



# 2021 Business Plan

OPERATING AND CAPITAL BUDGET SUMMARY



[translink.ca](http://translink.ca)



## Table of Contents

<b>1. Business Plan Summary</b> .....	<b>4</b>
<b>2. 2021 Key Priorities</b> .....	<b>6</b>
<b>3. 2021 Financial and Operating Summary</b> .....	<b>9</b>
<b>4. Key Performance Indicators and Drivers</b> .....	<b>10</b>
Financial Indicators.....	10
Operating Indicators.....	11
Key Drivers.....	13
Assumptions .....	15
<b>5. Consolidated Revenues</b> .....	<b>16</b>
<b>6. Consolidated Expenses by Segment</b> .....	<b>19</b>
Bus Operations .....	19
Rail Operations .....	24
Police Operations .....	28
Corporate Operations.....	30
Roads and Bridges .....	34
Amortization.....	34
Interest .....	35
Corporate – One-time .....	35
<b>7. Investment in Capital Assets</b> .....	<b>36</b>
2021 New Capital Program.....	37
Active and Approval in Principle (AIP) Projects Underway .....	44
Capital Infrastructure Contributions .....	53
<b>8. Changes in Financial Position</b> .....	<b>56</b>
Financial Assets .....	56
Liabilities.....	57
Non-Financial Assets .....	57
<b>9. Liquidity and Capital Resources</b> .....	<b>58</b>
Cash Flows and Liquidity .....	58
Restricted Funds.....	58
Net Debt .....	58
<b>Appendix I – Consolidated Financial Statements</b> .....	<b>60</b>
Consolidated Statement of Financial Position .....	60
Consolidated Statement of Operations.....	61
Consolidated Statement of Changes in Net Debt.....	62
Consolidated Statement of Cash Flows.....	63
<b>Appendix II – Allocated Costs between Operating Companies</b> .....	<b>64</b>

### **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 21 municipalities, one electoral area, and one Treaty First Nation. 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.

The COVID-19 pandemic in 2020 has created a new set of challenges and forced TransLink to re-evaluate its key priorities to mitigate the diminished ridership and address the adverse economic impact on our revenues and operations. Deemed an essential service by the Province, TransLink will continue to focus on the safety of our customers and employees while delivering on our priorities in 2021.

The 2021 budget is predicated on four Corporate priorities:

- Rebuild Customer Ridership,
- Foster a Safe, Skilled and Resilient Workforce,
- Deliver a Reliable Transportation System in a State of Good Repair, and
- Achieve Financial Sustainability.

While TransLink continues to implement Phase Two of the Mayors' Council's 10-Year Vision, the events of 2020 have led to slowing or suspending of some elements of the planned expansion of bus and rail that was intended to alleviate overcrowding on transit and congestion on major roads.

Prior to the COVID-19 pandemic, ridership in Metro Vancouver had been experiencing steady growth. In early 2020, as a result of the pandemic, ridership boardings declined significantly reaching a low of 17 per cent of previous levels. For 2021, it is uncertain how quickly or to what level ridership will return. The budget assumes 2021 ridership will reach 51 per cent of pre-pandemic levels and that it may take anywhere from two to eight years to return to pre-COVID ridership levels. This has had and will continue to have a significant ongoing impact on TransLink's revenue.

Other sources of TransLink's revenue have also been impacted. Fuel Tax revenue and Parking Rights Taxes have declined as the economic and social activity in the region declined and many companies have their employees working from home. In 2021, fuel tax revenue is expected to recover to close to pre-COVID levels (98 per cent of previous levels), however parking rights tax revenue will continue to lag (51 per cent of previous levels).

Although ridership has declined significantly, TransLink has maintained transit service levels in order to support the need for essential workers to move around the region. TransLink has also maintained enough capacity on the system to allow passengers to practice physical distancing while travelling – this is consistent with public health requirements for safe travelling during COVID.

Early in the pandemic, the organization immediately put measures in place to cut costs. A hiring freeze was implemented as well as a critical review of expenditures to only proceed with what was absolutely necessary for delivery of our service. Expansion service that had been planned was also put on hold. Total estimated savings for 2020 is \$106.7 million compared to budget.

Service reductions were also contemplated mid-year but in working with the Province of BC and their BC Restart Plan, an agreement was made to not reduce service levels as they were deemed essential service.

To bridge the gap between the cost of providing transit service and the significant reductions in revenue, the Province of BC and the Government of Canada agreed to provide significant relief funding. These senior levels of government pledged \$644 million of relief funding to help cover losses resulting from the pandemic and provide transit services at pre-COVID levels through 2021.

The uncertainty of ridership recovery and the significance of these revenue losses have created a structural deficit over the longer term and will need to be addressed in the development of a 2021 ten-year Investment Plan.

In developing the 2021 budget, TransLink's paramount focus is on cost efficiencies and cost reductions while also delivering the service and commitments to the region. In comparing to what was planned in the Phase Two of the 10-Year Vision: 2018-2027 Investment Plan ("Phase Two Investment Plan") for 2021, this budget's expenditures are \$63.3 million lower. Originally planned service expansion that has been put on hold accounted for \$28 million of these reductions. The remainder of the budget reductions come from reduced professional fees, contracts, and staffing levels, efficiencies in bus run time, reduced credit card and fare media costs, lower fuel costs, and reductions to discretionary spending.

