 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 the same as last year.

SkyTrain — Expo and Millennium Lines

The Expo and Millennium Lines received 1,711 complaints in 2018 which is a decrease of 4.7% compared to the previous year. The decline is mainly due to fewer customer concerns relating to delays, which saw a 35.5 per cent decrease in this category. The decline in delay complaints is in conjunction with improved on-time performance, where on-time performance was 96.38 per cent versus 95.32 per cent in 2017 – the highest performance on record.

Complaints relating to track noise declined by 7.2 per cent compared to 2017. The decrease is due to an ongoing, comprehensive track maintenance program, which resulted in the reduction of track noise levels along with ensuring the safety, reliability and preservation of the rail system.

Customer complaints related to inoperative elevating devices due to major overhauls or regular mandatory monthly inspections as set out under Technical Safety BC remains an ongoing issue. Our maintenance practices for elevating devices creates an inconvenience for many passengers but safety is a priority at SkyTrain and performing maintenance tasks in intervals ensures the safe operation of all elevating devices. BCRTC makes every effort to schedule inspections during off peak hours to alleviate customer inconvenience.

SkyTrain - Canada Line

The Canada Line received 233 complaints in 2018 which is a 16% increase from the previous year. The majority of the complaints received were related to stations, trains and customer relations.

There was a correlation between the service delays experienced in 2018 and the number of complaints related to customer relations and trains. During the months of July and August when the Canada Line experienced several longer delays there were 16 customer relations complaints compared to 12 complaints in 2017 and 38 complaints related to trains, delays and announcements in 2018 compared to 12 in the previous year.

In addition, the warm weather experienced in Vancouver particularly in July and August generated complaints about the quality of air conditioning on the trains. There was also an increase in complaints related to cleanliness of stations, walkways and trains.

West Coast Express

West Coast Express received a total of 259 complaints for the year 2018, representing an 8 per cent increase over the previous year. January saw the greatest number of complaints as a result of service impacts from an incident near the Second Narrows Bridge. This incident resulted in 57 complaints for the month or 22 per cent of the year's total.

Service Delivery and Reliability complaints dropped for the fourth year in a row from a high of 514 in 2015 to 462 in 2016, 49 in 2017 and 35 in 2018. These reductions are the result of efforts by BCRTC and WCE to reduce service delays.

HandyDART

HandyDART complaint numbers increased by 65 per cent from 2017 while the number of trips increased by 5 per cent. Significant increases in complaints were in areas of on-time performance and scheduling.

Of all complaints, taxi complaints accounted for 25 per cent, operator-related complaints for 48 per cent and Service-related complaints for 27 per cent. There were no complaints for service availability in 2018. This can be attributed to the additional service that was implemented in 2017 and 2018.

Follow-up after each complaint is done as well as any required coaching provided to employees by the HandyDART service providers. Taxi complaints are reviewed with the taxi company and it is expected that the driver receives coaching when appropriate. Since July 1, 2018, First Transit became the new HandyDART Service provider taking over from MVT Canadian Bus Inc. (MVT).

All complaints, HandyDART and Taxi, were followed-up with the employee and the customer. In some situations, we also spoke with the caregiver and/or other stakeholders. Training for taxi drivers continues to be provided by the Justice Institute, the taxi companies and by First Transit. Currently First Transit provides their train-the-trainer program to taxi companies at no cost and a full roll out of the program will be established in 2019. For organizations that do not have a training department, First Transit will provide the training directly to the taxi drivers.

Meetings with the Vancouver Taxi Association and BC Taxi Association have been held and there is a commitment from these organizations to work with us to improve the customer experience. Complaint statistics were shared with them when we initiated the discussion and will serve as a measure of our success.

Over the course of the contract with First Transit, customer facilitating improvements will be made including; better scheduling, dispatching of HandyDART services and online booking. First Transit has demonstrated a commitment to service excellence and a focus on continuous improvement in their operations.

Detailed Complaint Tables

Tables “B” and “C” show complaints received in 2018, 2017, 2016 and 2015. Table “B” reflects specific transit service complaints for the same period. Table “C” covers TransLink Corporate for the same period.

Table B

Complaints by Transit Service Type			2018	2017	2016	2015
CMBC	Bus 2018*	HandyDART 2018	Total	Total	Total	Total
Service Delivery**	9,335	1,418	10,753	10,019	9,877	9,179
Service Planning	1,856	0	1,856	1,524	2,731	2,151
Staff	15,839	1,345	17,184	14,332	15,413	15,140
Website	161	0	161	181	98	20
Fares/Fare Equipment	0	0	0	0	3	2
Cell Phone/Radio	64	0	64	39	51	55
Accessibility/Racks	421	0	421	218	161	132
Other	1,343	0	1,343	1,738	1,132	975
Subtotal	29,019	2,763	31,782	28,051	29,466	27,654

* 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.

** Restated 2015 - 2017 to reallocate “bus was full” complaints which are reported under TransLink Corporate starting 2018.

Complaints by Transit Service Type				2018	2017	2016	2015
BCRTC	SkyTrain Expo and Millennium Line	SkyTrain Canada Line	West Coast Express	Total	Total	Total	Total
System Schedule	246	0	59	305	77	522	684
Fares*	0	0	17	17	22	18	78
Stations/Parkways	600	37	35	672	400	358	331
Trains	311	98	49	458	1,087	805	900
Customer Relations	392	65	74	531	507	580	475
Safety/Security	162	33	25	220	123	74	63
Other	0	0	0	0	17	105	76
Sub-Total	1,711	233	259	2,203	2,233	2,462	2,607
Total Complaints (CMBC + BCRTC)				33,985	31,292	33,286	31,191
Boarded Passengers (actual)				437,375,700	408,237,428	386,191,923	364,261,259
Complaints per Million Boarded Passengers				77.7	74.2	82.7	83.1

* Restated 2015 - 2017 to reallocate CVM complaints which are reported under TransLink Corporate starting 2018.

Table C

TransLink Corporate	2018	2017	2016	2015
Policy-Related (Fares, service optimization, advertising, Compass, fare gates, etc.)*	10,370	9,408	7,533	5,655

* Restated 2015 - 2017 to include CVM complaints from BCRTC and “bus was full” complaints from CMBC.

Complaint Handling Through Social Media

TransLink's main social media channels for handling complaints in 2018 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. 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.

Near the end of 2018, @TransLink had reached 180K followers. By comparison, at the end of 2017, @TransLink had 169K followers a significant growth compared to 136K followers by the end of 2016.

By year end, TransLink averaged roughly 120 tweets a day, which is down from previous years (211 in 2017 and 150 in 2016). This can be attributed to fewer major disruptions on SkyTrain.

Seth Rogen, Guest Voice on Transit, #ThankYouSedins, Take transit to the Jay Z/Beyoncé concert, and record ridership were a few of the most popular topics on Twitter for TransLink in 2018.

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. Near the end of 2018, the TransLink page was approaching 35 thousand continuing the steady growth of the channel over the years (31,218 & 26,148 followers in 2017 and 2016 respectively).

