



# 2020 Business Plan

OPERATING AND CAPITAL BUDGET SUMMARY



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### **Caution Regarding Forward-Looking Statements**

From time to time, TransLink makes written and/or oral forward-looking statements, including in this document and in other communications, in addition, representatives of TransLink may make forward-looking statements orally to analysts, investors, the media and others.

Forward-looking statements, by their nature, require TransLink to make assumptions and are subject to inherent risk and uncertainties. In light of uncertainty related to financial, economic and regulatory environments, such risks and uncertainties, many of which are beyond TransLink's control and the effects of which can be difficult to predict, may cause actual results to differ materially from the expectations expressed in the forward-looking statements.

## 1. Business Plan Summary

The South Coast British Columbia Transportation Authority, TransLink, is Metro Vancouver's regional transportation authority and its service region includes 23 municipalities on the traditional territory of 45 First Nations communities. TransLink delivers a wide range of services and programs to plan and provide for the transportation needs of residents, businesses and visitors in the region. This includes Bus, SkyTrain, SeaBus, HandyDART, West Coast Express and Transit Police. TransLink also shares responsibility for the Major Road Network and walking and cycling infrastructure with its local government partners.

Since 2016, the Metro Vancouver region has seen consistent ridership growth year over year. To meet this increasing demand for the years to come, TransLink's 2020 Budget, specifically targets investment in the expansion and maintenance of the system and prioritizes customer experience and the efficient management of funds.

The 2020 Budget is built on three priorities:

- Increasing and improving region-wide service,
- Maintaining and repairing of the system for safety & reliability, and
- Enhancing the customer experience and information services.

TransLink is currently implementing Phase Two of the 10-Year Vision to alleviate overcrowding on transit and congestion on major roads. TransLink is able to deliver these improvements with the support of the region's Mayors along with investments from the Province of British Columbia and the Government of Canada. Phase Two of the Investment Plan prioritizes expanding and improving the region's transportation network.

Metro Vancouver residents and visitors are relying more on transit as a mode of transportation, which explains why ridership has grown by 3.6 per cent in 2019. Since 2016 ridership has grown 17.3 per cent. New developments and increased service continue to drive a positive brand impression from Metro Vancouver residents.

TransLink's plan for 2020 is to bolster growth with smart investments. These are investments that will work towards maintaining the current system while expanding new service. The 2020 Budget priorities will be achieved through the following initiatives:

### **Increasing and Improving Region-Wide Service**

- Implementing over 364,000 conventional bus service hours.
- Launching five new RapidBus (formerly B-Line) routes (two replacement and three new routes).
- Expanding SkyTrain service with 14 new Mark III trains, and 12 new Canada Line trains.
- Developing the Transport 2050 Strategy and furthering public engagement.
- Developing a climate action plan.
- Upgrading two and constructing one Operations and Maintenance Centres.

### **Maintaining and Repairing of the System for Safety & Reliability**

- Renewing technology in the management systems.
- Delivering an Emergency Response Plan and formalizing the Safety Management System.
- Expanding the retail amenities to enhance the customer experience and improve perceived safety and security.

### **Enhancing the Customer Experience and Information Services**

- Developing the online HandyDART reservation system for customers to book, change and cancel trips online.
- Expanding Conventional Bus and Community Shuttle fleet with 95 new vehicles.
- Expanding and replacing 52 new HandyDART vehicles.
- Improving bus speed and reliability to address growing congestion.
- Furthering the development of safety campaigns.
- Revamping the TransLink website to optimize the customer experience.
- Formalizing an Emergency Management and Communications program.

Driven by the needs of customers and the region, TransLink is expanding its services while prudently managing cost pressures. Delivering these widespread service improvements creates some operational and budgetary challenges. The expansion of services creates space constraints on the depots and the need to hire more employees. The additional population growth in the region causes congestion that negatively affects bus speed and reliability. There is also a region-wide priority to expand in a sustainable manner. TransLink will continue to mitigate these challenges by managing its resources through diligent oversight and governance practices.

Funding for expansion of the system and major new capital projects has been secured through the support of the Mayors' Council and the federal and provincial governments. Growing ridership has also increased revenues from transit fares. However, this coming year offers the possibility of slowing ridership growth as a result of the fare increase set for July 2020 and the ride-hailing services coming to the region. Recognizing the impact this may have on revenue, TransLink will continue to monitor these effects and be efficient with its investments.

## 2. 2020 Key Priorities

With guiding principles of improving the quality of existing systems, improving quality of services and expanding the transit system, the 2020 Business Plan, Operating and Capital Budget is supported by three priorities aimed to implement the Mayors' Vision, maintain a state of good repair and enhance the customer experience.

### Priority One: Implement the Mayors' Vision

*We will successfully deliver the capital projects, service expansion and policy initiatives necessary to implement the Mayors' Vision.*

- Implement an additional 364,000 Conventional Bus service hours, an additional 38,000 Access Transit trips and five RapidBus routes to accommodate growth and provide more service to customers.
- Commission one new SeaBus vessel (Burrard Chinook) and full year implementation of 3-vessel 10-minute service during peak hours.
- Test, commission and deliver 14 new Mark III trains and 12 new Canada Line Trains.
- Develop Phase Three of the Mayors' Vision that includes Bus, Rail and HandyDART network improvements.
- Develop the Transport 2050 Strategy and a climate action plan.
- Negotiate, implement and monitor agreements for the Surrey-Langley SkyTrain and the Broadway Subway projects.
- Finalize design and commence construction for the Operations and Maintenance Centre Upgrades and Storage Facility.

### Priority Two: Maintain a State of Good Repair

*TransLink will proactively manage and maintain all assets in a state of good repair to ensure safety and reliability, optimize lifecycle costs and enhance the customer experience.*

- Implement various training for Transit Operators to promote employee safety to continue developing a safe and effective workforce.
- Continue to retrofit buses with Operator Protection Barriers.
- Support major technology renewal projects, such as Enterprise Asset Management, Daily Operations Management System, Enterprise Health and Safety System and Onboard Technology Asset Program.
- Develop an Information Technology (IT) Cost Optimization Roadmap.
- Deliver an Emergency Response Plan through the IT Disaster Recovery and Business Continuity Program.
- Upgrade and enhance existing TransLink retail assets to maximize revenue opportunities.
- Migrate TransLink's safety program to a formal Safety Management System.
- Continue to strengthen effective response and recovery from major disasters.

### Priority Three: Enhance Customer Experience

*With a customer first approach, we will build public trust and confidence in TransLink by focusing on growing ridership, engaging stakeholders and implementing the Mayors' 10-Year Vision.*

- Introduce the ability for customers to book, change and cancel HandyDART trips with our online reservation system.
- Receive and commission 95 expansion and replacement conventional buses and Community Shuttle vehicles and 52 expansion and replacement HandyDART vehicles.
- Improve on bus speed and reliability to address growing congestion.
- Implement the new customer experience program to gain customer insights and strategies as well as recognize customer service excellence.
- Improve SkyTrain service frequency and quality, such as service expansion of Expo and Millennium Lines and Canada Line as well as snow plan enhancements.
- Expand Anti-Sexual Offending Campaign with greater direct outreach for schools.
- Implement two additional Transit Police Explosive Scent Detection Dog Teams, bringing a total of eight teams.
- Launch TransLink responsive website to optimize customers' mobile experience and a Customer Experience Dashboard.
- Expand retail amenities along the transit system to enhance customer experience.
- Focus on pedestrian and cyclist safety with external campaigns to encourage customer safety.
- Develop a formal Emergency Management and Communications program.

To deliver the priorities set in the **2020 Business Plan, Operating and Capital Budget**, funding will be obtained through various sources. Funding for capital projects include the Greater Vancouver Regional Fund (GVRF), Canada Line funding, Building Canada Fund, Public Transit Infrastructure Fund (PTIF) and Investing in Canada Infrastructure Program (ICIP). Funding sources supporting current operations as well as service expansion include property taxes, motor fuel taxes and transit revenues. The main risks associated with these funding sources include higher fuel prices in the region driving lower fuel tax revenues, reaction from transit users resulting from the planned fare increase, effects of the potential introduction of ride-hailing services, an overall economic downturn as well as the capacity to deliver on service expansion and capital projects.

### 3. 2020 Financial and Operating Summary

CONSOLIDATED REVENUES AND EXPENSES					
Twelve months ending December 31	2018	2019	2020	Change	
(\$ thousands)	ACTUAL	BUDGET	BUDGET	Incr/(Decr)	%
<b>Revenue</b>					
Taxation	819,354	874,526	943,443	68,917	7.9%
Transit	638,015	669,274	723,160	53,886	8.1%
Government transfers					
Senior Government Funding	245,632	327,967	199,547	(128,420)	(39.2%)
Golden Ears Bridge Tolling Replacement	57,866	60,072	62,366	2,294	3.8%
Investment income	53,203	52,850	54,300	1,450	2.7%
Amortization of deferred concessionaire credit	23,273	23,337	23,337	-	-
Miscellaneous	19,982	12,517	17,059	4,542	36.3%
<b>Sub Total Continuing Operations</b>	<b>1,857,325</b>	<b>2,020,543</b>	<b>2,023,212</b>	<b>2,669</b>	<b>0.1%</b>
Gain/(Loss) on Disposal	(34)	(122)	-	122	(100.0%)
<b>Total Revenue</b>	<b>1,857,291</b>	<b>2,020,421</b>	<b>2,023,212</b>	<b>2,791</b>	<b>0.1%</b>
<b>Expenditures</b>					
Bus Operations	732,971	784,454	830,684	46,230	5.9%
Rail Operations	309,195	326,870	355,432	28,562	8.7%
Transit Police	38,308	40,845	42,513	1,668	4.1%
Corporate Operations	96,795	102,133	118,338	16,205	15.9%
Roads & Bridges	91,210	94,691	127,541	32,850	34.7%
Amortization of tangible capital assets	197,854	226,513	244,307	17,794	7.9%
Interest	183,459	185,118	185,252	134	0.1%
<b>Sub Total Continuing Operations</b>	<b>1,649,792</b>	<b>1,760,624</b>	<b>1,904,067</b>	<b>143,443</b>	<b>8.1%</b>
Corporate - one-time	22,029	70,576	31,625	(38,951)	(55.2%)
<b>Total Expenditures</b>	<b>1,671,821</b>	<b>1,831,200</b>	<b>1,935,692</b>	<b>104,492</b>	<b>5.7%</b>
<b>Surplus for the year</b>	<b>185,470</b>	<b>189,221</b>	<b>87,520</b>	<b>(101,701)</b>	<b>(53.7%)</b>

#### 2020 Budget Highlights

The 2020 budget results in an \$87.5 million surplus on a Public Sector Accounting Board (PSAB) basis. This represents a decrease of \$101.7 million (53.7 per cent) from the 2019 budget. This is mainly due to lower Government Transfers, which is driven by the timing of the capital projects supported by Senior Government Funding, higher contributions to support municipal capital infrastructures and higher amortization of capital assets as a result of projects being completed.

Increases in expenditures are driven by expansion across all modes, contractual labour increases, inflation and state of good repair maintenance initiatives.

Revenues are also increasing due to the expansion of services and increased ridership as well as additional taxation revenue as approved in the 10-Year Vision.

Corporate one-time costs are budgeted at \$31.6 million and relate to continued investments in implementing Phase Two of the Investment Plan, including the RapidBus expansion and feasibility studies.



## 4. Key Performance Indicators and Drivers

### Financial Indicators

FINANCIAL INDICATORS					
As at December 31 (\$ thousands)	2018	2019	2020	Change	
	ACTUAL	BUDGET	BUDGET	Incr/(Decr)	%
Unrestricted cash and investments <sup>1</sup>	578,195	474,155	365,929	(108,226)	(22.8%)
Capital assets	5,079,162	6,005,480	6,204,409	198,929	3.3%
Net direct debt <sup>2</sup>	(2,371,421)	(2,653,871)	(2,757,744)	103,873	3.9%
Indirect P3 debt <sup>3</sup>	(1,542,890)	(1,512,459)	(1,480,140)	(32,319)	(2.1%)
Total net direct debt and indirect P3 debt	(3,914,311)	(4,166,330)	(4,237,884)	71,554	1.7%
Gross interest cost as a % of operating revenue <sup>4</sup>	11.8%	11.3%	10.5%	(0.8%)	(7.1%)

<sup>1</sup> Accumulated funding resources as calculated under the SCBCTA Act is the amount of resources available to fund future operations

<sup>2</sup> Includes bonds, debentures, capital leases, short-term debt net of sinking funds and debt reserve deposits

<sup>3</sup> Includes Deferred concessionaire credit for Canada Line and Contractor liability for Golden Ears Bridge (GEB)

<sup>4</sup> Operating revenue includes transit, taxation, operating transfers from Provincial government and miscellaneous income (2018 restated to include GEB tolling replacement revenue)

TransLink's unrestricted cash and investment balances reflecting accumulated funding resources available for supporting operations, are budgeted to decrease by \$108.2 million (22.8 per cent) compared to the 2019 budget. The decrease is due to deployment of cash for investments in facilities.

Planned capital asset increases during 2020 is expected to result in a net increase of \$198.9 million (3.3 per cent) in capital assets. Significant projects include Expo and Millennium Line upgrades, Conventional Bus expansion and replacement, rail fleet expansion and refurbishment, station upgrades, RapidBus developments and rail infrastructure projects including the Surrey-Langley SkyTrain.

Net direct debt is expected to increase by \$103.9 million (3.9 per cent) in comparison to the 2019 budget due to increased borrowing to finance planned capital spending net of senior government funding.

Indirect P3 debt relating to the Canada Line and Golden Ears contractor liability is expected to decrease by \$32.3 million (2.1 per cent) due to amortization and principal payments.

The gross interest cost as a percentage of operating revenues at 10.5 per cent is 0.8 percentage points lower than the 2019 budget and is well below the policy level of 20 per cent.

## Operating Indicators

OPERATING INDICATORS					
Twelve months ending December 31	2018	2019	2020	Change	
	ACTUAL	BUDGET	BUDGET	Incr/(Decr)	%
<b>Scheduled Transit Service</b>					
Overall Performance Rating (out of 10)	7.8	8.0	8.0	-	-
Service Hours	6,857,115	6,994,799	7,357,338	362,539	5.2%
Operating Cost Recovery <sup>1</sup>	58.1%	56.6%	56.9%	0.3%	0.5%
Operating Cost per Capacity Km <sup>2,3</sup>	\$0.086	\$0.096	\$0.095	(\$0.001)	(1.0%)
Complaints per million Boarded Passengers	95.4	87.5	89.9	2.4	2.8%
<b>Access Transit Service</b>					
Number of Trips	1,315,418	1,373,000	1,411,000	38,000	2.8%
Operating Cost per Trip	\$41.34	\$41.06	\$40.76	(\$0.30)	(0.7%)
Number of Trips Denied	729	1,648	2,235	587	35.6%
Operator Complaints as a percentage of trips	0.12%	0.05%	0.08%	0.03%	60.0%
Service Complaints as a percentage of trips	0.07%	0.10%	0.09%	0.01%	10.0%
<b>Ridership (thousands)</b>					
Boarded Passengers	437,376	443,731	468,445	24,714	5.6%
Journeys	262,626	267,653	283,000	15,347	5.7%
Average Fare per Journey	\$2.35	\$2.50	\$2.56	\$0.06	2.4%

<sup>1</sup> Includes operating costs of Bus, Rail, Transit Police and Corporate On-going. Excludes amortization and interest expense.

<sup>2</sup> Includes operating costs of Bus, Rail, and Transit Police. Excludes amortization and interest expense.

<sup>3</sup> Restated 2019 Budget to adjust Capacity Km for the Expo, Millennium and Canada Lines to conform with current year presentation.

### Scheduled Transit Service

The targeted overall performance rating from our customers is to reach 8.0 for the full year of 2020.