There remains significant uncertainty entering 2021. Developments late in 2020 suggest that vaccines may become available in 2021. If this is the case, a reduction in COVID-19 rates along with economic recovery and the implementation of a ridership recovery strategy, may lead to the beginning of a long-term upward trend in ridership in the second half of the year. There will continue to be significant uncertainty related to overall economic conditions, the future of sectors that rely on shared public spaces, and long-term work-from-home trends.

With this context, TransLink will continue to look for cost savings and efficiencies to help alleviate the fiscal losses resulting from the pandemic, while maintaining essential services to customers, and keeping the equipment and infrastructure of the transit system in a state of good repair. TransLink will continue to plan for the future by developing a new Investment Plan in 2021, producing the T2050 30-year regional transportation plan, and advancing the Low Carbon Fleet Strategy. Regardless of the uncertainty, TransLink will continue to proudly serve its mandate of safely, affordably and reliably moving the people of Metro Vancouver around the region every day.

## 2. 2021 Key Priorities

The number one priority in 2021 is to manage the financial impacts of COVID-19 on the organization, develop the next ten-year investment plan and address the structural gap in revenue caused by the pandemic. Advancing on our four key Corporate priorities is also important to ensure continued focus on the customer, our workforce and maintaining our assets in a state of good repair, all within the current financial environment.

### Priority One: Rebuild Customer Ridership

*TransLink will rebuild ridership by focusing on restoring public trust and confidence in transit as the economy recovers*

- Maintain and continually enhance the COVID-19 Safe Operating Action Plan
- Social media engagement, public education campaigns and media events to promote public awareness on safety precautions, winter preparedness measures and specific etiquette for transit ridership
- Better engage and service transit customers through trained volunteers pilot program
- Reintroduce the 10-minute peak service for SeaBus
- Implement the Rapid Response Plan and bus stop balancing program as part of the Bus Speed and Reliability Program
- Implement feasibility study and market testing of Mobility-as-a-Service to promote new ridership
- Introduce web booking for HandyDART to promote accessibility
- Promote Compass Pass for Organizations to attract new ridership and support Compass Operations with the implementation of new revenue programs such as app-administered bike lockers
- Continue to advance implementation of a Tiered Policing Pilot Program to enhance policing resources and improve efficiencies

## Priority Two: Foster a Safe, Skilled and Resilient Workforce

*TransLink will help build resilience among the workforce by focusing on business continuity, transparency and adaptability*

- Continue to implement a variety of project-based initiatives to reduce assaults against frontline transit employees
  - Develop a Future of Work Program and Return to Work Initiatives
  - Enhance Crime Prevention Through Environmental Design (CPTED) guidelines at transit stations and provide convenient amenities for employees
  - Continue progress on implementing recommendations from "Strengthening Support for Indigenous Peoples" report, including Blue Eagle Cadet Program
  - Maintain focus on developing a Mental Health framework and Corporate Wellness programs
  - Promote Employee recognition and efforts to cultivate a friendly and open work environment
  - Initiate Succession Planning and Leadership Development programs
  - Continue work on the Equity, Diversity and Inclusion Program
- 

## Priority Three: Deliver a Reliable Transportation System in 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*

- Initiate and deliver approved capital projects to ensure our transit system is maintained in a state of good repair to provide efficient, reliable, and safe service
  - Maintain ongoing operations, inspections and rehabilitation on all TransLink owned bridges
  - Advance planning and concept development for bus priority upgrades on RapidBus corridors
  - Continue with the Fleet Electrification pilot project through to 2023 and expand the battery bus fleet on route 100
  - ERP Project implementation to ensure supply chain efficiencies combined with effective integration with Finance and Enterprise Asset Management
  - Deployment of IT ransomware protection and forensics investigation tool for sensitive data for Transit Police
  - Implement engagement plan for Transport 2050
  - Upgrade the universal faregate hub from the existing legacy integration platform in order to improve supportability and derive cost savings
  - Perform Property and Facilities management activities to ensure targets are maintained in good repair and obligations are satisfied
  - Continue BCRTC Get Well program for system improvements
  - Establish a Quality Management System to guide and improve the consistency and quality of all work performed at BCRTC
-

## Priority Four: Achieve Financial Sustainability

*TransLink will actively manage the financial health and work towards the achievement of long-term financial sustainability*

- Produce a balanced Investment Plan
- Maximise Senior Government Funding Programs by working closely with the project teams and program managers
- Continue to work with government agencies and other stakeholders on the Low Carbon Fleet planning and funding opportunities
- Develop a Sustainable Procurement Plan to ensure TransLink has environmental and social stewardship embedded into the procurement process for delivery in 2022
- Upgrade and enhance existing TransLink retail assets to maximize revenue opportunities and customer amenities
- Evolve Real Estate Development Group to enhance acquisitions, development and asset management activities
- Proceed with Phase 2 of the IT cost optimization project
- Investigate opportunities within the Procurement Plan to gain economies of scale, bundle purchases and reduce costs

---

To deliver the priorities set in the **2021 Business Plan, Operating and Capital Budget**, funding will be obtained through various sources. Funding for capital projects include the Greater Vancouver Regional Fund (GVRF), Public Transit Infrastructure Fund (PTIF) and Investing in Canada Infrastructure Program (ICIP). Main funding sources supporting current operations include property taxes, motor fuel taxes, parking rights tax and transit revenues. The main risks associated with these funding sources resulting from the adverse effects of the COVID-19 pandemic include diminished transit ridership, reduced driving and usage of parking, an overall economic downturn as well as the capacity to deliver on capital projects. Additionally, a portion of the \$644 million relief funding committed to by the Senior Government in September 2020 will be used to fund operations and keep fare rates affordable.