The top post this year by a large margin was the Seth Rogen, Guest Voice on Transit announcement. Tap to Pay also did well through this channel.

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 previous years at roughly 200,000-page views a year.

Nine Epic Transit Friendly Hikes in Metro Vancouver, More B-Line Service, 12 Days of Giveaways, Wayfinding 101 and I Love Transit were the most visited blog posts.

D. CUSTOMER SATISFACTION

2018 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 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);
- SeaBus;
- SkyTrain (as of August 17, 2009, the SkyTrain segment includes the Canada Line);
- 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 2018 — Transit System, Bus, SeaBus, SkyTrain, West Coast Express and HandyDART

Transit System

In 2018, two-thirds of adult transit riders (66 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 (63 per cent), with an unprecedented 68 per cent in the second quarter of the year.

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 primarily managed 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 (57 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 (55 per cent in 2017 and 53 per cent in 2016) and hit a peak in the second quarter of this year, just prior to the June announcement of the July fare change.

Bus

Nearly 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 2017.

The top three areas of bus service strength remain: 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 each of these attributes.

Overcrowding, frequency of service and on-time reliability remain the three lowest-rated bus service attributes (50 per cent, 51 per cent and 58 per cent, respectively). Most attributes of bus service are consistent with last year.

SkyTrain

In 2018, 77 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 2017.

Ratings for overcrowding have dropped in 2018 (46 per cent, down from 48 per cent in 2017), and have risen for on-time reliable service (84 per cent, up from 81 per cent in 2017).

The two lowest-rated attributes of SkyTrain service relate to staff availability and the announcement and explanation of delays. The ratings for announcement of delays increased over 2017 (38 per cent, up from 36 per cent) while staff availability remained the same over 2017 at 38 per cent.

SeaBus

SeaBus is the highest-rated transit mode with four in five SeaBus customers (83 per cent) rating the service as an 8 out of 10 or higher for overall service. The overall service and most other SeaBus attributes ratings are mostly consistent with last year, however staff availability has dropped (63 per cent down from 68 per cent last year).

West Coast Express

Nine in ten (90 per cent) West Coast Express riders gave overall WCE service good-to-excellent scores (up from 79 per cent in 2017). This increase in overall WCE service can be linked to an increase in ratings for on time reliable service (83 per cent, up from 69 per cent in 2017), good connections with other modes of transit (67 per cent, up from 58 per cent), value for money (66 per cent, up from 60 per cent) and delays announced and explained (70 per cent, up from 64 per cent).

HandyDART

HandyDART Service is a highly-rated transit service, with three quarters of its riders (76 per cent) giving it good-to-excellent ratings for overall service, which is directionally higher than last year's ratings (74 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).

Ratings for ease of booking a trip on HandyDART are up significantly this year (79 per cent, up from 70 per cent in 2017), probably a reflection of the extra booking and call centre staff hired by First Transit. Availability is also showing a directional increase in ratings (76 per cent, up from 73 per cent in 2017).

Table D - 2018 Customer Service Performance Scores

Attributes	Transit System	Bus System ¹	SkyTrain ²	SeaBus	West Coast Express	Handy DART ³
	Per cent who gave scores of 8, 9 or 10 out of 10					
Overall Service	66	65	77	83	90	76
Value for Money	57				66	87
Good Connections	50				67	
Adequacy of Transit Information — Stops/Stations	53					
Adequacy of Transit Information On-Board — Bus	52					
Adequacy of Transit Information On-Board--SkyTrain	67					
Adequacy of Transit Information On-Board — SeaBus	61					
Transit Information Availability (On-Board and Stations)					76	
Operation of Service During Convenient Hours	55				42	
Having Enough Bus Shelters	36					
Ease of Getting Information from Telephone Information Line	70					
Ease of Finding Information on Website	60					
Having a Courteous Bus Operator/Having Courteous, Competent and Helpful Staff/Drivers		79	79	89	95	95
Safe and Professional Bus Operator		86				
Feeling Safe from Crime On Board the Bus / SkyTrain		83	82			
Feeling Safe from Crime at the Stop and Transit Exchange /Inside SkyTrain Stations / at SeaBus		77	75	87		
Feeling Safe from Crime (On-Board and Stations)					93	
Feeling Safe from Crime (WCE Parking Lots)					60	
Not Being Overcrowded		50	46	71	64	
On-Time, Reliable Service		58	84	93	83	67
Clean and Graffiti Free Buses / SkyTrain Cars / Vessel / Vehicles and Stations		74	75	81	93	
Having A Direct Route		80				
Trip Duration from the Time You Boarded to the Time You Got Off		75		86	91	
Frequency of Service		51	76	69	60	

Attributes	Transit System	Bus System ¹	SkyTrain ²	SeaBus	West Coast Express	Handy DART ³
Staff Availability			38	63	90	
Delays Are Announced and Explained			38		70	
Enough Parking					43	
Equipment Provides a Safe Ride					95	
Driver's Skills to Assist Passengers Who Have a Physical Disability						93
Feeling Safe from Injury When Riding HandyDART						95
Ease of Booking a Trip on HandyDART						79
HandyDART Vehicle Cleanliness and Good Repair						92
Availability of HandyDART When Needed						76

E. CHANGES TO ARTICLES OF THE AUTHORITY

The following amendments to the Articles of the Authority were approved by the Board of Directors in 2018:

13.1 Specific Skills and Experience

Given the Board's strategic priorities, and the associated challenges and opportunities, the Board members, as a group, should possess the following skills and experience, with each Director contributing knowledge, experience, and skills in at least one or two domains.

- Previous Board experience;
- Policy considerations surrounding the establishment and delivery of a wide variety of road and transit services and the public environment of transportation;
- Transportation operations similar in scope to TransLink's operations;
- Strategic planning;
- Capital project oversight;
- Complex procurement processes;
- Real estate development;
- Environmental strategies;
- Corporate leadership;
- Finance;
- Audit and internal controls;
- Legal;
- Risk management;
- Safety;
- Sustainability;
- Information technology, cyber security;
- Marketing and communications;
- Human resource processes;
- Knowledge of the local government environment; and
- Credibility with federal, provincial and municipal governments.