Conventional system service hours for both Bus and Rail Operations are projected to increase by over 362,000 hours across the region. This includes the annualized impact of 2019 service improvements and 2020 service expansion improvements to reduce congestion and increase service reliability.

Operating cost recovery is budgeted to increase to 56.9 per cent representing a 0.3 per cent increase compared to 2019 budget. The improvement is mainly a result of operating cost efficiencies where the anticipated transit revenue growth from increased ridership exceeds the cost of service expansion.

Operating cost per capacity kilometre is expected to decrease by 1.0 per cent over the 2019 budget due to growing capacity kilometres as a result of fleet expansion, the introduction of double decker buses and increased usage of Mark III trains that offers larger capacity.

Although the complaints per million boarded passengers are budgeted to increase by 2.4 (2.8 per cent) over the 2019 budget, it is expected to decrease by 0.7 (0.8 per cent) compared to the 2019 actuals. Fewer complaints are expected compared to 2019 as a result of various initiatives being undertaken to improve the customer experience. TransLink remains focused on enhancing the customer experience as one of its key priorities and will continue to evaluate and improve on the level of customer complaints.

## **Access Transit Service**

Access Transit trips are planned to increase by 38,000 trips (2.8 per cent) to provide increased services for passengers unable to use conventional public transit without assistance, as committed in Phase Two of the Investment Plan.

Although Access Transit will incur contractual rate increases, the operating cost per trip compared to 2019 budget is expected to decrease by \$0.30 (0.7 per cent) as a result of Access Transit delivering more trips while maintaining overhead and fixed costs relatively consistent with 2019.

## **Ridership**

Boardings represent each time a passenger enters a fare paid zone including transfers. Boardings are 5.6 per cent higher than the 2019 budget.

Journeys represent a complete transit trip regardless of the number of transfers. For 2020, journeys are 5.7 per cent higher than the 2019 budget.

The average fare per journey is expected to increase \$0.06 (2.4 per cent) mainly due to the planned increase across all fare products effective July 1, 2020 and projected product mix.

With the recent approval of ride-hailing services in British Columbia, TransLink is at risk of lower ridership than anticipated in 2020. Management will monitor the ride-hailing impact and adjust the forecast accordingly during the year.

## **Key Drivers**

### ***Ridership***

Ridership journeys are used in estimating the fare revenue. Journeys are assumed to grow by 3.6 per cent over the forecasted 2019 year-end, which is 5.7 per cent higher than the 2019 budget. This is mainly due to increased ridership from service expansion, economic growth and higher gasoline prices.

### ***Households***

Household projections are based on estimates from BC Stats. BC Stats provides annual household estimates for the Metro Vancouver region. The number of households in the Metro Vancouver region is expected to grow by 1.1 per cent in 2020 when compared to the 2019 budget. Household growth impacts both transit and taxation revenues.

### ***Interest rates***

Interest rates for the budget are based on forecasts from major Canadian chartered banks, the Ministry of Finance, BC Budget Fiscal Plan 2019-2020 to 2021-2022 and TransLink credit spread and issue costs. Short-term borrowing rates are expected to be 0.1 percentage points higher and long-term borrowing rates are expected to be 0.85 percentage points lower than forecasted 2019 year-end interest rates.

### ***Inflation***

The Consumer Price Index growth assumptions for the 2020 budget is 2.1 per cent based on the BC Ministry of Finance.

### ***Taxable fuel consumption***

Fuel consumption volumes are used to estimate fuel tax revenue. Fuel volume projections are developed based on an internally developed forecast and vehicle fleet trends which considers the total number of vehicles, average distance driven and fuel economy in the region as well as leakage of fuel caused by cross-border purchases outside the Metro Vancouver region.

Diesel and gasoline volumes are expected to decrease by 1.4 per cent and 4.5 per cent, respectively, as compared to the forecasted 2019 year-end. As diesel volumes represent 17.8 per cent of taxable fuel volumes in the 2020 budget, combined fuel volumes are forecasted to decrease by 4.0 per cent over the forecasted 2019 year-end. Management will continue to monitor fuel trends and leading indicators and will adjust the forecast if necessary.

### ***Hydro cost***

BC Hydro sets out electricity rate increases which impact propulsion power for SkyTrain and Trolley Buses along with facility utility costs. In 2020, rates are expected to increase by 2.0 per cent. Rate increases take effect in April of every year.

### ***Gasoline and Diesel prices***

Fuel prices affect operating costs for revenue and non-revenue buses as well as West Coast Express Trains. Fuel prices are estimated using fuel vendor and US Energy Information Administration forecasts adjusted for Canadian prices, taxes and price differentials. Natural gas rates are fixed through to the fall of 2021.

## Revenue Vehicle insurance

Bus fleet insurance rates are expected to increase by 6.8 per cent on April 1, 2020, based on claims experienced to date and the expected basic rate increase from ICBC.

## Assumptions

The following table highlights the financial impact of changes in key assumptions used to develop the 2020 budget:

2020 BUDGET ASSUMPTIONS			SENSITIVITIES	
		RATE / VOLUME	Change	Impact (\$ millions)
<b>Background Assumptions</b>				
Real GDP Growth		2.30%		
Employment rate		1.00%		
Hydro Cost Increase		2.00%		
Population	thousands	2,693		
Households	thousands	1,067		
<b>Operating Assumptions with Sensitivity Analysis</b>				
<b>Revenue</b>				
Regional Fuel Consumption				
Gasoline	millions of litres	1,734.0	1 per cent +/-	3.2
Diesel	millions of litres	376.2	1 per cent +/-	0.7
Ridership	millions of journeys	283.0	1 per cent +/-	7.2
<b>Expense</b>				
Diesel cost	dollars per litre	1.55	\$0.10 +/-	3.2
Operational Diesel Use	millions of litres	31.66	1 per cent +/-	0.5
Gasoline cost	dollars per litre	1.68	\$0.10 +/-	0.4
Operational Gasoline Use	millions of litres	4.37	1 per cent +/-	0.1
Interest rate	Short term	2.50%	0.5 per cent +/-	0.6
	Long term	2.90%	0.5 per cent +/-	2.3
Inflation	General	2.10%	0.5 per cent +/-	0.4
	Materials	2.10%	0.5 per cent +/-	0.4
	Electricity	2.00%	0.5 per cent +/-	0.1

## 5. Consolidated Revenues

CONSOLIDATED REVENUES					
Twelve months ending December 31 (\$ thousands)	2018 ACTUAL	2019 BUDGET	2020 BUDGET	Change	
				Incr/(Decr)	%
Taxation					
Fuel	351,338	368,904	390,389	21,485	5.8%
Property & Replacement	373,727	402,744	417,386	14,642	3.6%
Parking Rights	73,201	81,301	89,207	7,906	9.7%
Development Cost Charges	-	-	24,600	24,600	100.0%
Hydro Levy	21,088	21,577	21,861	284	1.3%
Transit	638,015	669,274	723,160	53,886	8.1%
Government transfers			-		
Senior Government Funding	245,632	327,967	199,547	(128,420)	(39.2%)
Golden Ears Bridge Tolling Replacement	57,866	60,072	62,366	2,294	3.8%
Investment income	53,203	52,850	54,300	1,450	2.7%
Amortization of deferred concessionaire credit	23,273	23,337	23,337	-	0.0%
Miscellaneous <sup>1</sup>	19,982	12,517	17,059	4,542	36.3%
<b>Revenue Before Gain/(Loss) on Disposals</b>	<b>1,857,325</b>	<b>2,020,543</b>	<b>2,023,212</b>	<b>2,669</b>	<b>0.1%</b>
Gain/(Loss) on Disposal	(34)	(122)	-	122	(100.0%)
<b>Total Revenue</b>	<b>1,857,291</b>	<b>2,020,421</b>	<b>2,023,212</b>	<b>2,791</b>	<b>0.1%</b>

<sup>1</sup> Prior year amounts have been restated for a change in presentation to reflect certain recoveries as gross instead of net.

TransLink receives its revenue mainly through taxation, transit fares and government transfers. Total consolidated revenues for 2020 are budgeted to be \$2.0 billion. Although the overall revenue is comparable with 2019, there are some notable changes amongst the revenue sources, namely the introduction of Development Cost Charge (DCC). The DCC is a levy paid by real estate developers for certain types of eligible projects required for the regional transportation system.

### 2020 Budget vs 2019 Budget

#### Taxation

TAXATION REVENUES					
Twelve months ending December 31 (\$ thousands)	2018 ACTUAL	2019 BUDGET	2020 BUDGET	Change	
				Incr/(Decr)	%
Fuel	351,338	368,904	390,389	21,485	5.8%
Property & Replacement	373,727	402,744	417,386	14,642	3.6%
Parking Rights	73,201	81,301	89,207	7,906	9.7%
Development Cost Charge	-	-	24,600	24,600	100.0%
Hydro Levy	21,088	21,577	21,861	284	1.3%
<b>Total Taxation</b>	<b>819,354</b>	<b>874,526</b>	<b>943,443</b>	<b>68,917</b>	<b>7.9%</b>

Taxation Revenue is comprised of fuel tax, property and replacement tax, parking rights, development cost charges, and hydro levy.

Fuel tax revenue for 2020 is budgeted at \$390.4 million which is \$21.5 million (5.8 per cent) higher than the 2019 budget. The increase is mainly due to a full year tax rate increase from \$0.17 to \$0.185 per litre which was effective July 1, 2019.

Property and replacement tax revenue is \$417.4 million, \$14.6 million (3.6 per cent) higher than the 2019 budget. This includes an annual 3.0 per cent increase in property tax revenue from existing properties as well as development growth rate of 1.4 per cent. The replacement tax remains at \$18.0 million.

Parking rights tax revenue is \$89.2 million, \$7.9 million (9.7 per cent) higher than the 2019 budget. This reflects the full year effect of the parking tax increase from 21 per cent to 24 per cent effective July 1, 2019 as well as expected growth in parking volumes.

As legislated by the Province of British Columbia and approved in Phase Two of the Investment Plan, DCCs are budgeted at \$24.6 million and are a new funding source in 2020. As new development increases the demand on public infrastructure throughout the transportation service region, the DCCs ensure that a fair share of those capital costs is paid for by new developments.

### **Transit**

<b>TRANSIT REVENUES</b>					
Twelve months ending December 31 (\$ thousands)	2018 ACTUAL	2019 BUDGET	2020 BUDGET	Change	
				Incr/(Decr)	%
Fares	494,749	521,318	567,628	46,310	8.9%
Programs	118,635	122,915	128,565	5,650	4.6%
<b>Total Fare Revenue</b>	<b>613,384</b>	<b>644,233</b>	<b>696,193</b>	<b>51,960</b>	<b>8.1%</b>
Other	24,631	25,041	26,967	1,926	7.7%
<b>Total Transit</b>	<b>638,015</b>	<b>669,274</b>	<b>723,160</b>	<b>53,886</b>	<b>8.1%</b>

Total transit revenue is budgeted at \$723.2 million which is an increase of \$53.9 million (8.1 per cent) compared to the 2019 budget. Fare revenues are expected to increase due to a continued increase in ridership from service expansion, high employment levels and a planned increase in fares on July 1, 2020. The fare increase ranges from \$0.10 to \$0.40 for Single Use and Stored Value products, \$0.25 for DayPasses and \$2.00 to \$10.25 for Monthly Pass products.

### **Government Transfers**

Government transfers include funds received from GVRF, Canada Line funding, Building Canada Fund, PTIF, ICIP and other miscellaneous programs. Revenue from senior government funding is expected to be \$128.4 million (39.2 per cent) lower than the 2019 budget levels mainly due to a reduction in the number and value of projects for which Federal Gas Tax revenue is recognized as a result of the timing of those funded projects. Golden Ears Bridge tolling replacement is budgeted to increase by \$2.3 million (3.8 per cent) as per the agreement with the Province of British Columbia.

### ***Investment Income***

Investment income is budgeted at \$54.3 million. The \$1.5 million (2.7 per cent) increase is mainly due to income earned on self-administered sinking funds whose balances have increased to cover increased debt loads, higher balances associated with the Land Reserve Account, partly offset by lower unrestricted cash balances.

### **Risks and Challenges**

Risks related to transit fare revenue include achieving ridership targets and predicting consumer behaviour for the purchase of various fare products. With annual proposed fare increases in July, there is a risk of reduced ridership. There is an additional risk that ridership will decline with the introduction of ride-hailing services resulting in a loss of transit revenue. An economic slowdown could also lead to lower transit fare revenue. TransLink continues to closely monitor any external factors that may impact ridership.

Fuel tax volumes are unpredictable as suppliers have up to 48 months to recover tax paid on exempt volumes for fuel resold outside the transit region. Market changes in the price of crude oil, the increase in usage of zero-emission vehicles, the USD/CAD exchange rate, economic growth and the cost of transportation can also impact the amount of fuel tax collected and remitted to TransLink.

TransLink has limited influence on the operations of our partners that remit our parking rights tax revenue. An increase in parking rates, change in service or change in consumer behavior could negatively impact this stream of revenue.



## 6. Consolidated Expenses by Segment

CONSOLIDATED EXPENSES BY SEGMENT					
Twelve months ending December 31 (\$ thousands)	2018 ACTUAL	2019 BUDGET <sup>1</sup>	2020 BUDGET	Change	
				Incr/(Decr)	%
Bus Operations <sup>3</sup>	732,971	784,454	830,684	46,230	5.9%
Rail Operations	309,195	326,870	355,432	28,562	8.7%
Transit Police	38,308	40,845	42,513	1,668	4.1%
Corporate Operations	96,795	102,133	118,338	16,205	15.9%
Roads & Bridges	91,210	94,691	127,541	32,850	34.7%
Amortization of tangible capital assets	197,854	226,513	244,307	17,794	7.9%
Interest	183,459	185,118	185,252	134	0.1%
<b>Sub Total Continuing Operations</b>	<b>1,649,792</b>	<b>1,760,624</b>	<b>1,904,067</b>	<b>143,443</b>	<b>8.1%</b>
Corporate - one-time	22,029	70,576	31,625	(38,951)	(55.2%)
<b>Total Expenses by Segment</b>	<b>1,671,821</b>	<b>1,831,200</b>	<b>1,935,692</b>	<b>104,492</b>	<b>5.7%</b>

<sup>1</sup> Restated to reflect budget transfers

<sup>2</sup> Amortization and Interest shown separately to facilitate analysis.

<sup>3</sup> Prior year amounts have been restated for a change in presentation to reflect certain recoveries as gross instead of net.

TransLink is responsible for delivering transit services, operating five bridges and providing operating and capital funding for the Major Road Network (MRN) and cycling in Metro Vancouver. With continued service expansion, TransLink focused on efficiency reductions in the 2020 budget to offset the increase in operating costs that are necessary for high-priority initiatives.

Total expenses from continuing operations are expected to increase \$143.4 million (8.1 per cent) over the 2019 Budget. The increase is mainly due to higher operating costs resulting from service expansion contractual labour increases, inflation and state of good repair maintenance initiatives. Additionally, amortization of capital assets is expected to increase as capital projects are completed.

Corporate one-time costs are budgeted at \$31.6 million and relate to continued investments in implementing Phase Two of the 10-Year Vision including the RapidBus expansion and feasibility studies.

### Bus Operations

Coast Mountain Bus Company (CMBC) oversees the operations of Conventional and Community Shuttle bus service, SeaBus and Access Transit. By the end of 2020, CMBC's fleet is approximately 2,075 Conventional Buses, Community Shuttle and Access Transit (HandyDART) vehicles. This figure also includes vehicles owned by TransLink but operated by third-party service providers. Bus Operations will span 112.0 million service kilometers, 5.8 million service hours and provide 1.4 million Access Transit trips in 2020.

### Initiatives

#### Priority One: Implement the Mayors' Vision

The 2020 budget includes the following strategic activities to support the 10-Year Vision:

- Provide more service for our customers including:
  - Additional 364,000 conventional transit service hours;
  - Five new RapidBus routes;
  - New SeaBus vessel (*Burrard Chinook*) and a full year of three vessels at ten-minute service intervals during weekday peak periods; and
  - Additional 38,000 Access Transit trips;
- Actively participate in planning and development of Phase Three of the Investment Plan; and
- Plan for new facility needs including the Marpole Transit Centre (MTC) and HandyDART.