### 3. 2021 Financial and Operating Summary

CONSOLIDATED REVENUES AND EXPENSES					
Twelve months ending December 31	2019	2020	2021	Change	
(\$ thousands)	ACTUAL <sup>1</sup>	BUDGET <sup>2</sup>	BUDGET	Incr/(Decr)	%
<b>Revenue</b>					
Taxation	906,969	943,443	905,663	(37,780)	(4.0%)
Transit	685,362	723,160	421,548	(301,612)	(41.7%)
Government transfers					
Senior Government Funding	338,451	199,547	205,360	5,813	2.9%
Senior Government Relief Funding	-	-	282,246	282,246	100.0%
Golden Ears Bridge Tolling Replacement	60,072	62,366	64,751	2,385	3.8%
Investment income	58,024	54,300	46,715	(7,585)	(14.0%)
Amortization of deferred concessionaire credit	23,273	23,337	23,273	(64)	(0.3%)
Miscellaneous	24,312	17,059	17,422	363	2.1%
<b>Sub Total Continuing Operations</b>	<b>2,096,463</b>	<b>2,023,212</b>	<b>1,966,978</b>	<b>(56,234)</b>	<b>(2.8%)</b>
Gain/(Loss) on Disposal	506	-	-	-	-
<b>Total Revenue</b>	<b>2,096,969</b>	<b>2,023,212</b>	<b>1,966,978</b>	<b>(56,234)</b>	<b>(2.8%)</b>
<b>Expenditures</b>					
Bus Operations <sup>1</sup>	774,150	831,084	844,162	13,078	1.6%
Rail Operations	324,248	355,527	360,290	4,763	1.3%
Transit Police	40,888	42,528	44,296	1,768	4.2%
Corporate Operations	103,260	118,080	112,479	(5,601)	(4.7%)
Roads & Bridges	95,083	127,541	142,075	14,534	11.4%
Amortization of tangible capital assets	212,942	244,307	249,942	5,635	2.3%
Interest	194,983	185,252	180,469	(4,783)	(2.6%)
<b>Sub Total Continuing Operations</b>	<b>1,745,554</b>	<b>1,904,319</b>	<b>1,933,713</b>	<b>29,394</b>	<b>1.5%</b>
Corporate - one-time	18,210	31,373	25,186	(6,187)	(19.7%)
<b>Total Expenditures</b>	<b>1,763,764</b>	<b>1,935,692</b>	<b>1,958,899</b>	<b>23,207</b>	<b>1.2%</b>
<b>Surplus for the year</b>	<b>333,205</b>	<b>87,520</b>	<b>8,079</b>	<b>(79,441)</b>	<b>(90.8%)</b>

<sup>1</sup> Restated for a change in presentation to reflect certain recoveries as gross instead of net

<sup>2</sup> Restated to reflect budget transfers

#### 2021 Budget Highlights

The 2021 Budget results in an \$8.1 million surplus on a Public Sector Accounting Board (PSAB) basis. This represents a decrease of \$79.4 million (90.8 per cent) from the 2020 budget. This is mainly due to lower Transit revenue as a result of the expected suppressed ridership, and lower fuel and parking rights tax revenue as a direct impact of the pandemic. The decline in revenues is partially offset by 2021 portion (\$282.2 million) of COVID-19 relief funding committed to by the Province.

Increases in expenditures are driven by contractual labour rate increases and other committed obligations, inflation and state of good repair maintenance initiatives.

## 4. Key Performance Indicators and Drivers

### Financial Indicators

FINANCIAL INDICATORS					
As at December 31 (\$ thousands)	2019 ACTUAL	2020 BUDGET	2021 BUDGET	Change	
				Incr/(Decr)	%
Unrestricted cash and investments <sup>1</sup>	563,341	365,927	614,335	248,408	67.9%
Capital assets	5,381,268	6,204,409	6,204,870	461	0.0%
Net direct debt <sup>2</sup>	(2,371,421)	(2,757,744)	(2,798,740)	40,996	1.5%
Indirect P3 debt <sup>3</sup>	(1,542,890)	(1,480,140)	(1,445,642)	(34,498)	(2.3%)
Total net direct debt and indirect P3 debt	(3,914,311)	(4,237,884)	(4,244,382)	6,498	0.2%
Gross interest cost as a % of operating revenue <sup>4</sup>	11.5%	10.5%	10.5%	0.0%	0.5%

<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

TransLink's unrestricted cash and investment balances reflecting accumulated funding resources available for supporting operations, are budgeted to increase by \$248.4 million (67.9 per cent) compared to the 2020 budget. The increase is due to higher actual cash balances at the end of 2019 that have carried through to 2020, despite the effects of COVID-19 on TransLink's revenue; as well as borrowing for the capital program early. Cost reductions, lower capital spending and the anticipated receipt of Senior Government COVID-19 Relief funding are all projected to maintain TransLink's unrestricted cash and investment balances at healthy levels by the end of 2021.