F. BOARD SUMMARY

Meeting Date	Board/Committee Meeting	Resolutions/Outcomes
January 24, 2018	Board Meeting	<ul style="list-style-type: none"> Approved appointments to standing and ad hoc Board Committees. Approved appointment of 2018 Board Vice-Chair.
February 8, 2018	Board Meeting	<ul style="list-style-type: none"> Approved transfer of Pattullo Bridge Replacement Project to the Province. Approved Subsidiary board appointments.
February 8, 2018	Joint Finance Committee	<ul style="list-style-type: none"> Received report on the Phase Two Plan Funding Strategy. Received report on the Project Partnerships Agreement.
February 21, 2018	Joint Regional Mobility Pricing Steering Committee	<ul style="list-style-type: none"> Approach for Receiving and Preparing a Response to the Mobility Pricing Independent Commission's Final Report, recommended for Mayors' Council approval.
March 2, 2018	Joint Finance Committee	<ul style="list-style-type: none"> Received report on the Phase Two Investment Plan Funding Strategy. Received report on the Project Partnerships Agreement.
March 19, 2018	Finance and Audit Committee	<ul style="list-style-type: none"> Enactment of South Coast British Columbia Transportation Authority 2018 Property Tax Bylaw Number 117-2018, recommended for Board adoption. Enactment of South Coast British Columbia Transportation Authority 2018 Replacement Tax Bylaw Number 118-2018, recommended for Board adoption. 2017 Year End Financial and Performance Report, endorsed for public release. 2017 Audited Consolidated Financial Statements, recommended for Board approval. 2017 Annual Statutory Report, recommended for Board approval. South Coast British Columbia Transportation Authority 2018 Tariff Bylaw Number 120-2018, recommended for Board adoption. Commercial-Broadway SkyTrain Station Upgrade Project funding request, recommended for Board approval.
March 19, 2018	Joint Finance Committee	<ul style="list-style-type: none"> Received report on the Phase Two Investment Plan Funding Strategy. Received report on the Project Partnerships Agreement.
March 20, 2018	Human Resources and Governance Committee	<ul style="list-style-type: none"> Appointment of Conduct Review Advisor, recommended for Board approval. 2018 Board and Mayors' Council Joint Committees, recommended for Board approval.

Meeting Date	Board/Committee Meeting	Resolutions/Outcomes
March 20, 2018	Planning and Stakeholder Relations Committee	<ul style="list-style-type: none"> Independent Transit Service Application – Port Moody, recommended for Board approval. Independent Transit Service Application – White Rock, recommended for Board approval.
March 21, 2018	Joint Planning Committee	<ul style="list-style-type: none"> Received report on recommendations for Transit Fare Review. Received report on the Massey Crossing Technical Review. Received report on the Regional Transportation Strategy Community Engagement Strategy.
March 29, 2018	Board Meeting	<ul style="list-style-type: none"> Approved Commercial-Broadway SkyTrain Station Upgrade Project funding request. Approved appointments to Joint Board and Mayors' Council Joint Committees. Approved appointment of Conduct Review Advisor. Approved 2017 Statutory Annual Report. Approved 2017 Audited Consolidated Financial Statements. Adopted South Coast British Columbia Transportation Authority 2018 Tariff Bylaw Number 120-2018. Adopted South Coast British Columbia Transportation Authority 2018 Property Tax Bylaw Number 117-2018. Adopted South Coast British Columbia Transportation Authority 2018 Replacement Tax Bylaw Number 118-2018. Approved Independent Transit Service Application – Port Moody. Approved Independent Transit Service Application – White Rock.
April 5, 2018	Joint Finance Committee	<ul style="list-style-type: none"> Received report on the design of Phase Two Investment Plan Revenue Sources. Received an update on Phase Two Investment Plan Public Consultation. Received report on Green Infrastructure Fund.
April 10, 2018	Joint Mobility Pricing Steering Committee	<ul style="list-style-type: none"> Received update report from the Mobility Pricing Independent Commission.
April 19, 2018	Finance and Audit Committee	<ul style="list-style-type: none"> Authorization for proposed property acquisitions, recommended for Board approval.
April 19, 2018	Board Meeting	<ul style="list-style-type: none"> Adopted South Coast British Columbia Transportation Authority 2018 Tariff Bylaw Number 121-1028. Adopted South Coast British Columbia Transportation Authority 2018 Tariff Bylaw Number 122-2018. Approved authorization for proposed property acquisitions. Approved appointment of Board Vice-Chair.
May 7, 2018	Human Resources and Governance Committee	<ul style="list-style-type: none"> Executive Compensation Plan amendment, recommended for Board approval.

Meeting Date	Board/Committee Meeting	Resolutions/Outcomes
May 7, 2018	Board Meeting	<ul style="list-style-type: none"> • Approved appointment of replacement Director. • Approved Executive Compensation Plan amendment.
May 11, 2018	Joint Planning Committee	<ul style="list-style-type: none"> • Received report on recommendations for Transit Fare Review. • Received update report on the Regional Transportation Strategy. • Received update report on the Burnaby Mountain Gondola. • Received update report on the Phase Two Investment Plan.
May 14, 2018	Joint Regional Mobility Pricing Steering Committee	<ul style="list-style-type: none"> • Received Mobility Pricing Commission Final Report for review.
May 16, 2018	Joint Finance Committee	<ul style="list-style-type: none"> • Received draft Public Consultation Report for Phase Two Investment Plan. • Received update report on development of Phase Two Investment Plan.
May 22, 2018	Finance and Audit Committee	<ul style="list-style-type: none"> • Q1 2018 Financial and Performance Report, endorsed for public release. • 2017 <i>Financial Information Act</i> filing report, recommended for Board approval.
May 24, 2018	Board Meeting	<ul style="list-style-type: none"> • Approved 2017 <i>Financial Information Act</i> filing report.
May 24, 2018	Joint Mayors' Council and Board Meeting	<ul style="list-style-type: none"> • Reviewed Final Report of the Mobility Pricing Independent Commission. • Received report on Phase Two Investment Plan Consultation. • Received report on Transit Fare Review Phase 4 Consultation. • Received update report on Regional Transportation Strategy.
June 11, 2018	Finance and Audit Committee	<ul style="list-style-type: none"> • Capital Approval Policy, recommended for Board approval.
June 11, 2018	Human Resources and Governance Committee	<ul style="list-style-type: none"> • Amendments to the Board Governance Manual, recommended for Board approval. • TransLink Respectful Workplace Policy, recommended for Board approval. • 2019 Board Chair selection process, approved by the Human Resources and Governance Committee.
June 12, 2018	Planning and Stakeholder Relations Committee	<ul style="list-style-type: none"> • Received updates on various Planning and Stakeholder Relations Committee matters.
June 12, 2018	Joint Finance Committee	<ul style="list-style-type: none"> • Received update on Phase Two Investment Plan Funding.
June 20, 2018	Joint Finance Committee	<ul style="list-style-type: none"> • Received report on Phase Two Investment Plan funding and fare increases. • Received presentation on Development Cost Charges policy. • Received presentation on Project Partnership Agreements for Phase Two Investment Plan. • Received report on Green Infrastructure Fund.