### **Priority Two: Maintain a State of Good Repair**

In 2020, CMBC will undertake the following initiatives to ensure safe and secure operations and keep the transit infrastructure in a state of good repair:

- Move the dial on employee and customer safety, including:
  - Provide new online Safe Driving Refresher e-learning for Transit Operators;
  - Provide new one-day Pro-active Refresher Training Program for Transit Operators;
  - Provide new enterprise Health and Safety System;
  - Focus on pedestrian and cyclist safety with external campaigns; and
  - Continue to retrofit buses with Operator Protection Barriers;
- Execute Maintenance Trades Recruitment Plan; and
- Support major technology renewal projects such as Enterprise Asset Management and Daily Operations Management System.

### **Priority Three: Enhance Customer Experience**

In 2020, CMBC will undertake the following initiatives in support of the customer experience:

- Work on bus speed and reliability initiatives to address growing congestion;
- Introduce ability for customers to book, change and cancel HandyDART trips online; and
- Receive and commission 95 expansion and replacement Conventional Buses and Community Shuttle vehicles and 52 expansion and replacement HandyDART vehicles.

### **Risks and Challenges**

Coast Mountain Bus Company has identified the following risks and challenges:

- Recruitment – Recruiting tradespeople as well as recruiting and training enough Transit Operators to meet expansion and ongoing operations requirements is an ongoing challenge.
- Schedule reliability – The ability to maintain schedule reliability due to increased congestion is a challenge. CMBC may not be able to maintain existing service levels and deliver upon Investment Plan expansion commitments if demand outpaces expansion, congestion increases and bus-loading times continue to lengthen.
- Depot capacity restraints – CMBC’s depots, including HandyDART, are currently either at or over capacity and this may affect service. This risk is exacerbated by factors such as fleet diversification, long lifecycles for depot construction and increasing ridership.
- Safety – The incidence of safety incidents is increasing at CMBC worksites. This is mainly due to increased ridership and service, limited space at bus loops and exchanges, congestion and the ongoing danger from trolley wire theft.

- Fuel costs – Fuel prices may fluctuate from the assumptions used in the budget. CMBC has a proactive fuel management strategy to help mitigate market price changes and achieve budget stability. This includes active monitoring, predictive modelling and the ability to enter into fixed-price hedging agreements.
- Inclement weather – Abnormal inclement winter weather conditions could result in snow clearing, salting and other vehicle maintenance costs significantly beyond the budgeted expenditure (based on long-range average annual events and costs). Winter conditions also result in increased motor vehicle accident damage as well as employee and customer injuries such as slips and falls.

CMBC constantly monitors these risks through daily operations and maintenance, as well as various steering committees, asset management tools and regular reporting to senior management.

## 2020 Budget vs 2019 Budget

<b>BUS OPERATIONS BY CATEGORY</b>					
Twelve months ending December 31 (\$ thousands)	2018 ACTUAL	2019 BUDGET <sup>1</sup>	2020 BUDGET	Change	
				Incr/(Decr)	%
Administration	16,501	20,209	25,084	4,875	24.1%
Contracted Services	78,158	77,689	80,121	2,432	3.1%
Fuel and Power	55,140	63,543	62,818	(725)	(1.1%)
Insurance	17,891	22,629	23,150	521	2.3%
Maintenance, Materials and Utilities <sup>2</sup>	85,114	77,428	80,480	3,052	3.9%
Professional and Legal	2,768	3,923	4,309	386	9.8%
Rentals, Leases and Property Tax	13,114	15,624	16,085	461	3.0%
Salaries, Wages and Benefits <sup>2</sup>	464,284	503,411	538,636	35,225	7.0%
<b>Total Expenses by Category</b>	<b>732,970</b>	<b>784,456</b>	<b>830,683</b>	<b>46,227</b>	<b>5.9%</b>

<sup>1</sup> Restated to reflect budget transfers

<sup>2</sup> Prior year amounts have been restated for a change in presentation to reflect certain recoveries as gross instead of net.

The Bus Operations 2020 operating budget of \$830.7 million is \$46.2 million (5.9 per cent) higher than the 2019 budget. This consists of increases in CMBC costs to operate conventional service, Community Shuttle and SeaBus \$36.4 million (5.6 per cent), Access Transit \$1 million (1.6 per cent), other contracted bus services \$1.1 million (4.9 per cent) and allocated costs \$3.1 million (5.6 per cent) mainly due to higher Information Technology (IT) costs relating to software licensing and network infrastructure as well as inflationary increases in property taxes and rent.

The CMBC 2020 operating budget increase is primarily due to additional staff related to the 2020 service expansion plus the full year impact of 2019 service changes. In addition, there are increases to contractual labour and economic increases and insurance rates.

- Salaries, wages and benefits is expected to increase by \$35.2 million, which is mainly due to additional operators and other staff wages and salaries related to service expansion, contractual increases and other step and merit pay progression increases. \$2.5 million of total salaries expense is recoverable from warranties; the recovery amount is presented in miscellaneous revenue.

- Fuel and power cost are expected to decrease \$725 thousand mainly due to lower prices and improved consumption rates, partly offset by additional service expansion in 2020.
- Insurance premiums are expected to increase \$521 thousand mainly due to rate increases.
- Maintenance, materials and utilities are expected to be \$3.1 million lower mainly due to fewer battery replacements and engine rebuilds as most of the work related to these campaigns was completed in 2019, partly offset by an increase in maintenance costs related to expanded service hours in 2020. \$8.6 million of total maintenance expense is recoverable from warranties; the recovery amount is presented in miscellaneous revenue.

Access Transit is expected to be \$1 million higher than 2019 budget mainly due to contractual rate increases and an increase in number of trips.

Contracted transit services is expected to be \$2.4M higher than 2019 budget mainly due to contractual rate increases and additional service hours for Contracted Community Shuttle and West Vancouver.

### **Service Assumptions**

The 2020 budget is the third year in Phase Two of the Investment Plan. Year over year conventional transit service hours are expected to increase 6.7 per cent, conventional transit service kilometres are expected to increase 4.7 per cent and HandyDART is funded for an additional 38,000 trips (2.8 per cent increase).

The major impacts to service include:

- Full year impacts of the service improvements, changes and expansion implemented in 2019;
- 2020 service expansion improvements across the region including five new RapidBus routes, one new SeaBus vessel; and
- Improved service on different bus routes and running time adjustments to address service reliability.

The following table shows the service levels at CMBC Operations:

<b>BUS OPERATIONS</b>					
Twelve months ending December 31	2018 ACTUAL	2019 BUDGET	2020 BUDGET	Change	
				Incr/(Decr)	%
<b>SERVICE HOURS</b>					
<b>CMBC Operations</b>	<b>5,022,683</b>	<b>5,185,937</b>	<b>5,542,834</b>	<b>356,897</b>	<b>6.9%</b>
Conventional Bus	4,463,820	4,616,916	4,972,469	355,553	7.7%
Community Shuttle	546,630	555,972	556,652	680	0.1%
SeaBus	12,233	13,049	13,713	664	5.1%
<b>Contracted Transit Services</b>	<b>255,630</b>	<b>236,312</b>	<b>243,751</b>	<b>7,439</b>	<b>3.1%</b>
West Vancouver	135,101	113,922	119,717	5,795	5.1%
Contract Community Shuttle	120,529	122,390	124,033	1,643	1.3%
<b>Conventional Transit Service Hours</b>	<b>5,278,313</b>	<b>5,422,249</b>	<b>5,786,585</b>	<b>364,336</b>	<b>6.7%</b>
<b>SERVICE KILOMETRES</b>					
<b>CMBC Operations</b>	<b>98,132,881</b>	<b>101,842,807</b>	<b>106,781,862</b>	<b>4,939,055</b>	<b>4.8%</b>
Conventional Bus	86,811,027	90,093,422	95,537,690	5,444,268	6.0%
Community Shuttle	11,156,484	11,572,968	11,059,052	(513,916)	(4.4%)
SeaBus	165,370	176,417	185,120	8,703	4.9%
<b>Contracted Transit Services</b>	<b>5,540,094</b>	<b>5,139,769</b>	<b>5,251,820</b>	<b>112,051</b>	<b>2.2%</b>
West Vancouver	2,837,204	2,420,848	2,432,265	11,417	0.5%
Contract Community Shuttle	2,702,890	2,718,921	2,819,554	100,633	3.7%
<b>Conventional Transit Service Kilometres</b>	<b>103,672,975</b>	<b>106,982,576</b>	<b>112,033,682</b>	<b>5,051,106</b>	<b>4.7%</b>
<b>CAPACITY KILOMETERS</b>					
<b>CMBC Operations</b>	<b>5,011,302,815</b>	<b>5,277,947,980</b>	<b>5,787,714,198</b>	<b>509,766,218</b>	<b>9.7%</b>
Conventional Bus	4,722,025,175	4,975,921,820	5,451,025,723	475,103,903	9.5%
Community Shuttle	223,129,680	231,459,360	265,417,247	33,957,887	14.7%
SeaBus	66,147,960	70,566,800	71,271,228	704,428	1.0%
<b>Contracted Transit Services</b>	<b>195,917,990</b>	<b>175,420,817</b>	<b>189,282,547</b>	<b>13,861,730</b>	<b>7.9%</b>
West Vancouver	141,860,190	121,042,391	121,613,250	570,859	0.5%
Contract Community Shuttle	54,057,800	54,378,427	67,669,297	13,290,870	24.4%
<b>Conventional Transit Service Kilometres</b>	<b>5,207,220,805</b>	<b>5,453,368,797</b>	<b>5,976,996,745</b>	<b>523,627,948</b>	<b>9.6%</b>
<b>ACCESS TRANSIT</b>					
Twelve months ending December 31	2018 ACTUAL	2019 BUDGET	2020 BUDGET	Change	
				Incr/(Decr)	%
<b>Service Kilometres</b>	<b>9,788,597</b>	<b>10,240,000</b>	<b>10,575,600</b>	<b>335,600</b>	<b>3.3%</b>
<b>Access Transit Trips</b>					
Trips - HandyDART	1,166,099	1,271,000	1,309,000	38,000	3.0%
Trips - Taxi Supplement	149,319	102,000	102,000	-	-
<b>Total Access Transit Trips</b>	<b>1,315,418</b>	<b>1,373,000</b>	<b>1,411,000</b>	<b>38,000</b>	<b>2.8%</b>

## Rail Operations

British Columbia Rapid Transit Company Ltd. (BCRTC) on behalf of TransLink, maintains and operates two of the three SkyTrain lines in Metro Vancouver, the Expo and Millennium Lines and the West Coast Express (WCE) commuter rail service. In addition, BCRTC also manages the agreement with InTransit BC for the operation and maintenance of the Canada Line.

BCRTC is committed to its employees, the ongoing improvement of the customer experience and supporting TransLink's critical role of planning and managing the region's transportation network. Over the next few years, BCRTC will complete the ongoing investments in existing rail services and support the rail-related projects contained in the Mayors Council's 10-Year Vision for Metro Vancouver Transit and Transportation.

The Rail Operations 2020 business plan aligns its focus areas and objectives with those of TransLink to support an integrated approach to meet the ever-expanding needs of our customers in the Metro Vancouver region.

### Initiatives

#### Priority One: Implement the Mayors' Vision

In 2020, BCRTC will provide the rail elements required to deliver the regional transportation priorities:

- Test, commission and deliver new Mark III trains;
- Prepare for future fleet requirements and service expansion; and
- Focus on integration of assets with operational business needs, including new facilities.

#### Priority Two: Maintain a State of Good Repair

In 2020, BCRTC will continue to focus on the following areas to continuously improve the current record of safe and secure operations and invest in the future of rail services:

- Improve the safety culture;
- Invest in the health of existing assets;
- Build and renew systems and related processes;
- Ensure prime contractor responsibilities are met;
- Improve environmental stewardship;
- Develop a safe and effective workforce through improved training delivery; and
- Strengthen effective response and recovery from major disasters.

#### Priority Three: Enhance Customer Experience

In 2020, BCRTC will continue to focus on the following areas in support of the customer experience:

- Improve service quality and frequency;
- Implement rail elements of Customer Experience strategy; and
- Drive business through improved performance management, process improvements and employee engagement.

## Risks and Challenges

With a rapid transit system that is over 30 years old in several sections, Rail Operations faces numerous risks and challenges from a maintenance and operational standpoint. Rail Operations has identified the following risks and challenges:

- On-time delivery of an asset management system – required to ensure efficiency in proactive preventative maintenance;
- Competing priorities – there is a risk that too many competing priorities detract resources from normal operations and maintenance duties which will result in inability to meet commitments;
- Ability to move from reactive to preventative maintenance to manage aging infrastructure – unplanned maintenance requirements could impact service;
- Deploying new assets – delay in deploying assets could impact planned service;
- Outdated systems and processes – system failures which could lead to inefficiencies;
- Space constraints including office, fleet storage, maintenance and parking;
- Staff recruitment – could impact our ability to meet commitments; and
- Growing needs of communities and customers base.

BCRTC will continue to monitor these risks through various steering committees, asset management tools and regular reporting to senior management.

## 2020 Budget vs 2019 Budget

<b>RAIL OPERATIONS BY CATEGORY</b>					
Twelve months ending December 31 (\$ thousands)	2018 ACTUAL	2019 BUDGET	2020 BUDGET	Change	
				Incr/(Decr)	%
Administration	6,045	7,033	6,982	(51)	(0.7%)
Contracted Services	122,814	126,649	141,489	14,840	11.7%
Fuel and Power	16,566	16,997	16,569	(428)	(2.5%)
Insurance	5,024	5,467	5,690	223	4.1%
Maintenance, Materials and Utilities	47,090	44,836	51,820	6,984	15.6%
Professional and Legal	3,505	4,953	4,452	(501)	(10.1%)
Rentals, Leases and Property Tax	1,926	2,226	1,423	(803)	(36.1%)
Salaries, Wages and Benefits	106,225	118,709	127,007	8,298	7.0%
<b>Total Expenses by Category</b>	<b>309,195</b>	<b>326,870</b>	<b>355,432</b>	<b>28,562</b>	<b>8.7%</b>

The Rail Operations 2020 operating budget of \$355.4 million is \$28.6 million (8.7 per cent) higher than the 2019 budget due to the following:

- Contracted Services are expected to increase by \$14.8 million (11.7 per cent) mainly due to Canada Line service expansion and contractual increases;
- Salaries, wages and benefits are expected to increase by \$8.3 million (7.0 per cent) which includes resources to support maintenance state of good repair initiatives, service delivery and peak service increases, safe operations and project delivery as well as contractual and economic labour increases; and
- Maintenance, materials and utilities are expected to increase by \$7.0 million (15.6 per cent) to ensure our assets are in a state of good repair including maintenance for station repairs and service reliability.