Planned capital expenditures during 2021 are expected to result in a net increase of \$0.5 million in capital assets in comparison to the 2020 budget. 2020 to 2021 budget variance is minimal due to significant capital spending being delayed, offset by corresponding deferrals of capital projects previously anticipated to be part of the 2021 capital program, into future years. Projects forecasting significant spending in 2021 include Expo and Millennium Line upgrades, conventional bus replacements and equipment, rail fleet expansion and refurbishment, station upgrades, and rail infrastructure projects including the Surrey Langley SkyTrain and OMC 4 storage facility.

Net direct debt is expected to increase by \$41.0 million (1.5 per cent) in comparison to the 2020 budget due to increased borrowing to finance planned capital spending net of senior government funding, partially offset by the maturing of a TransLink bond.

Indirect P3 debt relating to the Canada Line and Golden Ears contractor liability is expected to decrease by \$34.5 million (2.3 per cent) due to amortization and principal payments.

The gross interest cost as a percentage of operating revenues at 10.5 per cent is the same as that of 2020 budget and is well below the policy maximum level of 20 per cent. The impact of lower revenues in 2021 on this ratio is offset by lower interest costs.

## Operating Indicators

OPERATING INDICATORS					
Twelve months ending December 31	2019	2020	2021	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 <sup>1,2</sup>	6,960,799	7,352,586	7,233,744	(118,842)	(1.6%)
Operating Cost Recovery <sup>3</sup>	58.9%	56.9%	32.8%	(24.1%)	(42.4%)
Operating Cost per Capacity Km <sup>1,2,4</sup>	\$0.097	\$0.095	\$0.119	\$0.024	25.3%
Complaints per million Boarded Passengers	90.6	89.9	93.0	3.1	3.4%
<b>Access Transit Service</b>					
Number of Trips	1,381,842	1,411,000	1,411,000	-	-
Operating Cost per Trip	\$39.26	\$40.76	\$41.54	\$0.78	1.9%
Number of Trips Denied	1,430	2,235	2,237	2	0.1%
Operator Complaints as a percentage of trips	0.13%	0.08%	0.08%	-	-
Service Complaints as a percentage of trips	0.07%	0.09%	0.09%	-	-
<b>Ridership (thousands)</b>					
Boarded Passengers	452,935	468,445	244,772	(223,673)	(47.7%)
Journeys	272,430	283,000	143,777	(139,223)	(49.2%)
Average Fare per Journey <sup>5</sup>	\$2.41	\$2.46	\$2.76	\$0.30	12.2%

<sup>1</sup> Canada Line 2019 actual Service Hours and Capacity KM are not comparable to 2020 and 2021 Budget, resulting from the change of Canada Line service plan development methodology.

<sup>2</sup> Restated 2020 Budget for Canada Line to conform with current year presentation.

<sup>3</sup> Includes operating costs of Bus, Rail, Transit Police and Corporate On-going. Excludes amortization and interest expense.

<sup>4</sup> Includes operating costs of Bus, Rail, and Transit Police. Excludes amortization and interest expense.

<sup>5</sup> Restated 2020 Budget for Avg fare per journey to conform with current year presentation.

### Scheduled Transit Service

The targeted overall performance rating from our customers is to reach 8.0 in 2021.

Conventional system service hours for both Bus and Rail Operations are budgeted to be lower than 2020 budget by 118,000 hours across the region, as a result of not implementing expansion previously planned for 2020. Pre-COVID service levels will be maintained throughout 2021.

Operating cost recovery of 32.8 per cent budgeted in 2021 is significantly lower than the 2020 budgeted ratio of 56.9 per cent due to the significant drop in transit revenues resulting from the impact on ridership from COVID-19.

Operating cost per capacity kilometre is expected to increase by 25.3 per cent over the 2020 budget due to postponement of planned service expansion, decreased passenger capacity from higher use of Mark I trains to facilitate fleet maintenance campaign of larger capacity Mark III trains.

Complaints per million boarded passengers are budgeted to be 93.0, which represents an increase of 3.1 (3.4 per cent) over the 2020 budget.

TransLink is committed to ensuring customer safety, enhancing experience and remains focused on delivering a reliable transportation system in a state of good repair as one of its key priorities. To enhance

customer satisfaction and confidence in the transit system, TransLink will maintain and enhance the COVID-19 Safe Operating Action Plan, increase spare-board operators to enable optimal service levels and increase media events to bring public awareness to safety campaigns.

### **Access Transit Service**

Access Transit trip demand was significantly impacted by the COVID-19 pandemic; however, we remain committed to ensuring that services are fully available for passengers unable to use conventional public transit without assistance. As such, the budgeted service levels remain constant in 2021.

Access Transit budgeted operating cost per trip for 2021 is expected to remain relatively consistent with the 2020 budget with a slight increase largely due to contractual and committed obligations such as labour rates. The actual cost per trip will be dependant on demand for service, which is affected by ridership growth and specifically reduced vehicle capacity in order to accommodate physical distancing requirements.

### **Ridership**

Boardings represent each time a passenger enters a fare paid zone including transfers. Boardings in 2021 are expected to be 47.7 per cent lower than the 2020 budget, due to the impact of the pandemic on ridership.