Meeting Date	Board/Committee Meeting	Resolutions/Outcomes
June 21, 2018	Board Meeting	<ul style="list-style-type: none"> • Approved appointment of 2019 Board Chair. • Approved Capital Project Approval Policy. • Approved amendments to the Board Governance Manual. • Approved TransLink Respectful Workplace Policy.
June 28, 2018	Joint Mayors' Council and Board Meeting	<ul style="list-style-type: none"> • Approved Phase Two Investment Plan (2018-2027). • Approved fare increases beyond targeted fares. • Adopted Regional Transportation Strategy (2018 update).
July 18, 2018	Joint Planning Committee	<ul style="list-style-type: none"> • Policy direction on Transit Fare Review, recommended for Mayors' Council approval.
July 25, 2018	Finance and Audit Committee	<ul style="list-style-type: none"> • Received updates on the status of major capital projects.
August 22, 2018	Finance and Audit Committee	<ul style="list-style-type: none"> • 2018 Q2 Financial and Performance Report, endorsed for public release.
September 24, 2018	Finance and Audit Committee	<ul style="list-style-type: none"> • 2018 Bond Issuance, recommended for Board approval. • Amendments to Hedging Policy, Debt Management Policy, and Investment Policy, recommended for Board approval. • Surrey Newton Guildford (SNG) Light Rail Transit Project, recommended for Board approval. • Fare Policy for the Universal Fare Gate Access Program Radio Frequency Identification (RFID) Card, recommended for Board approval. • South Coast British Columbia Transportation Authority 2018 Tariff Bylaw 126-2018, recommended for Board adoption. • South Coast British Columbia Transportation Authority Bylaw Number 124-2018: A Bylaw Imposing Development Cost Charges, recommended for Board adoption. • South Coast British Columbia Transportation Authority Bylaw Number 125-2018: A Bylaw to Establish a Waiver of Development Cost Charges for Affordable Housing, recommended for Board adoption.
September 25, 2018	Planning and Stakeholder Relations Committee	<ul style="list-style-type: none"> • Langley Community Shuttle Service Contract (2019), recommended for Board approval. • Independent Transit Service Application – Broadway, recommended that the Board does not grant approval to operate. • Independent Transit Service Application – Surrey-UBC, recommended for Board approval.
September 25, 2018	Human Resources and Governance Committee	<ul style="list-style-type: none"> • Subsidiary board appointments, recommended for Board approval.

Meeting Date	Board/Committee Meeting	Resolutions/Outcomes
October 4, 2018	Board Meeting	<ul style="list-style-type: none"> • Approved subsidiary board appointments. • Approved 2018 Bond Issuance. • Approved amendments to Hedging Policy, Debt Management Policy, and Investment Policy. • Adopted Greenhouse Gas (GHG) emissions reduction and Renewable Energy Targets. • Approved Fare Policy for the Universal Fare Gate Access Program RFID Card. • Adopted South Coast British Columbia Transportation Authority 2018 Tariff Bylaw 126-2018. • Approved Langley Community Shuttle Service Contract (2019). • Approved North Langley Truck Route amendments to the designated truck route network. • Independent Transit Service Application – Broadway, approval was not granted to operate. • Independent Transit Service Application – Surrey-UBC, approved with conditions.
October 17, 2018	Finance and Audit Committee	<ul style="list-style-type: none"> • Approved appointment of Executive Director Internal Audit and Performance Management.
October 24, 2018	Board Meeting	<ul style="list-style-type: none"> • Approved South Coast British Columbia Transportation Authority Bylaw Number 124-2018: A Bylaw Imposing Development Cost Charges.
November 7, 2018	Board Meeting	<ul style="list-style-type: none"> • Approved resolutions related to change in direction for the South of Fraser Rapid Transit Project.
November 9, 2018	Finance and Audit Committee	<ul style="list-style-type: none"> • 2018 Q3 Financial and Performance Report, endorsed for public release.
November 16, 2018	Board Meeting	<ul style="list-style-type: none"> • Approved resolutions related to change in direction for South of Fraser Rapid Transit Projects.
November 26, 2018	Finance and Audit Committee	<ul style="list-style-type: none"> • Approved 2019 Interim Strategic Internal Audit Plan. • 2019 Business Plan, Operating and Capital Budget, recommended for Board approval. • Ninth Extension of Credit Agreement, recommended for Board approval. • South Coast British Columbia Transportation Authority Bylaw Number 124-2018: A Bylaw to Impose Development Cost Charges, recommended for Board adoption. • South Coast British Columbia Transportation Authority Bylaw Number 125-2018: A Bylaw to Establish a Waiver or Reduction of Development Cost Charges for Not-for-Profit Housing, recommended for Board adoption. • South Coast British Columbia Transportation Authority Parking Rights Tax Bylaw Number 127-2018, recommended for Board adoption.

Meeting Date	Board/Committee Meeting	Resolutions/Outcomes
November 27, 2018	Planning and Stakeholder Relations Committee	<ul style="list-style-type: none"> • Pets on Transit Policy, recommended for Board approval. • Customer Washrooms on Transit Policy, recommended for Board approval. • Public Art Policy, recommended for Board approval. • South Coast British Columbia Transportation Authority Major Road Network Bylaw Number 128-2018, recommended for Board adoption. • South Coast British Columbia Transportation Authority Major Road Network Bylaw Number 123-2018, recommended for Board adoption.
November 27, 2018	Human Resources and Governance Committee	<ul style="list-style-type: none"> • Subsidiary board appointments, recommended for Board approval • Appointments to standing Board Committees, recommended for Board approval. • Appointment of 2019 Board Vice-Chair, recommended for Board approval.
December 6, 2018	Board Meeting	<ul style="list-style-type: none"> • Approved 2019 Business Plan, Operating and Capital Budget. • Approved Public Art Policy. • Approved Customer Washrooms on Transit Policy. • Approved Pets on Transit Policy. • Adopted South Coast British Columbia Transportation Authority Bylaw Number 124-2018: A Bylaw to Impose Development Cost Charges. • Adopted South Coast British Columbia Transportation Authority Bylaw Number 125-2018: A Bylaw to Establish a Waiver or Reduction of Development Cost Charges for Not-for-Profit. • Adopted South Coast British Columbia Transportation Authority Parking Rights Tax Bylaw Number 127-2018. • Adopted South Coast British Columbia Transportation Authority Major Road Network Bylaw Number 128-2018. • Adopted South Coast British Columbia Transportation Authority Major Road Network Bylaw Number 123-2018. • Approved Ninth Extension of Credit Agreement. • Approved subsidiary board appointments. • Approved appointments to standing Board Committees. • Approved appointment of 2019 Board Vice-Chair.
December 14, 2018	Board Meeting	<ul style="list-style-type: none"> • Approved South of Fraser Rapid Transit Project resolution.
December 21, 2018	Board Meeting	<ul style="list-style-type: none"> • Approved policy framework for executive relocation expenses.

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

Provision	Contravention	Fines
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, 2018 are represented in the table below.