## Service Assumptions

With the approval of the Mayors' 10-Year Vision, service levels are expected to increase as follows:

<b>RAIL OPERATIONS</b>					
Twelve months ending December 31	2018	2019	2020	Change	
	ACTUAL	BUDGET <sup>1</sup>	BUDGET	Incr/(Decr)	%
<b>SERVICE HOURS</b>					
Expo & Millennium Lines	1,339,207	1,333,091	1,291,257	(41,834)	(3.1%)
Canada Line	202,976	202,836	242,634	39,798	19.6%
WCE	36,619	36,622	36,851	229	0.6%
<b>Rail Operations Service Hours</b>	<b>1,578,802</b>	<b>1,572,549</b>	<b>1,570,742</b>	<b>(1,807)</b>	<b>(0.1%)</b>
<b>SERVICE KILOMETRES</b>					
Expo & Millennium Lines	53,970,051	53,723,552	52,037,646	(1,685,906)	(3.1%)
Canada Line	6,535,871	6,531,344	7,812,782	1,281,438	19.6%
WCE	1,379,678	1,380,019	1,388,621	8,602	0.6%
<b>Rail Operations Service Kilometres</b>	<b>61,885,600</b>	<b>61,634,915</b>	<b>61,239,049</b>	<b>(395,866)</b>	<b>(0.6%)</b>
<b>CAPACITY KILOMETRES</b>					
Expo & Millennium Lines	5,288,200,640	4,697,943,224	4,839,446,132	141,502,908	3.0%
Canada Line	1,091,490,457	927,124,224	1,109,024,462	181,900,238	19.6%
WCE	203,640,532	203,690,804	204,960,430	1,269,626	0.6%
<b>Rail Operations Capacity Kilometres</b>	<b>6,583,331,629</b>	<b>5,828,758,252</b>	<b>6,153,431,024</b>	<b>324,672,772</b>	<b>5.6%</b>

<sup>1</sup> Restated 2019 Budget to adjust Capacity Km for the Expo, Millennium and Canada Lines to conform with current year presentation.

Although the 2020 service plan for Expo and Millennium Lines shows a 3.1 per cent decrease in service hours and service kilometres, the Mark III trains will provide additional capacity. This will mean that we will better meet customer demand and improve service quality by offering 3.0 per cent more capacity kilometres. We will be adding 56 new cars in service by September 2020 and adding frequency during peak hours on the busiest parts of the network. Off-peak service will also benefit from the additional capacity with the Mark III fleet.

Canada Line will integrate 24 new cars with service increases scheduled in January and March 2020.

WCE service levels will increase slightly as a result of an additional day of service in 2020.

## Police Operations

Mandated by the Minister of Public Safety and Solicitor General as a Designated Policing Unit, the Metro Vancouver Transit Police ("Transit Police") preserves and protects the public peace throughout the transit

system. Working with local police services, each officer aims to prevent crime and offences against the law, aid in the administration of justice and enforce the laws of British Columbia. The Province established Transit Police in 2005 as the first dedicated transit police service in Canada.

## **Initiatives**

In 2020, Transit Police will continue to implement its 2016-2020 Strategic Plan, its commitment to demonstrate excellence in public transit policing and focus on the following three strategic goals:

- Build 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.

In supporting the TransLink priority of enhancing customer service, Transit Police will continue to advance implementation of a Tiered Policing Pilot Program to enhance policing resources and improve efficiencies. This will require coordination with the Ministry of Public Safety and Solicitor General (Policing and Security Branch) and other stakeholders to roll out. The proposed Community Safety Officer (“CSO”) team would supplement regular police officers by taking on a range of proposed duties, including providing enhanced peace officer visibility at the major transit hubs, guarding crime scenes, tagging property, fare enforcement and engaging with passengers. The aim is to positively impact perceptions of safety on transit and free up regular police officer resources to focus on responding to calls for service and conducting investigative follow-up. The CSO team would additionally assist the police service in managing the continued increase in police workload created by the Evergreen Extension of the Millennium Line and providing of additional visible resource and officer presence at special events.

In 2020, Transit Police will launch Phase 4 of its anti-sexual offending on transit campaign and include greater direct outreach to schools. This will include continued promotion of “See Something, Say Something” text 87-77-77 service advertisements across the transit system. To better engage and serve transit customers, Transit Police will also pilot a Waterfront Station Community Policing Office. Further, two additional Transit Police Explosive Scent Detection Dog Teams are planned for 2020, bringing the Dog Program complement to eight teams. The teams conduct daily patrols, security sweeps and respond to incidents (supporting transit system resiliency) and assist jurisdictional police with regional safety.

The Transit Police community-based Service Delivery Model (“SDM”) was launched in 2015, which adopted a zone policing model that requires officers to assume ownership of their assigned Community Service Area (“CSA”). There are six CSAs, each with a specific hub and Neighbourhood Police Officer assigned. An external evaluation of the model will be completed in 2020 and the outcomes considered in the planning commencing for the Transit Police 2021-2025 Strategic Plan.

## **Risks and Challenges**

Maintaining sworn officer staffing levels in response to attrition and injury continues to be a challenge. The formation of a new Surrey municipal police department is expected to impact retention in the coming years. In the policing environment, a casual pool of sworn officers does not exist to fill vacancies and/or backfill for injuries. There is a comprehensive process for hiring of police officers and it can be lengthy, particularly for new recruits. The candidate pool for recruits and experienced officers varies month to month and hiring delays may affect overtime costs.

As transit ridership increases and the system expands, stakeholder demands for transit policing services evolve. As well, the significant increase in customer reporting to the text service places additional demands on the Transit Police operations communication centre and need for police response. Transit Police must be proactive in developing and acquiring the necessary civilian and sworn officer resources to support its operations and meet public expectations.

## 2020 Budget vs 2019 Budget

<b>POLICE OPERATIONS BY CATEGORY</b>					
Twelve months ending December 31 (\$ thousands)	2018 ACTUAL	2019 BUDGET <sup>1</sup>	2020 BUDGET	Change	
				Incr/(Decr)	%
Administration	3,440	3,781	3,577	(204)	(5.4%)
Insurance	49	50	120	70	140.0%
Maintenance, Materials and Utilities	1,486	1,215	1,325	110	9.1%
Professional and Legal	395	374	362	(12)	(3.2%)
Rentals, Leases and Property Tax	1,850	2,193	2,507	314	14.3%
Salaries, Wages and Benefits	31,088	33,232	34,622	1,390	4.2%
<b>Total Expenses by Category</b>	<b>38,308</b>	<b>40,845</b>	<b>42,513</b>	<b>1,668</b>	<b>4.1%</b>

<sup>1</sup> Restated to reflect budget transfers

Police Operations expenditures are expected to increase by \$1.7 million (4.1 per cent) from 2019. The increase is mainly due to the following:

- Salaries, wages and benefits increases are \$1.4 million (4.2 per cent) higher due to contractual labour and economic increases in the Collective Agreement and full year impact of additional Community Safety Officers part of the tiered policing model. \$1.2 million of total salaries expense is recoverable through secondments to other agencies, with the recovery amount presented in miscellaneous revenue;
- Rental costs are \$0.3 million higher due to a full year of rent for additional space at Sapperton; and
- Maintenance, materials and utilities are \$0.1 million higher due to higher IT cloud hosting costs.

These increases are partially offset by lower IT software licencing costs and lower professional fees.

## Corporate Operations

The Corporate Operations' key priority is to address the operating needs of the organization with a focus on achieving enterprise-wide priorities, including developing Investment Plans for Phase Three of the 10-Year Vision and the Transport 2050 Strategy as well as focus on health and safety of our customers and employees.

Corporate Operations consists of the following areas: Transportation Planning and Policy, Infrastructure Management and Engineering, Major Projects, Human Resources, Business Technology Services, Strategic Sourcing, Real Estate, Legal, Customer Communications and Public Affairs, Financial Services, Compass Operations and Emergency Planning.

## Initiatives

### Priority One: Implement the Mayors' Vision

In 2020, Corporate Operations will support the achievement of regional transportation priorities with the following initiatives:

- Develop the Transport 2050 Strategy;
- Develop an updated Investment Plan and begin work on Phase Three of the 10-Year Vision;
- Develop a climate resiliency plan;
- Develop an Enterprise Digital Strategy and Roadmap;
- Implement Bus, Rail and HandyDART service improvements identified in Phase One and Phase Two of the Investment Plans, including the launch of five RapidBus routes and initiation of work on two additional RapidBus routes;
- Develop, design and deliver capital projects including rail systems and facilities to support ridership and expansion, existing and future bus depots as well as Expo and Millennium Upgrade Program;
- Negotiate, implement and monitor Agreements for the Surrey-Langley SkyTrain and the Broadway Subway projects;
- Finalize design and commence construction for the Operations and Maintenance Centre (OMC) 1 and 2 upgrades as well as OMC4 Storage Facility;
- Implement an Open Data Portal in support of the enterprise Data Sharing Policy;
- Implement a regional permit system for oversize/overweight vehicles; and
- Improve regional coordination between public and private sector partners on issues of intra-regional goods movement.

### Priority Two: Maintain State of Good Repair

In 2020, the Corporate Operations will continue to focus on the following areas to ensure a state of good repair:

- Develop a Data Quality Management Program and Roadmap;
- Develop an IT Cost Optimization Roadmap;
- Deliver priority programs and projects including:
  - Enterprise Resource Planning (ERP) Program;
  - Onboard Technology Asset Program (OTAP);
  - Daily Operations Management System (DOMS); and
  - Enterprise Health and Safety System.
- Upgrade and enhance existing TransLink retail assets to maximize revenue opportunities;
- Implementation of the Health and Safety Software system across the enterprise;
- Deliver Emergency Response Plan through the IT Disaster Recovery and Business Continuity Program; and
- Migrate TransLink's safety program to a formal Safety Management System.

### **Priority Three: Enhance Customer Experience**

The Corporate Operations will continue to focus on the following areas in support of the customer experience:

- Launch a Customer Experience Dashboard;
- Launch TransLink responsive website to optimize customers' mobile experience;
- Develop a formal Emergency Management and Communications program;
- Expand retail amenities along the transit system to enhance customer experience; and
- Explore opportunities for introducing Compass on HandyDART.

## Risks and Challenges

Recruitment and retention continue to be a challenge due to a competitive labour market and a shortage of experienced professionals for specialized roles, resulting in potential delays in meeting internal and external customer expectations. Further, staff turnover is a risk that may lead to a loss of business knowledge and delays due to training of new staff.

Delays in the implementation of projects and initiatives are a risk due to challenges in finding suitable consultants and vendors on a timely basis. Additionally, the implementation cost of complex technical systems may be higher than anticipated.

The risks and challenges are continuously monitored through management oversight and project steering committees.

## 2020 Budget vs 2019 Budget

<b>CORPORATE OPERATIONS BY CATEGORY</b>					
Twelve months ending December 31 (\$ thousands)	2018 ACTUAL	2019 BUDGET <sup>1</sup>	2020 BUDGET	Change	
				Incr/(Decr)	%
Administration	17,833	19,078	21,179	2,101	11.0%
Contracted Services	11,205	14,043	14,750	707	5.0%
Insurance	197	201	219	18	9.0%
Maintenance, Materials and Utilities	1,995	1,595	2,273	678	42.5%
Professional and Legal	11,155	11,507	11,633	126	1.1%
Rentals, Leases and Property Tax	9,791	9,941	15,662	5,721	57.5%
Salaries, Wages and Benefits	44,619	45,768	52,622	6,854	15.0%
<b>Total Expenses by Category</b>	<b>96,795</b>	<b>102,133</b>	<b>118,338</b>	<b>16,205</b>	<b>15.9%</b>

Corporate Operations are budgeted at \$118.3 million, an increase of \$16.2 million (15.9 per cent) compared to 2019 budget. The increase in operating costs is primarily due to contractual and inflationary labour increases, property tax increases and higher IT software, license and support costs. Budget efficiencies were made via reallocation of expenditures towards contractual obligations and service expansion commitments. TransLink remains committed to achieving budget efficiencies in the future through diligent fiscal management in order to keep delivering on commitments in Phase Two of the Investment Plan.

## Roads and Bridges

ROADS & BRIDGES OPERATIONS BY CATEGORY					
Twelve months ending December 31 (\$ thousands)	2018 ACTUAL	2019 BUDGET	2020 BUDGET	Change	
				Incr/(Decr)	%
Administration	4,363	120	75	(45)	(37.5%)
Capital infrastructure contributions	40,416	49,781	80,387	30,606	61.5%
Contracted Services	8,173	5,530	5,827	297	5.4%
Insurance	981	1,224	1,224	-	0.0%
Maintenance, Materials and Utilities	33,155	34,851	36,358	1,507	4.3%
Professional and Legal	2,194	1,749	1,829	80	4.6%
Rentals, Leases and Property Tax	256	67	228	161	240.3%
Salaries, Wages and Benefits	1,672	1,369	1,613	244	17.8%
<b>Total Expenses by Category</b>	<b>91,210</b>	<b>94,691</b>	<b>127,541</b>	<b>32,850</b>	<b>34.7%</b>

The 2020 Roads and Bridges budget of \$127.5 million is \$32.9 million (34.7 per cent) higher than the 2019 budget. The increase is mainly due to higher contributions to support municipal capital infrastructures as committed in Phase Two of the Investment Plan and increased bridge maintenance contract costs.

The Roads and Bridges 2020 budget will support the MRN and Bike Program, Regional Goods Movement Strategy and will deliver Greater Vancouver Urban Freight priorities yield to the following outcomes:

- Administer the municipal funding programs for roads, cycling, seismic upgrades and walking infrastructure projects with the funding approved in Phase One and Phase Two of the Investment Plan;
- Provide the tools to monitor and manage the road network's performance;
- Improve regional coordination between public and private sector partners on issues of intra-regional goods movement;
- Support the continued development of a Regional Road Network Strategy to better define and manage performance of the region's road network;
- Improve regional road network operations including improvement of freight wayfinding and trip planning tools, loading zone operations and incident response; and
- Continue to make progress towards implementing a regional permit system for oversize-overweight vehicles.

## Amortization

The 2020 budget for amortization of tangible capital assets is \$244.3 million, an increase of \$17.8 million (7.9 per cent) compared to the 2019 budget. Major attributes for the additional amortization expense include increases in buses, SkyTrain rail cars and Canada Line rail cars to be acquired in 2020, station upgrades as well as rail infrastructure projects.

## Interest

Interest expense of \$185.3 million is \$0.13 million (0.1 per cent) lower than the 2019 budget mostly due to higher outstanding gross debt purchased at lower interest rates.

## **Corporate – One-time**

Corporate one-time costs in the 2020 budget are \$31.6 million, mainly consisting of the RapidBus expansion (\$10.9 million), feasibility studies (\$7.6 million), contingency provision (\$2.0 million), Regional Transportation Strategy development (\$2.1 million), Flexible Service Piloting Program (\$1.7 million), operating costs for technology related capital projects (\$1.6 million), Corporate Asset Management initiatives (\$1.6 million), Mobility Pricing (\$0.8 million), Bus Speed and Reliability (\$0.4 million) and other one-time operating costs related to capital projects (\$2.7 million).



## 7. Investment in Capital Assets

Summary of Capital, by Program (\$ thousands)	Total Project Budget			2020 Capital Cash Flow		
	Gross Cost	Less: Funding *	TransLink Net Cost	Gross Cost	Less: Funding *	TransLink Net Cost
<b>2020 New Capital Program</b>						
Equipment	35,765	-	35,765	17,080	-	17,080
Facilities	63,299	(25,280)	38,019	18,157	(2,753)	15,404
Infrastructure	121,022	(786)	120,236	37,037	(355)	36,682
Technology	32,725	-	32,725	9,315	-	9,315
Vehicles	156,551	(136,261)	20,290	12,195	(8,042)	4,154
Contingency	10,000	-	10,000	10,000	-	10,000
<b>2020 New Capital Program Total</b>	<b>419,362</b>	<b>(162,327)</b>	<b>257,035</b>	<b>103,784</b>	<b>(11,150)</b>	<b>92,635</b>
<b>Active/Approved in Principle (AIP) Capital</b>						
Equipment	236,400	(54,929)	181,471	66,856	(27,310)	39,546
Facilities	182,586	(7,468)	175,117	133,832	(6,396)	127,436
Infrastructure	743,118	(215,012)	528,106	175,405	(111,129)	64,276
Technology	105,971	-	105,971	36,714	-	36,714
Vehicles**	614,968	(550,315)	64,653	183,078	(193,979)	(10,901)
Major Construction	3,624,009	(1,699,494)	1,924,515	187,510	(63,789)	123,721
<b>Active/Approved in Principle (AIP) Capital Total</b>	<b>5,507,052</b>	<b>(2,527,218)</b>	<b>2,979,833</b>	<b>783,395</b>	<b>(402,603)</b>	<b>380,792</b>
<b>Total Capital</b>						
Equipment	272,165	(54,929)	237,236	88,936	(27,310)	56,626
Facilities	245,885	(32,748)	213,136	146,989	(9,149)	142,840
Infrastructure	864,140	(215,798)	648,342	212,442	(111,484)	100,958
Technology	138,696	-	138,696	46,029	-	46,029
Vehicles**	771,519	(686,576)	84,943	195,273	(202,021)	(6,747)
Major Construction	3,624,009	(1,699,494)	1,924,515	187,510	(63,789)	123,721
Contingency	10,000	-	10,000	10,000	-	10,000
<b>Total Capital Total</b>	<b>5,926,414</b>	<b>(2,689,545)</b>	<b>3,236,868</b>	<b>887,179</b>	<b>(413,753)</b>	<b>473,427</b>
<b>Capital Infrastructure Contributions</b>						
2020 New Program	81,896	-	81,896	23,783	-	23,783
Active and Approved in Principle	274,011	-	274,011	45,597	-	45,597
<b>Capital Infrastructure Contributions Total</b>	<b>355,907</b>	<b>-</b>	<b>355,907</b>	<b>69,380</b>	<b>-</b>	<b>69,380</b>
<b>All Projects</b>	<b>6,282,321</b>	<b>(2,689,545)</b>	<b>3,592,775</b>	<b>956,559</b>	<b>(413,753)</b>	<b>542,807</b>

\* The funding sources include Federal Gas Tax, Build Canada Fund, PTIF, ICIP, City of Vancouver and City of Richmond.