Journeys represent a complete transit trip regardless of the number of transfers. For 2021, journeys are expected to be 49.2 per cent lower than the 2020 budget, due to the impact of the pandemic on ridership.

The average fare per journey is expected to increase by \$0.30 (12.2 per cent) mainly due to transit users switching from monthly pass to stored value and single use products which are more expensive. This trend is a result of generally lesser number of trips taken by an individual as a result of the pandemic. Also, as the revenue from BC Buss Pass is not ridership driven, it is not impacted by changes in ridership and therefore the decline in total ridership is higher than decline in total fare revenues.

## Key Drivers

### ***Ridership***

Ridership journeys are used in estimating the fare revenue. Journeys are expected to decline by 49.2 per cent from the 2020 budget due to impact of COVID-19 pandemic, including increase in working remotely, increased unemployment, and an apprehension to being in enclosed, shared public spaces. These factors are expected to keep the demand for transit low until a vaccine is developed and made available to the public. The assumption underlying 2021 Budget is that there is no vaccine in 2021 for COVID-19.

### ***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 3.1 per cent in 2021 compared to the 2020 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 and TransLink credit spread and issue costs. Short-term borrowing rates are expected to be the same as forecasted 2020 year-end interest rates of 0.6 per cent and long-term borrowing rates are expected to be 0.15 percentage points higher than forecasted 2020 year-end interest rates of 2.7 per cent.

### ***Inflation***

The Consumer Price Index growth assumptions for the 2021 budget is 2.0 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 consider the total number of vehicles, average distance driven and fuel economy in the region as well as leakage of fuel caused by purchases outside the Metro Vancouver region.

Combined fuel volumes in the 2021 budget are comprised of 83.5 gasoline and 16.5 per cent diesel. Gasoline and diesel volumes are expected to increase by 11.1 per cent and 7.6 per cent respectively during 2021, resulting in a combined fuel volume increase of 10.5 per cent over the forecasted 2020 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 2021, rates are expected to increase by 0.7 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***

The bus fleet insurance premium that TransLink pays to ICBC is budgeted to increase by two per cent in 2021. At the date of this report, ICBC have not confirmed an increase to the Basic Rate in 2021 however an increase is assumed to cover the effects of any adverse claims experience that may occur during the April 1, 2020 to March 31, 2021 policy period.

## Assumptions

The following table summarizes changes in key assumptions used to develop the 2021 budget:

2021 BUDGET ASSUMPTIONS			SENSITIVITIES		
		RATE / VOLUME	Change	Impact (\$ millions)	
<b>Background Assumptions</b>					
Real GDP Growth		3.10%			
Employment rate		4.40%			
Hydro Cost Increase		2.70%			
Population	thousands	2,771			
Households	thousands	1,100			
<b>Operating Assumptions with Sensitivity Analysis</b>					
<b>Revenue</b>					
Regional Fuel Consumption					
Gasoline	millions of litres	1,556.8	1 per cent +/-	3.2	
Diesel	millions of litres	328.0	1 per cent +/-	0.7	
Ridership	millions of journeys	156.4	1 per cent +/-	4.6	
<b>Expense</b>					
Diesel cost	dollars per litre	1.14	\$0.10 +/-	3.5	
Operational Diesel Use	millions of litres	35.24	1 per cent +/-	0.4	
Gasoline cost	dollars per litre	1.21	\$0.10 +/-	0.5	
Operational Gasoline Use	millions of litres	5.35	1 per cent +/-	0.1	
Interest rate	Short term	0.60%	0.5 per cent +/-	0.3	
	Long term	2.65%	0.5 per cent +/-	0.0	
Inflation	General	2.00%	0.5 per cent +/-	0.8	
	Materials	2.00%	0.5 per cent +/-	0.9	

## 5. Consolidated Revenues

CONSOLIDATED REVENUES					
Twelve months ending December 31 (\$ thousands)	2019 ACTUAL	2020 BUDGET	2021 BUDGET	Change	
				Incr/(Decr)	%
Taxation					
Fuel	403,081	390,389	384,884	(5,505)	(1.4%)
Property & Replacement	400,556	417,386	435,720	18,334	4.4%
Parking Rights	81,871	89,207	46,033	(43,174)	(48.4%)
Development Cost Charges	-	24,600	16,889	(7,711)	(31.3%)
Hydro Levy	21,461	21,861	22,137	276	1.3%
Transit	685,362	723,160	421,548	(301,612)	(41.7%)
Government transfers					
Senior Government Funding	338,451	199,547	205,360	5,813	2.9%
Senior Government Relief Funding	-	-	282,246	282,246	100.0%
Golden Ears Bridge Tolling Replacement	60,072	62,366	64,751	2,385	3.8%
Investment income	58,024	54,300	46,715	(7,585)	(14.0%)
Amortization of deferred concessionaire credit	23,273	23,337	23,273	(64)	(0.3%)
Miscellaneous <sup>1</sup>	24,312	17,059	17,422	363	2.1%
<b>Revenue Before Gain/(Loss) on Disposals</b>	<b>2,096,463</b>	<b>2,023,212</b>	<b>1,966,978</b>	<b>(56,234)</b>	<b>(2.8%)</b>
Gain/(Loss) on Disposal	506	-	-	-	-
<b>Total Revenue</b>	<b>2,096,969</b>	<b>2,023,212</b>	<b>1,966,978</b>	<b>(56,234)</b>	<b>(2.8%)</b>

<sup>1</sup> 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 2021 are budgeted to be \$2.0 billion. As a result of the COVID-19 pandemic, multiple revenue sources are impacted and expected to be lower in 2021 compared to the 2020 budget. The expected decline in revenues for 2021 is partly covered by the Senior Government relief funding commitment.