	Tickets issued under Section 248 (number)	Collected ticket amounts (\$)
January 1 to December 31, 2018	16,273	932,032

Consolidated Financial Statements
(Expressed in thousands of dollars)

**SOUTH COAST BRITISH COLUMBIA
TRANSPORTATION AUTHORITY**

Year ended December 31, 2018



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of the South Coast British Columbia Transportation Authority (the "Entity"), which comprise:

- the consolidated statement of financial position as at December 31, 2018
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2018, and its consolidated results of operations, its consolidated changes in net debt and its consolidated cash flows for the years then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditors' report thereon, included in the 2018 Statutory Annual Report and 2018 Year-End Financial and Performance Report documents.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indicators that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in the 2018 Statutory Annual Report and the 2018 Year-End Financial and Performance Report as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



Chartered Professional Accountants

Vancouver, Canada
March 22, 2019

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

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

December 31, 2018, with comparative information for 2017

	2018	2017
Financial assets		
Cash and cash equivalents	\$ 517,022	\$ 424,010
Accounts receivable (note 7(i))	250,598	120,852
Loan receivable (note 3)	250,734	310,197
Restricted cash and cash equivalents and investments (note 4(a))	979,894	780,240
Investments (note 4(b))	61,173	60,951
Debt reserve deposits (note 5)	29,421	32,754
	2,088,842	1,729,004
Liabilities		
Accounts payable and accrued liabilities (note 7(ii))	340,267	269,057
Debt (note 6)	2,665,085	2,462,731
Deferred government transfers (note 7(a))	1,249,094	1,149,696
Golden Ears Bridge contractor liability (note 8(a))	1,040,378	1,045,557
Deferred concessionaire credit (note 9(a))	502,512	525,785
Employee future benefits (note 10(b))	139,653	130,902
Deferred revenue and deposits	55,136	46,412
Deferred lease inducements	12,544	12,486
	6,004,669	5,642,626
Net debt	(3,915,827)	(3,913,622)
Non-financial assets		
Tangible capital assets (note 11)	5,079,162	4,907,241
Supplies inventory	74,244	65,293
Prepaid expenses	28,206	21,403
	5,181,612	4,993,937
Commitments and contingencies (note 12)		
Accumulated surplus	\$ 1,265,785	\$ 1,080,315

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board:

"Tony Gugliotta"
Chair

"Anne Giardini"
Director

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Operations
(Expressed in thousands of dollars)

Year ended December 31, 2018, with comparative information for 2017

	2018 Budget (note 2(s))	2018 Actual	2017 Actual
Revenues:			
Taxation (note 16)	\$ 855,072	\$ 819,354	\$ 821,333
Transit (note 7(j))	606,805	638,015	590,964
Golden Ears Bridge tolling (note 7(h))	-	-	29,743
Government transfers (note 7(a))	424,078	303,498	166,902
Amortization of deferred concessionaire credit (note 9(a))	23,337	23,273	23,274
Investment income	48,189	53,203	50,278
Miscellaneous revenue	6,036	11,894	7,009
Loss on disposal of tangible capital assets	(447)	(34)	(1,104)
	1,963,070	1,849,203	1,688,399
Expenses:			
Bus operations	878,084	867,913	826,089
Corporate operations	163,718	145,675	136,460
Rail operations	426,351	422,185	407,761
Roads and bridges	202,861	189,273	184,351
Transit Police	38,917	38,687	37,495
	1,709,931	1,663,733	1,592,156
Surplus for the year	253,139	185,470	96,243
Accumulated surplus, beginning of year	1,089,682	1,080,315	984,072
Accumulated surplus, end of year	\$ 1,342,821	\$ 1,265,785	\$ 1,080,315

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, 2018, with comparative information for 2017

	2018 Budget	2018 Actual	2017 Actual
	(note 2(s))		
Surplus for the year	\$ 253,139	\$ 185,470	\$ 96,243
Acquisition of tangible capital assets	(789,646)	(382,466)	(234,568)
Amortization of tangible capital assets	214,436	197,854	192,171
Loss on disposal of tangible capital assets	447	34	1,104
Net proceeds from disposal of tangible capital assets	-	694	869
Write-down of tangible capital assets	-	8,299	1,179
	(574,763)	(175,585)	(39,245)
Change in supplies inventory	-	(5,287)	(3,462)
Change in prepaid expenses	6,806	(6,803)	(9,746)
	6,806	(12,090)	(13,208)
Decrease (increase) in net debt	(314,818)	(2,205)	43,790
Net debt, beginning of year	(4,029,965)	(3,913,622)	(3,957,412)
Net debt, end of year	\$ (4,344,783)	\$ (3,915,827)	\$ (3,913,622)

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, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used for):		
Operating transactions:		
Surplus for the year	\$ 185,470	\$ 96,243
Non-cash changes to operations (note 14)	(41,402)	45,951
Changes in non-cash operating working capital (note 14)	6,312	70,975
Cash provided by operating transactions	150,380	213,169
Capital transactions:		
Purchase of tangible capital assets	(380,763)	(226,907)
Net proceeds from disposal of tangible capital assets	694	869
Cash used for capital transactions	(380,069)	(226,038)
Investing transactions:		
Increase in restricted cash and investments	(199,654)	(275,945)
Decrease (increase) in investments	(222)	19,966
Decrease in debt reserve deposits	3,333	2,295
Cash used for investing transactions	(196,543)	(253,684)
Financing transactions:		
Debt proceeds	400,000	200,000
Issue costs on financing	(2,331)	(1,469)
Repayments of debt	(197,425)	(90,880)
Repayments of Golden Ears Bridge contractor liability	(5,179)	(3,464)
Government transfers received for tangible capital additions	324,179	333,940
Cash provided by financing transactions	519,244	438,127
Increase in cash and cash equivalents	93,012	171,574
Cash and cash equivalents, beginning of year	424,010	252,436
Cash and cash equivalents, end of year	\$ 517,022	\$ 424,010
Supplementary information:		
Interest paid	\$ 185,067	\$ 182,955
Tangible capital assets acquired by capital lease and other adjustments	(1,961)	7,661

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, 2018

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 of 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, 2018

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, 2018, 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, 2018

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)	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, 2018

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, 2018. 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 (2017 - 11 years) and post-employment plan is 6 years (2017 - 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, 2018

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.

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, 2018

2. Significant accounting policies (continued):

(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.

(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 17). 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 14, 2017.

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, 2018

3. Loan receivable:

In 2016, the Authority sold the Oakridge Transit Centre land for proceeds of \$440,000,000. The Authority received \$66,000,000 of proceeds in 2018 (2017 - \$22,000,000) with the remaining payment due in annual instalments as follows:

	Instalments
January 20, 2020	\$ 66,000
January 20, 2021	66,000
January 20, 2022	66,000
January 20, 2023	66,000
Total	\$ 264,000

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

The loan receivable of \$250,734,000 (2017 - \$310,197,000) is the present value of the instalments due as at December 31, 2018 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 191 months (2017 - 173 months) and an average remaining term to maturity of 164 months (2017 - 148 months). All bonds held by the Authority, as at December 31, 2018 and 2017, were rated A or higher.

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

	2018	2017
Interest rate range	1.45% - 2.85%	1.45% - 2.15%
Maturity date range	January 2019 – December 2019	January 2018 – April 2019

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, 2018

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:

	2018		2017	
	Effective rates	Coupon rates	Effective rates	Coupon rates
Weighted average rate	3.05%	3.28%	2.87%	3.30%
Interest rate range	1.51% - 4.47%	1.50% - 5.20%	1.09% - 4.51%	1.50% - 5.60%

(a) Restricted cash and cash equivalents and investments:

	2018	2017
Government transfers for capital project funding (i):		
Cash and cash equivalents	\$ 377,859	\$ 242,317
Investments:		
Term deposits and money market instruments	135,812	118,842
Bonds (note 15(b))	19,866	47,804
Total government transfers for capital project funding	533,537	408,963
Self-administered sinking funds:		
Cash and cash equivalents	2	1
Bonds maturing beyond one year (note 15(b))	264,241	209,261
Total self-administered sinking funds	264,243	209,262
Land reserve:		
Cash and cash equivalents	72,762	91,406
Term deposits	72,569	47,482
Total land reserve	145,331	138,888
Green Bond proceeds:		
Cash and cash equivalents	11,688	-
TPCC (wholly-owned captive insurance subsidiary):		
Bonds (note 15(b))	25,095	23,127
Total restricted cash and investments	\$ 979,894	\$ 780,240

(i) Unspent government transfers for capital project funding consists of \$531,715,000 (2017 - \$405,924,000) of Gas Tax funds and \$1,822,000 (2017 - \$3,039,000) of other funding.