\*\*The 2020 capital cash flows from Senior Government funding are expected to exceed 2020 gross cash flows due to a timing difference of when the funding is received and expenditures are incurred. In certain instances, the 2020 funding cash flows include recoveries for expenditures incurred in 2019 and 2020.

## Overview

TransLink’s capital program is aligned with our current priorities of enhancing customer experience, ensuring a state of good repair and implementing the Mayors’ Vision. The current capital program continues to support the delivery of the 10-Year vision, while also addressing emerging state of good repair investments needed to ensure existing assets serve customers and stakeholders safely, effectively and efficiently. Capital projects have been planned and prioritized through an integrated review process across the enterprise that measures impact on strategy, customer experience, stakeholder value, business effectiveness and other factors.

The table above highlights capital projects grouped into asset categories and includes capital infrastructure contributions as per TransLink’s current mandate of addressing regional Major Road Network (MRN) needs. The budget for the 2020 new capital program is \$419.4 million plus \$81.9 million for Capital Infrastructure Contributions.

The projected 2020 cash flow for all projects is \$956.6 million, with \$103.8 million for the 2020 New Capital Program, \$783.4 million for existing capital programs and \$69.4 million for Capital Infrastructure Contributions. The net cash impact in 2020 after senior government funding is \$542.8 million.

## 2020 New Capital Program

The 2020 New Capital Program is intended to continue the delivery of the Mayors’ Vision, as well as deliver key milestones for major projects. The program is also intended to improve customer experience and keep the overall system in a state of good repair.

Fleet expansion and replacement projects are anticipated to be funded by the GVRF at approximately 90%. Other funding for the 2020 program year includes \$25.3 million from City of Richmond for Capstan SkyTrain Station Project and \$600 thousand for the Trolley Overhead State of Good Repair program from the City of Vancouver. The net capital for the 2020 new capital program is currently forecasted at \$257.0 million.

**Table 1: 2020 New Capital Program (\$ thousands)**

2020 New Capital Program, Project Details		Total Project Budget			2020 Capital Cash Flow		
Classification and Program Name	Program Description	Gross Cost	Less: Funding*	TransLink Net Cost	Gross Cost	Less: Funding *	TransLink Net Cost
<b>Equipment</b>							
Automatic Train Control Program	Replacement of Millennium Line (Lougheed to VCC) Automatic Train Control (ATC) computers and data communication equipment at end of useful life.	18,170	-	18,170	2,428	-	2,428
Compass Vending Machine Spares**	Purchase of 10 Compass Vending Machines to establish a spare inventory to mitigate the risk of flood, fire and vandalism events.	1,966	-	1,966	-	-	-

2020 New Capital Program, Project Details		Total Project Budget			2020 Capital Cash Flow		
Classification and Program Name	Program Description	Gross Cost	Less: Funding*	TransLink Net Cost	Gross Cost	Less: Funding *	TransLink Net Cost
PIDS/CCTV/PA Project	To fund expansion of Passenger Information Displays (PIDS), Closed Circuit TVs (CCTV) and Public Announcement (PA) systems.	14,700	-	14,700	14,652	-	14,652
CMBC Hoist Asset Renewal Program**	Replacement of hoist equipment at the Surrey, Vancouver, and Burnaby Transit Centres that have reached end of asset service life.	929	-	929	-	-	-
<b>Equipment Total</b>		<b>35,765</b>	<b>-</b>	<b>35,765</b>	<b>17,080</b>	<b>-</b>	<b>17,080</b>
<b>Facilities</b>							
Capstan Station Project	Phase 2 of the proposed Richmond Capstan Station on the SkyTrain Canada Line includes the construction, testing and commissioning of the new station.	45,905	(25,280)	20,625	5,000	(2,753)	2,247
PowerSmart Upgrades	Implement PowerSmart Upgrades (PSU) relating to Energy Conservation Measures (ECMs) for the 307 Columbia St. building and parking area.	159	-	159	153	-	153
SilverTree Marpole Transit Centre	Engineering design work related to the Marpole Transit Centre (MTC) in support of mobilizing the Mayors' Vision.	12,485	-	12,485	8,740	-	8,740
Facility Upgrades to Accommodate Double Decker Buses	The upgrade of Hamilton Transit Centre to allow for repairs after Motor Vehicle Accidents (MVA) and major maintenance of the double decker bus fleet.	2,650	-	2,650	2,507	-	2,507
Facility Retrofit Projects - Burnaby Transit Centre (BTC) Stores	Address hazardous materials abatement and carousel storage system replacement at Burnaby Transit Centre (BTC) building.	2,100	-	2,100	1,757	-	1,757
<b>Facilities Total</b>		<b>63,299</b>	<b>(25,280)</b>	<b>38,019</b>	<b>18,157</b>	<b>(2,753)</b>	<b>15,404</b>
<b>Infrastructure</b>							
Bi Directional Antenna (BDA) Install	Improve signal strength of the emergency radio frequencies used by regional first responders.	199	-	199	199	-	199
Braille and Tactile Information at Bus Stops	Install bus stop identifiers in the form of dual-format braille and tactile signage, to allow customers with vision loss to identify bus stops and related transit information.	7,000	-	7,000	698	-	698

2020 New Capital Program, Project Details		Total Project Budget			2020 Capital Cash Flow		
Classification and Program Name	Program Description	Gross Cost	Less: Funding*	TransLink Net Cost	Gross Cost	Less: Funding *	TransLink Net Cost
Expo Line Station Escalators	Phase 3 implementation to secure the Supply and Installation of six American Public Transportation Association (APTA)/Transit grade escalators. These are for two escalators at Surrey Central SkyTrain Station, one escalator at 22nd Street SkyTrain Station, and three escalators at West Coast Express.	16,200	-	16,200	2,474	-	2,474
Expo Line Surrey Power Rail Replacement	Replacement of 8.6km of power rail on the Expo Line; from the east of Scott Road station to King George which has reached end of asset service life.	12,500	-	12,500	1,432	-	1,432
Farebox Replacement	Replacement of bus fleet farebox equipment which is at end of useful service life.	21,233	-	21,233	9,735	-	9,735
Running Rail Replacement	Replacement of running rail and rail pads on Expo and Millennium Lines which have reached the end of asset service life.	8,110	-	8,110	1,855	-	1,855
TransLink Owned Bicycle Infrastructure	Rehabilitate and upgrade regional cycling routes, bike parking at transit facilities and install bike counters across the region.	6,300	-	6,300	3,319	-	3,319
Elevating Device Asset Renewal Program	The Asset Renewal Program (ARPg) includes elevating devices (elevators and escalators) currently maintained at all Expo and Millennium SkyTrain and West Coast Express (WCE) stations as well as units at the Operations and Maintenance Centres, including replacement of seven Expo Line elevators as prioritized in the Escalators and Elevators asset renewal program.	14,100	-	14,100	6,160	-	6,160
Paving Replacement Asset Renewal Program	Asset Renewal Program (ARPg) for rehabilitation of Asphalt pavement at Richmond Transit Centre, Bridgeport Exchange and Production Way stations.	1,370	-	1,370	53	-	53
Trolley Overhead (TOH) State of Good Repair Replacement	Continued investment in the Trolley Overhead (TOH) program in state of good repair replacements.	5,320	(600)	4,720	4,464	(355)	4,109
BCRTC Payroll, Scheduling and Timekeeping	Implementation and integration of payroll solution for WCE and BCRTC organizations due to software end of useful life.	3,770	-	3,770	1,324	-	1,324

2020 New Capital Program, Project Details		Total Project Budget			2020 Capital Cash Flow		
Classification and Program Name	Program Description	Gross Cost	Less: Funding*	TransLink Net Cost	Gross Cost	Less: Funding *	TransLink Net Cost
SkyTrain Customer and Operations Telecommunications (SCOT) Upgrade	Modernize train communications and complete integration of all SkyTrain Customer and Operations Telecommunications Subsystems to address obsolescence issues and support train expansion.	10,000	-	10,000	561	-	561
Noise Mitigation Solution	Installation of customized rail dampers on sections of the Expo and Millennium Lines, to mitigate high noise levels experienced on the railway lines.	4,000	-	4,000	1,569	-	1,569
Investments in Transit Priority RapidBus Corridors	Implement transit priority measures, upgrades to bus stops, terminals and depot improvements to accommodate service for various new and existing RapidBus lines.	6,367		6,367	3,184		3,184
Bus Speed and Reliability	Provide funding to municipalities to improve bus speed and reliability infrastructure.	4,553	(186)	4,553	10		10
<b>Infrastructure Total</b>		<b>121,022</b>	<b>(786)</b>	<b>120,236</b>	<b>37,037</b>	<b>(355)</b>	<b>36,682</b>
<b>Technology</b>							
BCRTC Software Application Renewal Program	Migration of enterprise software applications to SQL server for data resiliency and usability.	850	-	850	843	-	843
IT Infrastructure Refresh	Continued investment in technology infrastructure to renew capital leases, replace owned assets, accommodate new headcount and provide for growth.	7,075	-	7,075	3,169	-	3,169
TransLink Analytics Program	Ongoing analytics program, supporting provision of analytics into TransLink to enhance decision making.	500	-	500	75	-	75
Enterprise Health and Safety System	Implement a technology solution to manage occupational and non-occupational incidents, medical files and return to work processes, claims management, audit management and risk management across TransLink Enterprise.	2,600	-	2,600	1,237	-	1,237
Finance Enterprise Resource Planning (ERP)	Implementation of a Finance and Supply Chain Enterprise Resource Planning (ERP) business solution.	18,600	-	18,600	2,488	-	2,488
Technical Drawings and Library Management System (TDLS)	Implement a solution to manage technical drawings and documents across TransLink Enterprise and to replace the BCRTC Library Management System.	3,100	-	3,100	1,503	-	1,503

2020 New Capital Program, Project Details		Total Project Budget			2020 Capital Cash Flow		
Classification and Program Name	Program Description	Gross Cost	Less: Funding*	TransLink Net Cost	Gross Cost	Less: Funding*	TransLink Net Cost
<b>Technology Total</b>		<b>32,725</b>	-	<b>32,725</b>	<b>9,315</b>	-	<b>9,315</b>
<b>Vehicles</b>							
Conventional Bus Expansion**	Purchase thirty articulated 60' hybrids, thirty-nine 40' hybrids, and nine 40' electric expansion buses.	111,790	(100,611)	11,179	-	-	-
HandyDART Expansion**	Purchase ten HandyDART vehicles which will allow TransLink to implement service expansion as per the Mayors' Vision.	1,610	(1,449)	161	-	-	-
HandyDART Replacement**	Procure and replace forty-two HandyDART vehicles which have reached end of asset service life.	6,550	(5,895)	655	-	-	-
MKI refurbishment	Refurbishment of thirty-six MK I 500-800 series cars in order to allow the continuity of safe, reliable and comfortable SkyTrain services.	17,700	(13,275)	4,425	10,722	(8,042)	2,681
Transit Police NRV Expansion	Expand the Metro Vancouver Transit Police by three vehicles to maintain operational fleet levels.	175	-	175	175	-	175
BCRTC Service Support Vehicle Replacement	Procurement and replacement of BCRTC Service Support Vehicles including three road-going vehicles (two SkyTrain and one WCE), five forklifts, and one emergency power generator trailer.	800	-	800	800	-	800
Community Shuttle Replacement – 2020**	Procure sixty-two Community Shuttle buses to replace existing shuttles that will reach the end of their useful service lives in 2021.	14,101	(12,691)	1,410	-	-	-
Community Shuttle Expansion – 2020**	Purchase nine Community Shuttle vehicles to support the service expansion throughout Metro Vancouver as per Phase 2 Investment Plan of the 10-year vision.	2,600	(2,340)	260	-	-	-
CMBC Service Support Vehicle (SSV) Replacement	Purchase and outfit of eighteen replacement Service Support Vehicles (SSV) for CMBC as replacement for asset at end of service life.	1,225	-	1,225	498	-	498
<b>Vehicles Total</b>		<b>156,551</b>	<b>(136,261)</b>	<b>20,290</b>	<b>12,195</b>	<b>(8,042)</b>	<b>4,154</b>
<b>Contingency</b>							
Capital Program Contingency	Capital Program Contingency	10,000	-	10,000	10,000	-	10,000
<b>Contingency Total</b>		<b>10,000</b>	-	<b>10,000</b>	<b>10,000</b>	-	<b>10,000</b>
<b>Grand Total</b>		<b>419,362</b>	<b>(162,327)</b>	<b>257,035</b>	<b>103,784</b>	<b>(11,150)</b>	<b>92,635</b>

\*The funding sources include Federal Gas Tax, Build Canada Fund, PTIF, ICIP and the City of Vancouver.

\*\*These projects have no anticipated cash flows until the goods are received from external vendors. The procured items are expected to be delivered starting in 2021.

## Active and Approval in Principle (AIP) Projects Underway

Capital projects already approved and underway have a total budget of \$5.5 billion. Anticipated senior government contributions total \$2.5 billion, leaving the net cost forecasted at \$3.0 billion. Spending forecast in 2020 is \$783.4 million with senior government funding of \$402.6 million for net spending of \$380.8 million.

Majority of the spending is for Infrastructure programs (\$175.4 million), Fleet Replacement and Expansion programs (\$183.1 million) and Major Construction Programs (\$187.5 million) and are related to Phase 2 Investment plan.