### 2021 Budget vs 2020 Budget

#### Taxation

TAXATION REVENUES					
Twelve months ending December 31 (\$ thousands)	2019 ACTUAL	2020 BUDGET	2021 BUDGET	Change	
				Incr/(Decr)	%
Fuel	403,081	390,389	384,884	(5,505)	(1.4%)
Property & Replacement	400,556	417,386	435,720	18,334	4.4%
Parking Rights	81,871	89,207	46,033	(43,174)	(48.4%)
Development Cost Charge	-	24,600	16,889	(7,711)	(31.3%)
Hydro Levy	21,461	21,861	22,137	276	1.3%
<b>Total Taxation</b>	<b>906,969</b>	<b>943,443</b>	<b>905,663</b>	<b>(37,780)</b>	<b>(4.0%)</b>

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

Fuel tax revenue for 2021 is budgeted at \$384.9 million which is \$5.5 million (1.4 per cent) lower than the 2020 budget. The decline is attributable to a decline in driving as a result of the COVID-19 pandemic.

Property and replacement tax revenue is \$435.7 million, \$18.3 million (4.4 per cent) higher than the 2020 budget. This includes an annual 3.0 per cent increase in property tax revenue from existing properties as well as property tax revenue from development and construction growth estimated at 1.5 per cent. The replacement tax remains at \$18.0 million.

Parking rights tax revenue is \$46.0 million, \$43.2 million (48.4 per cent) lower than the 2020 budget. The expected decline in 2021 reflects the reduced usage of parking as fewer people are commuting to work due to the COVID-19 pandemic and this trend is expected to continue in 2021.

The DCC is budgeted at \$16.9 million, which is \$7.7 million lower than the 2020 budget and \$13.4 million lower than the \$30.3 million legislated by the Province of British Columbia and approved in the Phase Two Investment Plan. The reduction is due to expected decline in new developments in the region.

### **Transit**

<b>TRANSIT REVENUES</b>					
Twelve months ending December 31 (\$ thousands)	2019 ACTUAL	2020 BUDGET	2021 BUDGET	Change	
				Incr/(Decr)	%
Fares	533,330	567,628	287,475	(280,153)	(49.4%)
Programs	123,652	128,565	109,737	(18,828)	(14.6%)
<b>Total Fare Revenue</b>	<b>656,982</b>	<b>696,193</b>	<b>397,212</b>	<b>(298,981)</b>	<b>(42.9%)</b>
Other	28,380	26,967	24,336	(2,631)	(9.8%)
<b>Total Transit</b>	<b>685,362</b>	<b>723,160</b>	<b>421,548</b>	<b>(301,612)</b>	<b>(41.7%)</b>

Total transit revenue is budgeted at \$421.5 million which is a decline of \$301.6 million (41.7 per cent) compared to the 2020 budget due to a decline in ridership. Since the March 2020 global pandemic, BC public health orders have restricted social interactions and travel. These orders are intended to minimize the spread of COVID-19 which has had varying impacts on all sectors of Metro Vancouver’s economy and drastically altered transportation demand in the region. The 2021 Business Plan assumes a vaccination is not available within the year. Ridership is expected to be adversely impacted by continued working/studying from home, unemployment, and “proximity anxiety” - a general apprehension to being in shared spaces like buses and trains. Fare increase originally planned for 2020 was delayed; fare increase planned in 2021 is lower than was previously anticipated.

## Government Transfers

GOVERNMENT TRANSFERS					
Twelve months ending December 31 (\$ thousands)	2019 ACTUAL	2020 BUDGET	2021 BUDGET	Change	
				Incr/(Decr)	%
Senior Government Funding	338,451	199,547	205,360	5,813	2.9%
Senior Government Relief Funding	-	-	282,246	282,246	100.0%
Golden Ears Bridge Tolling Replacement	60,072	62,366	64,751	2,385	3.8%
<b>Total Government Transfers Revenue</b>	<b>398,523</b>	<b>261,913</b>	<b>552,357</b>	<b>290,444</b>	<b>110.9%</b>

Government transfers include funds received from GVRF, PTIF, Canada Line funding, Building Canada Fund and other miscellaneous programs. Revenue from senior government funding is expected to be \$5.8 million (2.9 per cent) higher than the 2020 budget, mainly due to the recognition of PTIF funding for eligible projects that have been completed. Senior Government relief funding will help offset operational losses resulting from the COVID-19 pandemic. The amount relating to 2021 is estimated at \$282.2 million, proportionate to the estimated operating losses. Golden Ears Bridge tolling replacement is budgeted to increase by \$2.4 million (3.8 per cent) as per the agreement with the Province of British Columbia.

### Investment Income

Investment income is budgeted at \$46.7 million. The \$7.6 million (14.0 per cent) decrease is mainly due to lower interest rates and thus lower investment income on fund balances, partially offset by higher overall 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 alongside uncertainties caused by the COVID-19 pandemic. With an increase in COVID-19 cases there could be more stringent guidelines for physical distancing, and there is a risk of decline in ridership beyond that already budgeted. A slower than expected recovery of the local economy could also lead to lower transit fare revenue. TransLink continues to closely monitor external factors that may impact ridership.