(b) Unrestricted investments:

Unrestricted investments are comprised of term deposits and money market instruments in the amount of \$61,173,000 (2017 - \$60,951,000).

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, 2018

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 has not been recorded as a liability on the consolidated statement of financial position. At year-end, the maximum value of the demand notes totaled \$30,608,000 (2017 - \$36,070,000).

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, 2018

6. Debt:

	2018	2017
Unsecured commercial paper, due next 12 months	\$ 120,000	\$ 239,636
Unsecured sinking fund bonds held by the MFA, weighted average coupon rate of 4.22% (effective rate 4.27%), maturing at various dates from 2019 to 2036, 10 to 30 year original term	1,149,784	1,288,228
Less: MFA administered debt sinking funds	(581,211)	(648,913)
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	18,939	21,410
Unsecured bullet maturity bond series TL-1, interest rate 3.80% (effective rate 3.88%), maturing 2020, original 10 year term	299,539	299,326
Unsecured bullet maturity bond series TL-2, interest rate 4.65% (effective rate 4.70%), maturing 2041, original 30 year term	198,640	198,613
Unsecured bullet maturity bond series TL-3, interest rate 3.85% (effective rate 3.82%), maturing 2052, original 40 year term	251,445	251,474
Unsecured bullet maturity bond series TL-4, interest rate 4.45% (effective rate 3.97%), maturing 2044, original 30.5 year term	394,220	394,925
Unsecured bullet maturity bond series TL-5, interest rate 3.05% (effective rate 3.06%), maturing 2025, original 10.5 year term	214,937	214,934
Unsecured bullet maturity bond series TL-6, interest rate 3.15% (effective rate 3.18%), maturing 2048, original 31 year term	198,703	198,682
Unsecured bullet maturity bond series TL-7 (Green), interest rate 3.25% (effective rate 3.31%), maturing 2028, original 10 year term	397,830	-
Capital lease, weighted average implicit rate of 3.25% (2017 - 4.00%), maturing at various dates from 2019 to 2022	2,259	4,416
	\$ 2,665,085	\$ 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, 2018

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, 2022. 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 2018.

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, 2018, \$120,000,000 (2017 - \$239,636,000), was owed under this commercial paper program at an average interest rate of 2.03% (2017 - 1.25%) and is due for repayment in January 2019 (2017 - January and February 2018).

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:						
2019	\$ 120,000	\$ 36,357	\$ 2,530	\$ -	\$ 1,319	\$ 160,206
2020	-	34,700	2,593	300,000	643	337,936
2021	-	34,700	2,659	-	260	37,619
2022	-	32,698	2,727	-	37	35,462
2023	-	30,278	2,797	-	-	33,075
Thereafter	-	135,293	5,809	1,630,000	-	1,771,102
	120,000	304,026	19,115	1,930,000	2,259	2,375,400
Future actuarial interest	-	265,963	-	-	-	265,963
	120,000	569,989	19,115	1,930,000	2,259	2,641,363
Unamortized premium / (issue costs)	-	(1,416)	(176)	25,314	-	23,722
	\$ 120,000	\$ 568,573	\$ 18,939	\$ 1,955,314	\$ 2,259	\$ 2,665,085

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, 2018

7. Transfers from other governments:

(a) Deferred government transfers:

	Balance, January 1, 2018	Contributions received	Interest earned	Recognized as revenue	Balance, December 31, 2018
Capital project funding:					
Gas Tax	\$ 502,447	\$ 234,750	\$ 9,235	\$ (187,330)	\$ 559,102
Canada Line	501,746	-	-	(24,321)	477,425
Public Transit Infrastructure Fund	54,788	79,504	-	-	134,292
Building Canada Fund	67,286	-	-	(4,464)	62,822
Evergreen Line	7,000	-	-	(700)	6,300
Transit Secure Fund	5,701	-	-	(794)	4,907
Public Transit Fund	5,856	-	-	(3,758)	2,098
Capstan Station	1,098	-	-	(199)	899
Public Transit Infrastructure Program	2,615	-	-	(1,740)	875
Urban Transportation Showcase	1,030	-	-	(687)	343
Miscellaneous programs	129	690	-	(788)	31
	1,149,696	314,944	9,235	(224,781)	1,249,094
Operating funding:					
Golden Ears Bridge foregone tolling	-	57,585	-	(57,585)	-
Canada Line Operating Fund (note 9(c))	-	19,174	-	(19,174)	-
Properties Environmental Program	-	1,818	-	(1,818)	-
Other cost sharing projects	-	140	-	(140)	-
	-	78,717	-	(78,717)	-
	\$ 1,149,696	\$ 393,661	\$ 9,235	\$ (303,498)	\$ 1,249,094

The balance as at December 31, 2018 of \$1,249,094,000 consists of:

- (i) Unspent Gas Tax funds of \$531,715,000 (2017 - \$405,924,000) and unspent funds for various other projects of \$1,822,000 (2017 - \$3,039,000); and
- (ii) Spent funds of \$715,557,000 (2017 - \$740,733,000) that will be recognized as revenue as the related stipulations in the agreements 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, 2018

7. Transfers from other governments (continued):

(b) Gas Tax funding (continued):

Tangible capital assets acquired on or after 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:

	2018	2017
Opening balance, unspent funds	\$ 405,924	\$ 190,464
Amount received during the year	234,750	272,672
Interest earned	9,235	4,939
Funding re-invested for early disposal of assets	1,681	-
Amount spent on designated public transit projects	(119,875)	(62,151)
Closing balance, unspent funds	\$ 531,715	\$ 405,924

(c) Canada Line funding:

The Authority has received certain contributions for the Canada Line infrastructure from the Federal and Provincial Governments 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. If the assets are disposed prior to the 30 year term, the Authority is required to refund a portion of the contributions received, the amount of which decreases over time. 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, 2018

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, 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, which has been extended to March 31, 2021, 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. If the assets are disposed prior to the 25 year term, the Authority is required to repay a portion of the funding, the amount of which decreases over time.