**Table 2: Active and Approved in Principle (AIP) Projects Underway (\$ thousands)**

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2020 Capital Cash Flow		
Classification and Program Name	Program Description	Gross Cost	Less: Funding *	TransLink Net Cost	Gross Cost	Less: Funding *	TransLink Net Cost
<b>Equipment</b>							
CMBC Onboard Computer Update and Voice Radio Replacement	Replacement of end of service onboard Computer Update and Voice Radio.	36,000	-	36,000	7,358	-	7,358
TMAC Radio Replacement	Upgrade TMAC Mobile Automated Vehicle Location radio system.	25,600	(4,862)	20,738	6,545	(2,308)	4,237
Bus Security Camera System Replacement	Bus Security Camera System Replacement	21,709	-	21,709	4,800	-	4,800
CCTV Camera System Upgrade on Expo and Millennium Lines**	Replace cameras, equipment and coax cable.	11,615	(11,615)	-	2,547	(9,120)	(6,573)
Railborne Equipment Replacement	Replace five BCRTC rail borne equipment vehicles nearing end-of-life used heavily for inspections, maintenance and capital project support.	4,980	-	4,980	4,005	-	4,005
SeaBus Shore Base Emergency Backup Generators and Transfer Switches	Replace existing emergency power back-up generators and switches at SeaBus North and South Terminals due to end of service life.	610	-	610	584	-	584
Replacement of Hegenscheidt Underfloor Lathe	Replace the Hegenscheidt Wheel Lathe that has reached the end of its service life.	4,710	-	4,710	1,634	-	1,634
Fare Gates Capacity Increase - Priority Stations	Install nine additional fare gates at four priority stations (Waterfront, Richmond-Brighouse, Surrey Central, and King George) to meet adequate level of service thresholds for existing peak demands.	1,902	-	1,902	1,506	-	1,506

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2020 Capital Cash Flow		
Classification and Program Name	Program Description	Gross Cost	Less: Funding *	TransLink Net Cost	Gross Cost	Less: Funding *	TransLink Net Cost
Passenger Address (PA) System Quality Improvement**	Update existing PA speakers and install emergency speakers at stations and in some SkyTrain vehicles.	14,500	(10,861)	3,639	3,855	(6,083)	(2,228)
ATC Existing Equipment Replacement	Replace Automatic Train Control (ATC) equipment to improve system reliability and maintain state of good repair.	46,048	(4,500)	41,548	10,762	(243)	10,519
SkyTrain Physical Security System**	Security Enhancements.	7,704	(7,104)	600	2,187	(6,070)	(3,883)
SkyTrain Customer and Operations Telecommunications Upgrade	Update existing Public Address (PA) speakers at station entrance areas.	14,959	(14,785)	174	4,370	(2,383)	1,987
Operator Protection Barrier Retrofit	Installation of barrier retrofit to protect bus operators from assaults.	3,499	-	3,499	372	-	372
Hoist Replacements	Replace three hoists identified at the Surrey Transit Centre (STC) to align with Sandwell Hoist Replacement Program.	800	-	800	660	-	660
CMBC Facilities Camera Replacement	Replace end-of-life security camera and surveillance systems at CMBC facilities, SeaBus and vessels.	1,600	-	1,600	1,200	-	1,200
Expo Line Traction Power Equipment Upgrade	Replace substation traction power equipment on Expo Line.	10,200	-	10,200	4,591	-	4,591
Investments in Transit Priority RapidBus Corridors	Implement transit priority measures, upgrades to bus stops, terminals and depot improvements to accommodate service for various new and existing RapidBus Lines.	4,374	-	4,374	10	-	10
Replacement of Rotary Grinder #1	Replace rail grinding equipment to ensure timely scheduled grinding under the maintenance program.	7,300	-	7,300	808	-	808
Millennium Line Fire and Life Safety Systems (FLSS) Equipment Replacement	Installation of Fire Safety system in Millennium Line.	9,251	-	9,251	6,104	-	6,104
Mark (MK) III Vehicle Lifting Jacks**	Purchase of additional lifting jacks to support maintenance of MK III SkyTrain vehicles.	2,539	(1,202)	1,337	450	(1,103)	(653)
Replacement of Rotary Grinder #2	Replace rail grinding equipment to ensure timely scheduled grinding under the maintenance program.	6,500	-	6,500	2,508	-	2,508
<b>Equipment Total</b>		<b>236,400</b>	<b>(54,929)</b>	<b>181,471</b>	<b>66,856</b>	<b>(27,310)</b>	<b>39,546</b>
<b>Facilities</b>							



Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2020 Capital Cash Flow		
Classification and Program Name	Program Description	Gross Cost	Less: Funding *	TransLink Net Cost	Gross Cost	Less: Funding *	TransLink Net Cost
OMC 2 Completion Project	Expansion of the Operations and Maintenance Centre to facilitate additional industrial workshop space.	2,869	-	2,869	229	-	229
SeaBus Crew Facilities Rehabilitation**	Renovation of end of service SeaBus crew facilities to ensure a state of good repair for work crews.	1,680	(840)	840	390	(972)	(582)
SeaBus Terminals Interior Refurbishment	Detailed design and implementation for Phase 1 upgrades to the passenger environments in North and South SeaBus Terminals.	15,867	-	15,867	8,305	-	8,305
CMBC Roof Access Platform Upgrades	Required to modify the existing gap between the bus roof and the catwalk to meet new safety protocols.	360	-	360	115	-	115
STC Bodysshop Exhaust Reels	Implementation of exhaust reels within the Surrey Transit Centre to reduce fleet downtime.	450	-	450	173	-	173
SeaBus Facility Upgrades	Upgrade essential auxiliary spaces and equipment, including the installation of an elevator within SeaBus North Terminal.	2,805	-	2,805	358	-	358
Operations and Maintenance Centre 4 (OMC 4) Land Acquisition	Land acquisition is to purchase land to construct a new facility with the capabilities of storing the expanded fleet of new railcars arriving between 2023 and 2027.	100,000	-	100,000	99,500	-	99,500
Richmond Transit Centre (RTC) Facility Upgrades to Accommodate Double Decker Buses	Retrofits required at RTC for double decker buses purchased.	9,751	-	9,751	6,099	-	6,099
Transit Centre Infrastructure to Support Expansion	Moving from hybrid to diesel buses requires changes to existing infrastructure.	2,501	-	2,501	1,527	-	1,527
CMBC Marpole Transit Centre	Provides for a detailed environmental study, functional programming requirements and other pre-design work.	3,000	-	3,000	720	-	720
SeaBus Maintenance Dock Expansion	Expand maintenance dock from two to three berths to accommodate a new SeaBus vessel purchase.	10,000	-	10,000	8,012	-	8,012
Bus Facility Customer Amenities Improvement Program	Upgrade and maintenance for customer amenities at TransLink's bus facilities and infrastructure.	6,573	-	6,573	1,582	-	1,582
Burnaby Transit Centre South (BTCS) Seismic Upgrade**	Design phase of the upgrades to the BTCS structure to ensure it meets current Building Code seismic standards.	13,257	(6,628)	6,628	28	(5,424)	(5,396)
Facilities Metro Vancouver Transit Police Hub Offices	Acquisition of a front facing hub office space at the Metro Vancouver Transit Police Bridgeport location.	450	-	450	251	-	251

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2020 Capital Cash Flow		
Classification and Program Name	Program Description	Gross Cost	Less: Funding *	TransLink Net Cost	Gross Cost	Less: Funding *	TransLink Net Cost
BCRTC OMC 1 and 2 Space Optimization Modernization	Renovation to optimize and modernize BCRTC's workplace and facilities.	8,000	-	8,000	3,996	-	3,996
OMC Perimeter Security Upgrade	Design and development of the perimeter security upgrade at the Operations and Maintenance Centre.	1,990	-	1,990	1,086	-	1,086
Metro Vancouver Transit Police-Sapperton Facilities Expansion and Renovation	Expansion and renovation of existing office facilities to accommodate additional workplace requirements of the Metro Vancouver Transit Police.	1,003	-	1,003	6	-	6
Burnaby Transit Centre Fleet Overhaul Maintenance Lunchroom Expansion and Electric Shop Upgrades	Fleet Overhaul (FOH) maintenance lunch room implementation	1,530	-	1,530	1,453	-	1,453
TOH Rectifier Building Roof and Envelope Replacement	Replace roof membranes at the Hastings East and Highbury rectifier stations to ensure membrane warranty remains intact for critical equipment.	500	-	500	2	-	2
<b>Facilities Total</b>		<b>182,586</b>	<b>(7,468)</b>	<b>175,117</b>	<b>133,832</b>	<b>(6,396)</b>	<b>127,436</b>
<b>Infrastructure</b>							
Running Rail Replacement	Replace running rail that have reached the end of service life.	8,850	-	8,850	5,176	-	5,176
TransLink Owned Bicycle Infrastructure	Rehabilitate and upgrade regional cycling routes, bike parking at transit facilities and install bike counters across the region.	11,571	-	11,571	7,221	-	7,221
Trolley Over Head (TOH) Metrotown Group Rectifier Replacement	Design and construct rectifier station replacements at Central Park, Willingdon East and Willingdon West rectifier stations.	5,766	(4,725)	1,041	385	(32)	353
SeaBus Ship to Shore and Transfer Ramp Rehab	SeaBus Ship to Shore and Transfer Ramp Rehab	500	-	500	71	-	71
CMBC Transit Centre Infrastructure State of Good Repair**	Replacement of end-of-life hoists at the Burnaby Transit Centre to align with Sandwell Hoist Replacement Program.	5,163	(2,550)	2,613	1,357	(1,472)	(115)
Lonsdale Quay Exchange Upgrade	Design and implementation of improvements to passenger environment in bus loop and North SeaBus Terminal.	10,542	(7,343)	3,199	7,254	(6,564)	690
Nanaimo Bus Loop Upgrades**	Improve bus exchanges as part of region-wide transit facility upgrades.	8,160	(4,450)	3,710	1,950	(2,916)	(966)

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2020 Capital Cash Flow		
Classification and Program Name	Program Description	Gross Cost	Less: Funding *	TransLink Net Cost	Gross Cost	Less: Funding *	TransLink Net Cost
SkyTrain Operation Control Centre (formerly OMC Upgrades)	The design, construction and commissioning of a new/upgraded Operations Control Centre (OCC).	49,999	-	49,999	15,576	-	15,576
Canada Line Capacity Expansion**	Operations and Maintenance Centre (OMC) system upgrades as required to meet updated ridership forecasts and capacity on the Canada Line.	124,334	(95,120)	29,214	34,793	(57,524)	(22,731)
Yard Track Reconditioning	Reconditioning the existing yard tracks and track switches.	3,095	-	3,095	1,653	-	1,653
Elevator Replacement	Upgrade or replace twenty Expo Line elevators, including West Coast Express and Operations and Maintenance Centre yard, as prioritized in the Escalators and Elevators Condition Assessment Services.	1,935	-	1,935	507	-	507
Roofing Replacement Program - Expo Line	Replacement of deteriorated roof membranes at two BCRTC SkyTrain Stations.	1,950	-	1,950	1,513	-	1,513
Canada Line Bus Loops	Design and construction of improvements to Canada Line bus loops.	10,498	-	10,498	90	-	90
Pattullo Bridge Upgrade	Design for structural seismic upgrade work on the Pattullo Bridge.	55,000	-	55,000	1,565	-	1,565
Guideway Closed Circuit TVs Coverage	Upgrades to the Platform Intrusion Emergency Stop (PIES) on the Expo Line and Guideway Intrusion Emergency Stop (GIES) on the Millennium Line, which have reached the end of their service lives.	9,800	(764)	9,036	6,636	(182)	6,454
Expo Line Traction Power Equipment Replacement	Replace and recondition traction power equipment to current technology for fifteen substations.	10,346	-	10,346	5,881	-	5,881
Knight Street Bridge Rehabilitation Project	Rehabilitation of Knight Street Bridge deck to maintain optimal structural condition.	2,000	-	2,000	1,364	-	1,364
New Simon Fraser University Exchange Contribution	Construct a new transit exchange and layover facility at Simon Fraser University to support mutually agreed upon vision for the Simon Fraser University Town Centre and integrated transit hub.	3,185	-	3,185	707	-	707
University of British Columbia (UBC) Diesel Bus Terminal-TransLink Owned Infrastructure	Co-venture with UBC to redevelop a permanent bus loop; as the operating agreement for the temporary bus loop has expired.	1,200	-	1,200	431	-	431

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2020 Capital Cash Flow		
Classification and Program Name	Program Description	Gross Cost	Less: Funding *	TransLink Net Cost	Gross Cost	Less: Funding *	TransLink Net Cost
Skytrain Passenger Information Displays (PIDS) Upgrade	Procurement and replacement of all Platform LEDs and Station Entrance Emergency Information Panels at Expo and Millennium Line stations.	26,449	(12,500)	13,949	13,030	(6,742)	6,288
Power System Upgrades for SkyTrain at OMC	Improve power supply and distribution reliability at Operations and Maintenance Centre (OMC).	17,965	(3,390)	14,575	6,558	(700)	5,858
Automatic Train Control (ATC) System Recovery and Operation Improvements	Improve Automatic Train Control (ATC) system to reduce the occurrence of SkyTrain disruptions and the time needed to recover the disruptions.	5,320	-	5,320	833	-	833
Bus Stop Infrastructure for New Routes	Implementing bus stop infrastructure to improve transit travel times and speeds for new routes.	750	-	750	372	-	372
Commercial Broadway SkyTrain Station Upgrade Construction	Design and construction of Phase 2 Commercial Broadway SkyTrain station development to increase capacity.	81,046	(28,242)	52,804	500	-	500
Expo Line Escalator Replacement - Accelerated Program	To replace the end of service life escalators.	67,320	(14,517)	52,803	13,950	(4,705)	9,245
Westham Island Bridge Rehabilitation - Scour Protection	Rehabilitation of the Westham Island Bridge.	3,320	-	3,320	752	-	752
Burnaby Transit Centre North (BTCN) Garage Renovation**	Design of a replacement garage for the Burnaby Transit Centre North.	8,620	(4,310)	4,310	1,935	(3,892)	(1,957)
Burrard Station	Design and upgrade Burrard Station for capacity and passenger flow.	60,700	(4,200)	56,500	5,337	(3,172)	2,165
Canada Line Capstan Station	Design and construction of a new Canada Line Station at Capstan Way ("Capstan Station") partially funded by the City of Richmond.	3,272	(3,000)	272	980	(665)	315
Expo Line Tunnels Ventilation System Rehabilitation	Condition assessment and design of tunnel ventilation systems requiring repair and upgrade for the Expo Line.	6,165	(951)	5,214	3,724	(479)	3,245
Knight Street Bridge Rehabilitation	Knight Street Bridge structural assessment and detailed design.	2,101	-	2,101	729	-	729
Brentwood SkyTrain Station and bus facilities	Upgrade to improve the weather protection, amenities and elevator at Brentwood SkyTrain station's rail and bus facilities.	7,370	-	7,370	6,453	-	6,453
Burnaby Mountain Gondola Transit	Design, planning and partner engagement for a potential gondola from the Millennium Line to Simon Fraser University Burnaby campus.	3,000	-	3,000	1,825	-	1,825

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2020 Capital Cash Flow		
Classification and Program Name	Program Description	Gross Cost	Less: Funding *	TransLink Net Cost	Gross Cost	Less: Funding *	TransLink Net Cost
Trolley Overhead State of Good Repair	Continue the state of good repair multi-year program to replace 90-100 Trolley Overhead poles per year and associated above and below ground equipment on a priority basis.	4,775	(600)	4,175	2,389	(375)	2,014
Canada Line Bus Loops – Brighthouse**	Design and construction of improvements to Canada line bus stops.	5,500	-	5,500	2,306	(2,708)	(402)
Expo Line Running Rail Replacement - 2019	Replace sections of running rail in Phase I of Expo Line (Burnaby/New West) that are in poor condition.	7,172	-	7,172	4,327	-	4,327
Investments in Transit Priority RapidBus Corridors**	Implement transit priority measures, upgrades to bus stops, terminals and depot improvements to accommodate service for various new and existing RapidBus Lines.	74,705	(11,200)	63,505	4,265	(6,028)	(1,763)
SkyTrain Storage - Coquitlam Vehicle Storage Facility (VSF) Expansion**	Expansion of the SkyTrain vehicle system storage capacity with the construction of additional storage track capacity at the Coquitlam Vehicle Storage Facility Operations and Maintenance Centre (OMC).	21,250	(8,150)	13,100	3,956	(5,283)	(1,327)
Edmonds Operations and Maintenance Centre (OMC) Capacity Upgrade**	Improvements to the SkyTrain Operations and Maintenance Centre at Edmonds.	9,000	(9,000)	-	4,613	(7,690)	(3,077)
PowerSmart Upgrades at Surrey Transit Centre and Port Coquitlam Transit Centre	Implement energy conservation measures to reduce energy consumption, costs and greenhouse gas emissions.	1,200	-	1,200	1,061	-	1,061
Bus Loop Park and Ride Paving	Rehabilitate end of service life driving and parking surfaces at CMBC's transit centres and loops as part of annual pavement rehabilitation program.	700	-	700	664	-	664
Bus Speed and Reliability	Provide funding to municipalities to improve bus speed and reliability infrastructure.	1,524	-	1,524	716	-	716
<b>Infrastructure Total</b>		<b>743,118</b>	<b>(215,012)</b>	<b>528,106</b>	<b>175,405</b>	<b>(111,129)</b>	<b>64,276</b>
<b>Technology</b>							
IT Infrastructure Refresh	Ongoing computer systems and infrastructure lease renewals and replacement.	6,614	-	6,614	3,404	-	3,404
TransLink Enterprise Assets Management	Provide a strategic-level investment decision-support tool for enterprise assets.	6,795	-	6,795	1,594	-	1,594