Fuel tax revenue flows 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, and economic growth can also impact the amount of fuel tax collected and remitted to TransLink.

The property tax revenue includes revenue from new development and construction growth; the rate for 2021 is estimated at 1.5 per cent. If the actual rate for 2021 is lower than 1.5 per cent, a lesser amount of incremental property tax revenue will be received.

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, increase in COVID-19 restrictions 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	2019	2020	2021	Change	
(\$ thousands)	ACTUAL	BUDGET <sup>2</sup>	BUDGET	Incr/(Decr)	%
Bus Operations <sup>1</sup>	774,150	831,084	844,162	13,078	1.6%
Rail Operations	324,248	355,527	360,290	4,763	1.3%
Transit Police	40,888	42,528	44,296	1,768	4.2%
Corporate Operations	103,260	118,080	112,479	(5,601)	(4.7%)
Roads & Bridges	95,083	127,541	142,075	14,534	11.4%
Amortization of tangible capital assets*	212,942	244,307	249,942	5,635	2.3%
Interest*	194,983	185,252	180,469	(4,783)	(2.6%)
Sub Total Continuing Operations	1,745,554	1,904,319	1,933,713	29,394	1.5%
Corporate - one-time	18,210	31,373	25,186	(6,187)	(19.7%)
<b>Total Expenses by Segment</b>	<b>1,763,764</b>	<b>1,935,692</b>	<b>1,958,899</b>	<b>23,207</b>	<b>1.2%</b>

<sup>1</sup> Restated for a change in presentation to reflect certain recoveries as gross instead of net

<sup>2</sup> Restated to reflect budget transfers

\* Amortization and Interest shown separately to facilitate analysis

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 the operating environment remaining challenging and lower overall ridership anticipated to continue in 2021, TransLink continues to focus on finding efficiencies and reducing non-service spending in the 2021 budget to offset the increase in operating costs that are necessary for high-priority initiatives and inflationary cost pressures.

Reductions to expenditures include improvements in Bus run time (\$7.5 million), reduced costs due to efficiencies including labour head counts (\$13 million), reduced professional services (\$4 million), lower fuel costs (\$6 million), and lower credit card and fare media costs (\$4 million). Originally planned service expansion that was put on hold saved approximately \$28 million. Increases to the budget include inflation, contractual and economic increases from committed obligations and labour rate increases, as well as state of good repair maintenance initiatives. Additionally, amortization of capital assets is expected to increase as more capital projects are completed.

Corporate one-time costs are budgeted at \$25.2 million and relate to continued investments in implementing the Phase Two Investment Plan, 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 2021, CMBC's fleet will consist of approximately 2,080 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 111.7 million service kilometres, 5.7 million service hours and offer 1.4 million Access Transit trips in 2021.

## Initiatives

In 2021, CMBC will undertake a range of strategic activities and initiatives as follows in order to deliver on TransLink's four key Corporate priorities:

### Priority One: Rebuild Customer Ridership

- Maintain on-time performance and service reliability;
- Develop system flexibility to enable optimal service delivery levels, through the assessment of resource levels;
- Increase customer confidence in the safety of the bus system with pilot programs for bus cleanliness and ventilation;
- Reintroduce 10-minute peak service for the SeaBus and introduce the new Burrard Chinook into service;
- Support accessibility initiatives with the Braille bus stop project; and
- Introduce web booking for HandyDART to increase customer ridership.

### Priority Two: Foster a Safe, Skilled and Resilient Workforce

- Enhance Return to Work initiatives;
- Provide a full year of Operator Refresher Training;
- Provide increased focus on Mental Health through program development;
- Support the Equity, Diversity and Inclusion program;
- Support Delivery of Health and Safety Software; and
- Leadership and management development to support succession planning.

### Priority Three: Deliver a Reliable Transportation System in a State of Good Repair

- Update 15-year Fleet and Infrastructure Capital Plan for TransLink Financial Model;
- Progress Trolley Overhead State of Good Repair Capital Project works;
- Support Low Carbon Fleet Strategy;
- Participate in planning for new facility at the Marpole Transit Centre as well as HandyDART; and
- Support various projects including Onboard Technology Assets Program (OTAP), Daily Operations Management Systems (DOMS), Enterprise Resource Planning (ERP) and Enterprise Asset Management (EAM).

### Priority Four: Achieve Financial Sustainability

- Manage the 45-minutes guaranteed recovery and rest time per seven and a half hour straight shift for bus operators;
- Transition from electronic magnetic stripe fare boxes to new mechanical fare boxes on all community shuttles; and
- Support TransLink with 2021 Investment Plan development.