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 phases: 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, 2018

7. Transfers from other governments (continued):

(h) Golden Ears Bridge foregone tolling revenue:

In August 2017, the Province announced the removal of tolls on the Golden Ears Bridge (the "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:

	2018	2017
Trade accounts receivable	\$ 19,659	\$ 30,596
Due from Federal Government	7,744	4,984
Due from Province of British Columbia	215,298	78,588
Due from regional districts	5,824	4,344
Due from other authorities	2,073	2,340

Accounts receivable	\$ 250,598	\$ 120,852
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	2018	2017
Trade accounts payable and accrued liabilities	\$ 284,132	\$ 215,020
Due to Federal Government	6,534	11,304
Due to Province of British Columbia	1,607	3,076
Due to regional districts	39,988	31,533
Due to other Authorities	8,006	8,124

Accounts payable and accrued liabilities	\$ 340,267	\$ 269,057
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(j) Transit revenue:

Included in transit revenues is \$11,629,000 (2017 - \$10,888,000) 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, 2018

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:

	2018	2017
Opening balance	\$ 1,045,557	\$ 1,049,021
Interest accretion on contractor liability to last payment date	65,928	66,095
Payments made	(71,107)	(69,559)
Ending balance	\$ 1,040,378	\$ 1,045,557

As the last monthly payment of the year was made on December 8, 2018, the interest accrual from December 9 to 31, 2018 of \$4,054,000 (2017 - \$4,203,000) 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
2019	\$ 74,477
2020	75,977
2021	77,504
2022	79,046
2023	80,632

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, 2018

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
2019	\$	4,914
2020		5,013
2021		5,114
2022		5,215
2023		5,320

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.

	2018	2017
Opening balance	\$ 525,785	\$ 549,059
Less: amortization	(23,273)	(23,274)
Closing balance	\$ 502,512	\$ 525,785

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, 2018

9. Canada Line (continued):

(b) Operating commitments:

Base operating 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 28-day period
January 2019 to December 2034	\$ 6,462
January 2035	5,289
February 2035 to July 2040	4,117

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:

2019	\$ 116,000
2020	119,000
2021	121,000
2022	123,000
2023	126,000

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.

(c) Operating contributions:

The Province of British Columbia has committed to provide funding of \$1,478,000 at each 28 day period 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 2018 was \$19,174,000 (2017 - \$19,290,000).

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, 2018

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 \$47,920,000 (2017 - \$44,940,000).

(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.

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 \$9,820,000 (2017 - \$12,347,000).

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, 2018

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

(b) Employee future benefits (continued):

(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 \$2,701,000 (2017 - \$2,336,000).

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

	Post-retirement benefits	Post-employment benefits	Total 2018	Total 2017
Accrued benefit obligation	\$ 85,716	\$ 19,719	\$ 105,435	\$ 119,323
Unamortized net actuarial gain	22,892	11,326	34,218	11,579
Accrued benefit liability	\$ 108,608	\$ 31,045	\$ 139,653	\$ 130,902

The accrued benefit liabilities are not funded.

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

	Post-retirement benefits	Post-employment benefits	Total 2018	Total 2017
Current period benefit cost	\$ 6,820	\$ 5,506	\$ 12,326	\$ 11,310
Interest cost	3,390	674	4,064	4,620
Amortization of actuarial gains	(390)	(3,479)	(3,869)	(1,247)
Net expense	9,820	2,701	12,521	14,683
Actuarially determined payments	(1,279)	(2,491)	(3,770)	(3,928)
Change in accrued benefit liability	\$ 8,541	\$ 210	\$ 8,751	\$ 10,755

(v) The significant assumptions used are as follows:

	2018	2017
Discount rates	3.20% - 3.50%	2.90% - 3.20%
Expected health care cost trend rates	3.90% - 6.20%	4.40% - 6.80%

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, 2018

11. Tangible capital assets:

Cost	Balance, January 1, 2018	Additions	Disposals/ transfers	Write-down of assets	Balance, December 31, 2018
Land	\$ 358,678	\$ 51,808	\$ -	\$ -	\$ 410,486
Land improvements	40,397	-	-	-	40,397
Buildings	310,454	28,111	-	-	338,565
Bridges, guideways, stations and tunnels	2,372,044	-	-	-	2,372,044
Other supporting systems	1,051,057	34,891	-	-	1,085,948
Vehicles and SeaBus	1,691,943	160,425	(12,291)	-	1,840,077
Equipment	697,710	44,703	(5,509)	-	736,904
Tangible capital projects in progress	264,769	62,528	-	(8,299)	318,998
	\$ 6,787,052	\$ 382,466	\$ (17,800)	\$ (8,299)	\$ 7,143,419

Accumulated amortization	Balance, January 1, 2018	Amortization expense	Disposals/ transfers	Write-down of assets	Balance, December 31, 2018
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Land improvements	(20,792)	(1,185)	-	-	(21,977)
Buildings	(114,674)	(8,050)	-	-	(122,724)
Bridges, guideways, stations and tunnels	(190,046)	(24,243)	-	-	(214,289)
Other supporting systems	(245,819)	(38,076)	-	-	(283,895)
Vehicles and SeaBus	(893,526)	(83,617)	12,020	-	(965,123)
Equipment	(414,954)	(42,683)	1,388	-	(456,249)
	\$ (1,879,811)	\$ (197,854)	\$ 13,408	\$ -	\$ (2,064,257)

Net book value	Balance, January 1, 2018	Balance, December 31, 2018
Land	\$ 358,678	\$ 410,486
Land improvements	19,605	18,420
Buildings	195,780	215,841
Bridges, guideways, stations and tunnels	2,181,998	2,157,755
Other supporting systems	805,238	802,053
Vehicles and SeaBus	798,417	874,954
Equipment	282,756	280,655
Tangible capital projects in progress	264,769	318,998
	\$ 4,907,241	\$ 5,079,162

Included in tangible capital assets is capital leased equipment with a net book value of \$7,996,000 (2017 - \$8,600,000).

Interest capitalized during the year amounted to \$3,257,000 (2017 - \$2,125,000).

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, 2018

11. Tangible capital assets (continued):

(a) Pattullo Bridge Replacement Project:

During the year, the Province assumed the delivery of the Pattullo Bridge Replacement Project from TransLink. As a result, a write-down of \$8,299,000 was recognized to reflect the amount of unrecoverable costs incurred by TransLink up to the effective date of the transfer.

(b) Expo and Millennium Line:

As at December 31, 2018, the net book value of Expo and Millennium Line guideways or system improvements totaled \$354,642,000 (2017 - \$328,000,000) of which \$253,421,000 (2017 - \$227,000,000) 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, 2020. 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.

(c) West Coast Express:

BCTFA leases to TransLink all its interests (owned and otherwise) with respect to the West Coast Express properties and infrastructure. As at December 31, 2018, the net book value of West Coast Express improvements totaled \$3,375,000 (2017 - \$3,700,000).

(d) Evergreen Line:

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, 2018, the net book value of Evergreen Line guideways and system owned by TransLink, excluding SkyTrain vehicles, totaled \$323,929,000 (2017 - \$331,675,000).

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, 2018

12. Commitments and contingencies:

(a) Operating leases:

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

2019	\$ 16,915
2020	16,179
2021	15,949
2022	15,474
2023	15,538
	<hr/>
	\$ 80,055

Included in the payment schedule above are certain commitments that extend beyond 2023. Significant commitments beyond 2023 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 2023 ranges from \$834,000 to \$892,000.