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2020 Capital Cash Flow		
Classification and Program Name	Program Description	Gross Cost	Less: Funding *	TransLink Net Cost	Gross Cost	Less: Funding *	TransLink Net Cost
Compass System Advancements	Ensure the performance, functionality and capacity of the Compass systems will meet those business and customer requirements that are identified to materially impact operational efficiency or customer satisfaction.	124	-	124	124	-	124
Bus Scheduling and Trip Planning System Update	Update to the Trapeze Software.	3,490	-	3,490	21	-	21
Operations Maintenance Centre 1 (OMC1) 3rd Floor Server Room Upgrade	Upgrade and expansion to the Video Cassette Recorder room at Operations and Maintenance Centre.	1,250	-	1,250	552	-	552
Bus Daily Operations Management System (DOMS) Product Migration Planning	Migrate the DOMS to the vendor's next-generation software product, Trapeze OPS, to ensure that CMBC can maintain reliable conventional bus service delivery.	22,797	-	22,797	11,504	-	11,504
TransLink Mobile App	Improve our customers' digital experience by creating a mobile app for essential customer interactions and information.	1,000	-	1,000	504	-	504
BCRTC Enterprise Asset Management	Implement an Enterprise Asset Management system to enable the effective control of SkyTrain system and maintenance processes.	45,002	-	45,002	10,226	-	10,226
BCRTC Payroll, Scheduling and Timekeeping	Modernizing BCRTC and West Coast Express payroll systems through transition to the Enterprise Payroll Services.	2,141	-	2,141	276	-	276
Enterprise Health and Safety System	Implementation of an enterprise health and safety system for consistent, automated and accurate reporting of incidents and improved management practices.	998	-	998	402	-	402
BCRTC Modernization	Replacing end of service permit control application to improve efficiency and document management.	500	-	500	252	-	252
Finance Enterprise Resource Planning (ERP)	Implementation of a Finance and Supply Chain Enterprise Resource Planning (ERP) business solution.	4,001	-	4,001	2,000	-	2,000
TransLink Software Application Renewal Program	Renewal and replacement of software applications as per the Lifecycle Management and Renewal program.	3,000	-	3,000	1,923	-	1,923

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2020 Capital Cash Flow		
Classification and Program Name	Program Description	Gross Cost	Less: Funding *	TransLink Net Cost	Gross Cost	Less: Funding *	TransLink Net Cost
Transportation Analytics Program	To provide ridership and congestion information and analytics to support BCRTC to optimize network performance through improved planning and operations.	1,500	-	1,500	940	-	940
Enterprise Content Management	Implementation of standardize information management practices to ensure compliance with regulatory requirements and improve information access and retention.	1,000	-	1,000	682	-	682
Responsive Website	Implement prioritized digital technology improvement projects to deliver digital information and services that improve the customer experience.	2,001	-	2,001	75	-	75
Access Transit Trapeze PASS - Additional Modules	Implement additional Trapeze PASS modules for Itinerary Planning Assistant, Web Booking and Operational Performance Monitoring/Reporting.	2,000	-	2,000	1,642	-	1,642
Access Transit Data Centre Re-hosting Migration and Services	Design and development of solutions for hosting, network provisioning and support that will satisfy the required service levels for HandyDART operations.	1,421	-	1,421	255	-	255
Compass Vending Machines (CVM)	Purchase Additional Compass Vending Machines (CVM)	337	-	337	338	-	338
<b>Technology Total</b>		<b>105,971</b>	<b>-</b>	<b>105,971</b>	<b>36,714</b>	<b>-</b>	<b>36,714</b>
<b>Vehicles</b>							
Conventional Bus Expansion	Procure eleven new Conventional 60-foot buses.	16,999	(17,316)	(317)	300	(300)	-
Conventional Bus Expansion	Purchase sixty-eight expansion conventional buses required to implement Phase 2 service expansion.	100,740	(92,424)	8,316	96,510	(88,299)	8,211
100-400 Series MK I Refurbishment Project	Refurbish the original hundred-fourteen Mark I SkyTrain cars to extend service lives by another 15 years.	33,794	(24,360)	9,434	3,832	(2,450)	1,382
CUTRIC Battery Electric Bus Trial	Participation in the CUTRIC trial of high-speed battery electric buses to evaluate viability and impact on the low-carbon fleet strategy.	9,999	(8,592)	1,407	120	-	120
Additional SeaBus Vessel**	Procure a new SeaBus.	28,999	(14,500)	14,499	3,064	(3,691)	(627)

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2020 Capital Cash Flow		
Classification and Program Name	Program Description	Gross Cost	Less: Funding *	TransLink Net Cost	Gross Cost	Less: Funding *	TransLink Net Cost
CMBC Trolley Overhead Truck Replacement	Replacement of six end of service Trolley Overhead trucks to support overhead network maintenance, repair and construction.	2,425	-	2,425	2,395	-	2,395
Conventional Bus Replacement	Replacement of ninety-two - 40-foot buses that have reached the end of service.	70,000	(61,925)	8,075	1,480	-	1,480
Conventional Bus Replacement (Double Decker)	Replacement of twenty-seven end of service 40-foot high floor conventional buses with 27 double-decker low-floor buses.	33,921	(30,000)	3,921	1,591	-	1,591
Conventional Bus Replacements 2020	Replacement of end-of-life 2001 Orion Highway coaches with twenty-five replacement buses.	32,500	(29,080)	3,420	29,432	(26,100)	3,332
HandyDART Vehicle Replacement - 2017	Replace thirty-five HandyDART buses expected to reach end of service by 2017.	4,901	(5,013)	(112)	15	-	15
HandyDART Vehicle Replacement - 2018	Replacement of forty HandyDART vehicles that have reached the end of service.	5,620	(5,605)	15	6	-	6
Community Shuttle Replacement - 2018	Replacement of twenty Community Shuttle buses.	4,100	(3,830)	270	35	(35)	-
HandyDART Vehicle Replacement - 2019	Replacement of forty end of Service HandyDART vehicles.	5,751	(5,200)	551	107	(42)	65
HandyDART Vehicle Expansion - 2019	Purchase ten HandyDART vehicles required to implement the 2019 service expansion.	1,551	(1,350)	201	28	(28)	-
Community Shuttle Replacement - 2019	Replacement of forty-nine end of service Community Shuttle vehicles.	11,999	(10,800)	1,199	1,060	(230)	830
HandyDART Vehicle Replacement - 2020	Replacement of forty-two end of service HandyDART vehicles.	6,450	(6,130)	320	6,333	(6,100)	233
HandyDART Expansion - 2020	Purchase ten HandyDART vehicles for service expansion.	1,600	(1,440)	160	1,574	(1,400)	174
Community Shuttle Expansion - 2019	Purchase nine Community Shuttle vehicles to expand community service.	2,220	(2,000)	220	1,987	(1,768)	219
Mark III Vehicle Procurement**	Purchase of twenty-eight Mark III SkyTrain vehicles to address crowding and service expansion needs.	214,750	(210,000)	4,750	17,928	(49,748)	(31,820)
WCE Fleet Procurement	Procure train cars for expanding service on the West Coast Express rail network.	21,967	(20,750)	1,217	13,797	(13,788)	9
CMBC Service Support Vehicle (SSV) Replacement	Replacement of twenty-three SSV at the end of service.	1,300	-	1,300	10	-	10
CMBC Service Support Vehicle (SSV) Replacement	Replace and introduce sixteen SSV into service for CMBC.	982	-	982	713	-	713



Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2020 Capital Cash Flow		
Classification and Program Name	Program Description	Gross Cost	Less: Funding *	TransLink Net Cost	Gross Cost	Less: Funding *	TransLink Net Cost
CMBC Trolley Over Head (TOH) Truck Replacement	Purchase three Trolley Over Head wire maintenance aerial tower trucks to replace three trucks in the Trolley Over Head fleet.	2,400	-	2,400	761	-	761
<b>Vehicles Total</b>		<b>614,968</b>	<b>(550,315)</b>	<b>64,653</b>	<b>183,078</b>	<b>(193,979)</b>	<b>(10,901)</b>
<b>Major Construction</b>							
Evergreen Line - TransLink Contribution	TransLink monetary and in-kind contributions to the design and construction of the Evergreen line by the Province.	398,527	-	398,527	600	-	600
South of Fraser Rapid Transit	Design and development of the proposed Surrey-Langley LRT project to connect the Surrey Central Station to the Langley City Centre; including bridge upgrade as part of early works for the South of Fraser Transit improvements.	1,614,922	(525,448)	1,089,474	81,522	(157)	81,365
Broadway Subway Project Transit Plan	To build bypass Trolley Over Head infrastructure for others during construction.	9,590	(9,590)	-	5,257	(5,257)	-
Broadway Subway Project (BSP)	TransLink and BCRTC support to the construction and operation of the Millennium Line Broadway Extension; including final procurement preparation for the design and construction of Millennium Line Broadway Extension. Design for a new fibre optic cable from Lougheed Station to OMC1 (BSP), OMC1 to Lougheed Highway (OMC4 Project) and OMC1 to Columbia (SLS Project).	114,070	(73,956)	40,114	7,904	(7,904)	-
Expo and Millennium Line Upgrade Program (EMUP) - Infrastructure	Upgrading Expo and Millennium Line stations, Operations and Maintenance Centre, auxiliary systems a to address shortfalls in capacity for the existing rapid transit network.	555,300	(355,460)	199,840	51,550	(18,496)	33,054
Expo and Millennium Line Upgrade Program (EMUP) - Fleet	To acquire two hundred and five new cars as part of the EMUP Program to support capacity expansion to meet projected passenger demand.	931,600	(735,040)	196,560	40,677	(31,975)	8,702
<b>Major Construction Total</b>		<b>3,624,009</b>	<b>(1,699,494)</b>	<b>1,924,515</b>	<b>187,510</b>	<b>(63,789)</b>	<b>123,721</b>
<b>Grand Total</b>		<b>5,507,052</b>	<b>(2,527,218)</b>	<b>2,979,833</b>	<b>783,395</b>	<b>(402,603)</b>	<b>380,792</b>

\* The funding sources include Federal Gas Tax, Build Canada Fund, PTIF, ICIP and the City of Vancouver.

\*\* The 2020 capital cash flows from Senior Government funding are expected to exceed 2020 gross cash flows due to a timing difference of when the funding is received.

## Capital Infrastructure Contributions

TransLink provides capital infrastructure contributions each year to the Metro Vancouver municipalities to fund rehabilitation and minor capital work on the Major Road Network and bike pathways. TransLink is increasing spending in 2020 for Major Road Network upgrades and structure rehabilitation along with additional spending for expanding the regional bike network. Work related to the program will begin in 2020, invoicing will occur approximately one year after completion. TransLink is budgeting capital contribution funding of \$81.9 million to municipalities for road and bike infrastructure. Projects already approved and underway have a budget of \$274.0 million. With the 2020 program of \$81.9 million, capital infrastructure contributions total \$355.9 million.

**Table 3: Capital Infrastructure Contribution Projects Planned for 2020 (\$ thousands)**

Classification and Project name	Description	Total Project Budget	2020 Capital Cash Flow
<b>2020 New Program</b>			
Major Road Network (MRN) Pavement Rehabilitation	2020 contribution program to member municipalities for pavement rehabilitation.	24,216	23,783
Major Road Network and Bike (MRNB) Capital Program	2020 additional contribution to member municipalities for upgrades to the road network.	22,500	-
Expanding and upgrading the network of municipal designated (Regional) cycling routes (Expansion) (BICCS)	2020 funding for the expansion of the cycling network in the region.	14,940	-
Major Road Network (MRN) Structures - Seismic Upgrades (Expansion)	2020 additional contribution to member municipalities for seismic road network rehabilitation.	14,620	-
Walking Infrastructure to Transit (WITT)	2020 funding for the expansion of the walking infrastructure network in the region.	5,620	-
		<b>81,896</b>	<b>23,783</b>

**Table 4: Capital Infrastructure Contribution Projects Currently Underway (\$ thousands)**

Classification and Project name	Description	Total Project Budget	2020 Capital Cash Flow
Roberts Bank Rail Corridor Program	The Roberts Bank Rail Corridor (RBRC) Program consists of road and rail improvements that are aimed at enhancing both rail and traffic operations affected by traffic congestion during rail events.	43,400	363
2015 Major Road Network and Bike (MRNB) Capital Program	2015 contribution program to member municipalities for pavement rehabilitation and road and bike infrastructure upgrades.	24,214	958
2016 Major Road Network and Bike (MRNB) Capital Program	2016 contribution program to member municipalities for pavement rehabilitation and road and bike infrastructure upgrades.	23,785	1,949
MRN Pavement Rehabilitation Program	2019 contribution program to member municipalities for pavement rehabilitation.	23,551	234

Classification and Project name	Description	Total Project Budget	2020 Capital Cash Flow
2014 Major Road Network and Bike (MRNB) Capital Program	2014 contribution program to member municipalities for pavement rehabilitation and road and bike infrastructure upgrades.	23,503	219
2018 Major Road Network and Bike (MRNB) Upgrade Minor Capital Funding Program	2018 additional contribution to member municipalities for upgrades to the road network.	21,405	3,051
MRNB Upgrade and 2017 Bicycle Infrastructure Capital Cost (BICCS)	2017 funding for the upgrades to the road network and the expansion of the cycling network in the region.	20,554	6,148
MRN Structures Funding Program (MRN)	2018 additional contribution to member municipalities for seismic road network rehabilitation.	19,501	4,965
2019 MRNB Capital Program/Upgrades	2019 additional contribution to member municipalities for upgrades to the road network.	17,997	5,103
Bicycle Infrastructure Capital Cost Share (BICCS)	2019 funding for the expansion of the cycling network in the region.	15,453	6,465
Bicycle Infrastructure Capital Cost Sharing Funding Program	2018 funding for the expansion of the cycling network in the region.	15,147	7,376
MRN Structures - Seismic Rehab	2019 additional contribution to member municipalities for seismic road network rehabilitation.	13,000	1,629
Walking Infrastructure to Transit Funding Program	2018 funding for the expansion of the walking infrastructure network in the region.	5,001	3,078
2019 Walking Infrastructure to Transit (WITT) Funding Program	2019 funding for the expansion of the walking infrastructure network in the region.	5,000	3,081
2017 Walking Infrastructure to Transit (WITT) Funding Program	2017 funding for the expansion of the walking infrastructure network in the region.	2,500	978
		<b>274,011</b>	<b>45,597</b>

## 8. Changes in Financial Position

<b>Consolidated Statement of Financial Position</b>			
As at December 31 (\$ thousands)	2019 BUDGET <sup>1</sup>	2020 BUDGET	Change Incr/(Decr)
Cash and cash equivalents	412,488	313,711	(98,777)
Accounts receivable	138,631	154,945	16,314
Loan receivable	190,009	127,997	(62,012)
Restricted cash and cash equivalents and investments	703,714	897,517	193,803
Investments	61,667	52,218	(9,449)
Debt reserve deposits	27,940	28,455	515
<b>Financial Assets</b>	<b>1,534,449</b>	<b>1,574,843</b>	<b>40,394</b>
Accounts payable and accrued liabilities	307,890	264,350	(43,540)
Debt	3,020,180	3,136,790	116,610
Deferred government transfers	1,128,957	1,117,012	(11,945)
Golden Ears Bridge contractor liability	1,033,348	1,024,302	(9,046)
Deferred concessionaire credit	479,111	455,838	(23,273)
Employee future benefits	141,608	145,675	4,067
Deferred revenue and deposits	55,605	63,120	7,515
Deferred lease inducements	14,197	13,512	(685)
<b>Liabilities</b>	<b>6,180,896</b>	<b>6,220,599</b>	<b>39,703</b>
<b>Net Debt</b>	<b>(4,646,447)</b>	<b>(4,645,756)</b>	<b>691</b>
Tangible capital assets	6,005,480	6,204,409	198,929
Supplies inventory	73,363	92,669	19,306
Prepaid expenses	23,596	32,888	9,292
<b>Non-Financial Assets</b>	<b>6,102,439</b>	<b>6,329,966</b>	<b>227,527</b>
<b>Accumulated Surplus</b>	<b>1,455,992</b>	<b>1,684,210</b>	<b>228,218</b>

<sup>1</sup> Restated to reflect Deferred revenue and deposits previously grouped under Accounts payable and accrued liabilities

### Financial Assets

Loan receivable represents outstanding proceeds from the 2016 sale of the Oakridge Transit Centre, receivable in annual installments until 2022.

The restricted cash and investments primarily represent unspent government transfers and internally restricted amounts related to self-administered sinking funds, land reserve funds and funds segregated for Transportation Property and Casualty Co. Inc., TransLink's wholly owned captive insurance company. The purpose of the land reserve funds is to allow proceeds from the disposition of real property to be invested back into real property.

## **Liabilities**

Deferred government transfers represent the receipt of capital funding offset by the amortization and revenue recognition for government funding.

The Golden Ears Bridge contractor liability to finance the construction of the Golden Ears Bridge is payable over the term ending June 2041.

Deferred concessionaire credits represent the funding provided by the Canada Line Concessionaire. This balance is amortized to income on a straight-line basis over the operating term of the concessionaire agreement, which will expire in July 2040.

The expected increase in employee future benefits, which represent post-retirement and post-employment benefits, is due to the annual estimated current service cost and related interest. The post-retirement portion of this liability will draw down upon retirement of the employees.

## **Non-Financial Assets**

Planned capital spending during 2020 is expected to result in a net increase of \$198.9 million (3.3 per cent) in capital assets. Significant projects include Expo and Millennium Line Upgrades, Conventional Bus expansion and replacement, rail fleet expansion and refurbishment, station upgrades, RapidBus conventional bus replacements, rail fleet expansion, station upgrades, rail infrastructure projects including the Surrey-Langley Skytrain.

## 9. Liquidity and Capital Resources

### Cash Flows and Liquidity

Unrestricted cash and investments are expected to decrease by \$108.2 million compared to the 2019 budget. The decrease is due to deployment of cash for investments in facilities.

The following table shows TransLink's unrestricted cash and investments.

<b>UNRESTRICTED CASH AND INVESTMENTS</b>			
As at December 31 (\$ thousands)	2019 BUDGET	2020 BUDGET	Change Incr/(Decr)
Cash and cash equivalents	412,488	313,711	(98,777)
Investments	61,667	52,218	(9,449)
<b>Total Unrestricted cash and investments</b>	<b>474,155</b>	<b>365,929</b>	<b>(108,226)</b>

### Restricted Funds

The unspent government transfers are used to fund qualifying capital expenditures.

<b>RESTRICTED CASH AND INVESTMENTS</b>			
As at December 31 (\$ thousands)	2019 BUDGET	2020 BUDGET	Change Incr/(Decr)
Unspent government transfers	309,684	363,646	53,962
TPCC's investments	25,907	23,956	(1,951)
Restricted proceeds of real estate sales	29,754	159,324	129,570
Self administered sinking funds	338,369	350,591	12,222
<b>Total Restricted cash and investments</b>	<b>703,714</b>	<b>897,517</b>	<b>193,803</b>

### Net Debt

TransLink currently has three main sources of financing its assets: net direct debt, indirect P3 debt and senior government contributions. The latter is represented on the balance sheet as deferred government transfers.

Net direct debt is expected to increase by \$103.9 million due to the issuance of debt, partly offset by sinking fund contributions. The issuance of new debt in 2020 is used to help finance budgeted capital spending net of senior government contributions.

Although net direct debt and indirect P3 debt combined is expected to be \$71.6 million higher than the 2019 budget and remains high, the amount is reflective of the high capital-intensive nature of the organization and rapid growth to meet the transportation needs of the region. The projected net debt ratio of 242.1 per cent is within the debt to revenue policy limit of 300 per cent for the 2020 budget.

<b>FINANCING</b>			
As at December 31 (\$ thousands)	2019 BUDGET	2020 BUDGET	Change Incr/(Decr)
Debt	3,020,180	3,136,790	116,610
Less: Self-administered sinking funds	(338,369)	(350,591)	(12,222)
Less: Debt reserve deposits	(27,940)	(28,455)	(515)
<b>Net Direct Debt</b>	<b>2,653,871</b>	<b>2,757,744</b>	<b>103,873</b>
Golden Ears Bridge contractor liability	1,033,348	1,024,302	(9,046)
Deferred concessionaire credit	479,111	455,838	(23,273)
<b>Indirect P3 Debt</b>	<b>1,512,459</b>	<b>1,480,140</b>	<b>(32,319)</b>
<b>Subtotal Net Direct Debt and Indirect P3 Debt</b>	<b>4,166,330</b>	<b>4,237,884</b>	<b>71,554</b>
<b>Deferred Government Transfers</b>	<b>1,128,957</b>	<b>1,117,012</b>	<b>(11,945)</b>
Accounts payable and accrued liabilities	363,495	327,470	(36,025)
Employee future benefits	141,608	145,675	4,067
Deferred lease inducements	14,197	13,512	(685)
Less: Accounts receivable	(138,631)	(154,945)	(16,314)
Less: Loan receivable	(190,009)	(127,997)	62,012
<b>Other Financing</b>	<b>190,660</b>	<b>203,715</b>	<b>13,055</b>
<b>Total Financing</b>	<b>5,485,947</b>	<b>5,558,611</b>	<b>72,664</b>
Less: Other restricted cash and investments	(365,345)	(546,926)	(181,581)
Less: Unrestricted cash and investments	(474,155)	(365,929)	108,226
<b>PSAB Net Debt</b>	<b>4,646,447</b>	<b>4,645,756</b>	<b>(691)</b>

## Appendix I – Consolidated Financial Statements

The following statements are presented in accordance with Canadian Generally Accepted Accounting Principles for local governments, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

### Consolidated Statement of Financial Position

<b>Consolidated Statement of Financial Position</b>			
as at December 31 (\$ thousands)	2018 ACTUAL	2019 BUDGET	2020 BUDGET
Cash and cash equivalents	517,022	412,488	313,711
Accounts receivable	250,598	138,631	154,945
Loan receivable	250,734	190,009	127,997
Restricted cash and cash equivalents and investments	979,894	703,714	897,517
Investments	61,173	61,667	52,218
Debt reserve deposits	29,421	27,940	28,455
<b>Financial Assets</b>	<b>2,088,842</b>	<b>1,534,449</b>	<b>1,574,843</b>
Accounts payable and accrued liabilities	340,268	307,890	264,350
Debt	2,665,085	3,020,180	3,136,790
Deferred government transfers	1,249,094	1,128,957	1,117,012
Golden Ears Bridge contractor liability	1,040,378	1,033,348	1,024,302
Deferred concessionaire credit	502,512	479,111	455,838
Employee future benefits	139,653	141,608	145,675
Deferred revenue and deposits	55,135	55,605	63,120
Deferred lease inducements	12,544	14,197	13,512
<b>Liabilities</b>	<b>6,004,669</b>	<b>6,180,896</b>	<b>6,220,599</b>
<b>Net Debt</b>	<b>(3,915,827)</b>	<b>(4,646,447)</b>	<b>(4,645,756)</b>
Tangible capital assets	5,079,162	6,005,480	6,204,409
Supplies inventory	74,244	73,363	92,669
Prepaid expenses	28,206	23,596	32,888
<b>Non-Financial Assets</b>	<b>5,181,612</b>	<b>6,102,439</b>	<b>6,329,966</b>
<b>Accumulated Surplus</b>	<b>1,265,785</b>	<b>1,455,992</b>	<b>1,684,210</b>



## Consolidated Statement of Operations

<b>Consolidated Statement of Operations</b>			
Twelve months ending December 31 (\$ thousands)	2018 ACTUAL	2019 BUDGET	2020 BUDGET
<b>Revenue</b>			
Taxation	819,354	874,526	943,443
Transit	638,015	669,274	723,160
Government transfers			-
Senior Government Funding	245,632	327,967	199,547
Golden Ears Bridge Tolling Replacement	57,866	60,072	62,366
Amortization of deferred concessionaire credit	23,273	23,337	23,337
Investment income	53,203	52,850	54,300
Miscellaneous revenue	19,982	12,517	17,059
Loss on disposal of tangible capital assets	(34)	(122)	-
	<u>1,857,291</u>	<u>2,020,421</u>	<u>2,023,212</u>
<b>Expenses</b>			
Bus operations	732,971	784,454	830,684
Corporate	118,824	172,709	149,963
Rail operations	309,195	326,870	355,432
Roads and bridges	91,210	94,691	127,541
Transit Police	38,308	40,845	42,513
Sub-total Expenses, before Amortization and Interest	<u>1,290,508</u>	<u>1,419,569</u>	<u>1,506,133</u>
Amortization of tangible capital assets	197,854	226,513	244,307
Interest	183,459	185,118	185,252
	<u>1,671,821</u>	<u>1,831,200</u>	<u>1,935,692</u>
Surplus for the year	185,470	189,221	87,520
Accumulated surplus, beginning of year	1,080,315	1,266,771	1,596,690
Accumulated surplus, end of year	<u>1,265,785</u>	<u>1,455,992</u>	<u>1,684,210</u>

<sup>1</sup> Restated to reflect budget transfers

<sup>2</sup> Reclassification between expenditures and revenue

## Consolidated Statement of Changes in Net Debt

<b>Consolidated Statement of Changes in Net Debt</b>			
Twelve months ending December 31 (\$ thousands)	2018 ACTUAL	2019 BUDGET	2020 BUDGET
Surplus for the year	185,470	189,221	87,520
Acquisition of tangible capital assets	(382,466)	(906,645)	(799,323)
Amortization of tangible capital assets	197,854	226,514	244,307
Loss on disposal of tangible capital assets	34	122	-
Net proceeds from disposal of tangible capital	694	-	-
Write-down of tangible capital asset	8,299	-	-
	(175,585)	(680,009)	(555,016)
Change in supplies inventory	(5,287)	(4,153)	(8,425)
Change in prepaid expense	(6,803)	(1,124)	(2,990)
	(12,090)	(5,277)	(11,415)
Decrease (increase) in net debt	(2,205)	(496,065)	(478,911)
Net debt, beginning of year	(3,913,622)	(4,150,382)	(4,166,845)
Net debt, end of year	(3,915,827)	(4,646,447)	(4,645,756)

## Consolidated Statement of Cash Flows

<b>Consolidated Statement of Cash Flows</b>			
Twelve months ending December 31 (\$ thousands)	2018 ACTUAL	2019 BUDGET	2020 BUDGET
Surplus for the year	185,470	189,221	87,520
Non-cash changes to operations	(41,402)	(104,720)	40,650
Changes in non-cash operating working capital	6,312	73,783	55,866
<b>Net changes in cash from operating transactions</b>	<b>150,380</b>	<b>158,284</b>	<b>184,036</b>
Purchase of tangible capital assets	(380,763)	(906,645)	(799,323)
Net proceeds from disposal of tangible capital assets	694	-	-
<b>Net changes in cash from capital transactions</b>	<b>(380,069)</b>	<b>(906,645)</b>	<b>(799,323)</b>
Decrease (increase) in restricted cash and investments	(199,654)	169,040	45,215
Decrease (increase) in investments	(222)	-	-
Decrease in debt reserve deposits	3,333	1,445	(560)
<b>Net changes in cash from investment transactions</b>	<b>(196,543)</b>	<b>170,485</b>	<b>44,655</b>
Debt proceeds	400,000	400,000	700,000
Issue costs on financing	(2,331)	-	-
Repayments of debt	(197,425)	(61,706)	(362,655)
Repayments of Golden Ears Bridge contractor liability	(5,179)	(7,030)	(9,046)
Lease inducements received	-	1,653	(685)
Government transfers received for tangible capital additions	324,179	259,403	248,722
<b>Net changes in cash from financing transactions</b>	<b>519,244</b>	<b>592,320</b>	<b>576,336</b>
Increase in cash and cash equivalents	93,012	14,444	5,704
Cash and cash equivalents, beginning of year	424,010	398,044	308,007
<b>Cash and cash equivalents, end of year</b>	<b>517,022</b>	<b>412,488</b>	<b>313,711</b>

## Appendix II – Allocated Costs between Operating Companies

TransLink’s methodology for allocating costs to benefitting business units is equitable and consistent with leading practices. TransLink allocates costs to business units (Bus Operations, Access Transit, SkyTrain, West Coast Express and Transit Police) which directly benefit or consume the services or costs.

Business units may be allocated 100 per cent of a cost if it is the only unit benefitting or consuming that cost, or costs can be shared across multiple business units which benefit or consume the cost based on an allocation factor (e.g. headcount, square footage). The charges that are allocated to the business units include: administration, human resources, insurance, rent, property taxes and information technology.

The main drivers for increased allocated costs compared to the 2019 budget are an increase in IT software licensing and network infrastructure costs and additional labour costs related to shared human resource services. In addition, the cost of insurance, property taxes and rent are higher due to rate increases in 2020, partly offset by lower fare media costs as more transit users are switching from one-time paper to the reusable Compass card.

<b>Allocated Cost Breakdown</b>					
Twelve months ending December 31 (\$ thousands)	2018 ACTUAL	2019 BUDGET	2020 BUDGET	Change	
				Incr/(Decr)	%
<b>Shared Services</b>					
Bus Operations	29,441	36,460	39,886	3,426	9.4%
Access Transit	-	111	160	49	44.1%
SkyTrain - Expo and Millenium Lines	2,519	7,551	8,195	644	8.5%
West Coast Express	135	144	124	(20)	(13.9%)
Transit Police	3,109	3,266	3,155	(111)	(3.4%)
Roads & Bridges	3,475	2,740	3,022	282	10.3%
Corporate	(38,679)	(50,272)	(54,542)	(4,270)	(8.5%)
<b>Total Shared Services allocated</b>	-	-	-	-	-
<b>Costs Administered by TransLink and allocated to operating companies</b>					
Bus Operations	15,789	19,480	19,177	(303)	(1.6%)
SkyTrain - Expo and Millenium Lines	5,021	5,730	4,621	(1,109)	(19.4%)
SkyTrain - Canada Line	2,164	2,441	2,468	27	1.1%
West Coast Express	578	436	446	10	2.3%
Transit Police	1,741	2,086	2,433	347	16.6%
<b>Total Costs Administered by TransLink allocated</b>	25,293	30,173	29,145	(1,028)	(3.4%)
Bus Operations	45,230	55,940	59,063	3,123	5.6%
Access Transit	-	111	160	49	44.1%
SkyTrain - Expo and Millenium Lines	7,540	13,281	12,816	(465)	(3.5%)
SkyTrain - Canada Line	2,164	2,441	2,468	27	1.1%
West Coast Express	713	580	570	(10)	(1.7%)
Transit Police	4,850	5,352	5,588	236	4.4%
<b>Total costs allocated to operating companies from TransLink</b>	<b>60,497</b>	<b>77,705</b>	<b>80,665</b>	<b>2,960</b>	<b>3.8%</b>

<sup>1</sup> Restated to reflect budget transfers