(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, land leases and miscellaneous services.

The following summarizes the WCE operating commitments:

2019	\$ 13,089
2020	11,567
2021	6,324
2022	6,212
2023	6,253
	<hr/>
	\$ 43,445

Subsequent to 2023, monthly operating commitments for WCE are \$437,000 to \$523,000 for 2024 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, 2018

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 component
2019	\$ 11,358
2020	11,531
2021	13,581
2022	12,028
2023	12,209
	<hr/>
	\$ 60,707

Subsequent to 2023, the fixed monthly base payments range from \$1,036,000 to \$1,055,000 for 2024 to 2025. Additionally, an amount of \$6,258,000 is payable in 2025 should the Authority choose not to extend the contract.

(d) Diesel fuel purchase:

In 2018, the Authority adopted an internal strategy to manage diesel fuel purchases and no longer enters into fixed price future agreements and therefore has no such commitments at the end of the year (2017 - \$19,700,000).

(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:

	Contract Amount
2019	\$ 1,679
2020	1,679
2021	1,442
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	\$ 4,800

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, 2018

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, 2018, the net amount of MRN capital infrastructure contributions committed and not paid is \$59,310,000 (2017 - \$20,100,000). This amount will be paid to the municipalities upon completion of their projects.

(g) Lawsuits and claims:

As at December 31, 2018, 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 recorded 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. Three test cases for assessment of compensation for injurious affection were heard at trial in April 2018 by the BC Supreme Court, and judgement issued by the BC Supreme Court, awarding damages in the aggregate amount of \$181,040, has been appealed by TransLink. The appeal has not yet been heard by year-end.
- 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, 2018, \$486,448,000 (2017 - \$403,018,000) has been contractually committed for other capital projects and inventory.

(i) Letters of credit:

As at December 31, 2018, the Authority has issued letters of credit to the City of Richmond and the City of Surrey totaling \$2,787,000 (2017 - \$1,005,000) which expire in 2019.

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, 2018

13. Contractual rights:

The Authority is entitled to future revenues based on contracts and agreements it has entered into by year-end to fund operating costs, capital expansion and debt repayment. These include, but are not limited to, funding agreements for Canada Line, Golden Ears Bridge foregone tolling, Gas Tax, PTIF and the U-Pass BC program. The following summarizes the amounts receivable expected under all such contracts and agreements over the next five years:

2019	\$	381,209
2020		374,467
2021		191,556
2022		123,959
2023		233,181
	\$	1,304,372

The annual amounts beyond 2023 range from \$27,746,000 to \$174,603,000 until 2050.

14. Statement of cash flows:

	2018	2017
Non-cash changes to operations:		
Amortization of tangible capital assets	\$ 197,854	\$ 192,171
Amortization of bond premium	(112)	(35)
Amortization of debt issue cost	519	188
Amortization of deferred concessionaire credit	(23,273)	(23,274)
Amortization of deferred government transfers	(224,781)	(125,290)
Amortization of deferred lease inducements net of additions	58	(92)
Write-down of tangible capital assets	8,299	1,179
Loss on disposal of tangible capital assets	34	1,104
	\$ (41,402)	\$ 45,951
Changes in non-cash operating working capital:		
Decrease (increase) in accounts receivable	\$ (129,746)	\$ 12,884
Decrease in loan receivable	59,463	15,116
Increase in supplies inventory	(5,287)	(3,462)
Increase in prepaid expenses	(6,803)	(9,746)
Increase in accounts payable and accrued liabilities	71,210	34,535
Increase in deferred revenue and deposits	8,724	10,893
Employee future benefits payable	8,751	10,755
	\$ 6,312	\$ 70,975

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, 2018

15. 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. There has been no change to any of the risk exposures from 2017.

(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.

	Fair values	Amortized cost
2018		
Restricted investments:		
Government transfers for capital projects - bonds	\$ 19,906	\$ 19,866
TPCC - bonds	24,921	25,095
Self-administered sinking funds - bonds	266,575	264,241
2017		
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

16. Taxation revenue:

	2018	2017
Property tax	\$ 355,838	\$ 339,124
Fuel tax	351,338	373,780
Parking sales tax	73,201	70,019
Hydro levy	21,088	20,576
Replacement tax	17,889	17,834
	\$ 819,354	\$ 821,333

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, 2018

17. Segmented information:

(a) Bus operations:

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 operations represent the operating costs and the allocated depreciation and interest costs.

(b) Corporate operations:

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 operations:

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 operations represent 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, 2018

17. Segmented Information (continued):

	2018						2017
	Bus operations	Corporate operations	Rail operations	Roads and bridges	Transit Police	Total	
Revenues:							
Taxation	\$ -	\$ 819,354	\$ -	\$ -	\$ -	\$ 819,354	\$ 821,333
Transit	-	638,015	-	-	-	638,015	590,964
Golden Ears Bridge tolling	-	-	-	-	-	-	29,743
Government transfers	-	303,498	-	-	-	303,498	166,902
Amortization of deferred concessionaire credit	-	-	23,273	-	-	23,273	23,274
Investment income	-	53,203	-	-	-	53,203	50,278
Miscellaneous revenue	3,124	7,013	419	-	1,338	11,894	7,009
Gain (loss) on disposal of tangible capital assets	-	406	(440)	-	-	(34)	(1,104)
	3,124	1,821,489	23,252	-	1,338	1,849,203	1,688,399
Expenses:							
Administration	16,501	19,194	6,045	4,363	3,440	49,543	43,540
Capital infrastructure contributions	-	-	-	40,416	-	40,416	33,389
Contracted services	78,158	11,205	122,813	8,173	-	220,349	219,116
Fuel and power	55,140	-	16,566	-	-	71,706	65,520
Insurance	17,891	197	5,024	981	49	24,142	23,825
Maintenance, materials and utilities	79,544	2,330	47,091	33,155	1,486	163,606	148,214
Professional and legal	2,768	21,906	3,505	2,194	395	30,768	41,029
Rentals, leases and property tax	13,114	9,791	1,926	256	1,850	26,937	24,339
Salaries, wages and benefits	461,767	45,902	106,225	1,672	31,088	646,654	618,068
Write-down of tangible capital assets	-	8,299	-	-	-	8,299	1,179
Expenses before amortization and interest	724,883	118,824	309,195	91,210	38,308	1,282,420	1,218,219
Amortization of tangible capital assets	89,686	16,836	70,849	20,245	238	197,854	192,171
Interest	53,344	10,015	42,141	77,818	141	183,459	181,766
	143,030	26,851	112,990	98,063	379	381,313	373,937
	867,913	145,675	422,185	189,273	38,687	1,663,733	1,592,156
Surplus (deficit) for the year	\$ (864,789)	\$ 1,675,814	\$ (398,933)	\$ (189,273)	\$ (37,349)	\$ 185,470	\$ 96,243

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, 2018

18. Comparative information:

Certain comparative information has been reclassified to conform to the financial statement presentation adopted for the current year.