## Risks and Challenges

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

- Recruitment – Although demand on recruitment and training is expected to be lower, these areas could face serious hindrances due to COVID related challenges. The possibility of postponement or delay of graduates may have material impacts on the availability of Operators.
- Schedule reliability (45-minute recovery guarantee) – The ability to maintain schedule reliability due to unpredictable congestion will remain a challenge. The inability to predict congestion in 2021 could result in lost recovery time which has financial impacts.
- Aging Capital – Several areas of our organization continue to operate with infrastructure that has reached end of life. As a result, 2021 will see a large amount of upgrades/replacements in a relatively short period of time. As such, delays or other obstacles may have sweeping impacts.
- Depot capacity restraints – CMBC’s depots are currently either at or slightly over capacity. Although immediate expansion has currently been halted, a pro-active philosophy on capacity needs to be adopted as ridership will eventually recover and we need to be appropriately prepared for this future demand. In addition, an alternative site for HandyDART must be finalized as the North Road Site needs to be vacated by June 2021.
- Safety – The risk of safety incidents affecting either customers or employees is increasing. The risk arises from the ongoing stressors related to the COVID-19 pandemic. The possibility of subsequent waves of pandemic could have dramatic impacts on the ability to provide reliable service and keep employees and customers safe.
- Inclement weather – Abnormal inclement winter weather conditions could result in snow clearing, salting and other vehicle maintenance costs significantly beyond the budgeted. Winter conditions also result in increased motor vehicle accident damage, and employee and customer injuries such as slips and falls.
- Business Resiliency – This relates to the risk of not being able to resume business operations in a timely manner after a major disruption. The onset of the COVID-19 pandemic has highlighted the need to develop strategies and plans to enable business continuity through unforeseen disasters.

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.

## 2021 Budget vs 2020 Budget

<b>BUS OPERATIONS BY CATEGORY</b>					
Twelve months ending December 31 (\$ thousands)	2019 ACTUAL <sup>1</sup>	2020 BUDGET <sup>2</sup>	2021 BUDGET	Change	
				Incr/(Decr)	%
Administration	19,371	25,814	26,570	756	2.9%
Contracted Services	76,092	80,121	81,195	1,074	1.3%
Fuel and Power	51,343	62,818	54,050	(8,768)	(14.0%)
Insurance	21,821	23,150	23,431	281	1.2%
Maintenance, Materials and Utilities	83,628	79,973	81,728	1,755	2.2%
Professional and Legal	3,203	4,328	3,849	(479)	(11.1%)
Rentals, Leases and Property Tax	14,957	16,085	15,841	(244)	(1.5%)
Salaries, Wages and Benefits	503,735	538,795	557,498	18,703	3.5%
<b>Total Expenses by Category</b>	<b>774,150</b>	<b>831,084</b>	<b>844,162</b>	<b>13,078</b>	<b>1.6%</b>

<sup>1</sup> Restated for a change in presentation to reflect certain recoveries as gross instead of net

<sup>2</sup> Restated to reflect budget transfers

The Bus Operations 2021 operating budget of \$844.2 million is \$13.1 million (1.6 per cent) higher than the 2020 budget. This consists of increases in CMBC costs to operate conventional service, Community Shuttle and SeaBus \$9.1 million (1.3 per cent), Access Transit \$0.7 million (1.2 per cent), other contracted bus services \$0.4 million (1.5 per cent) and allocated costs \$2.9 million (4.8 per cent) mainly due to higher Information Technology (IT) costs relating to software licensing and hosting as well as economic increases in labour.

Comparing to the Phase Two Investment Plan, Coast Mountain Bus Company achieved cost savings of \$17 million including:

- run-time savings through absorbing the required run hours within the schedule,
- labour costs savings through reduction in headcount, and
- fuel price savings, due to expected lower fuel costs, efficiencies in consumption, along with reduced kilometres in 2021.

These savings were included in the 2021 budget and helped absorb the budgetary pressures. The 2021 operating budget included increases primarily due to contractual obligations related to labour rates and economic increases. The following is the comparison to 2020 budget:

- Salaries, wages and benefits are budgeted to increase by \$18.7 million, mainly due to contractual increases and other step and merit pay progression increases. \$3.1 million of total salaries expense is recoverable from third parties such as municipalities; the recovery amount is presented in miscellaneous revenue.
- Fuel and power costs are budgeted to decrease by \$8.7 million, mainly due to lower prices and efficiencies in consumption, along with reduced kilometres in 2021.
- The bus fleet insurance premium that TransLink pays to ICBC is budgeted to increase by two per cent in 2021 to cover the effects of any adverse claims experience that may occur during the April 1, 2020 to March 31, 2021 policy period.
- Maintenance, materials and utilities are budgeted to increase by \$1.8 million, mainly due to purchase of safety supplies and additional costs related to the low carbon fleet. These costs are partially offset by reduced maintenance costs due to fewer estimated kilometers and fewer battery replacements. \$8.2 million of total maintenance expense is recoverable from third parties such as municipalities; the recovery amount is presented in miscellaneous revenue.

Contracted transit services are expected to be \$1.1 million higher than the 2020 budget mainly due to contractual rate increases.

## Service Assumptions

Due to the current COVID-19 pandemic environment during which TransLink is providing essential services at pre-pandemic levels, budget-to-budget conventional transit service hours are expected to decrease 1.5 per cent, conventional transit service kilometres are expected remain unchanged, and capacity kilometers are expected to decrease by 33.5 per cent. Bus seating restrictions implemented on June 1, 2020 will continue in 2021, accommodating approximately two-thirds of a regular passenger load. HandyDART is expected to fulfill demand as needed.

The following table shows the service levels at CMBC Operations:

<b>BUS OPERATIONS</b>					
Twelve months ending December 31	2019 ACTUAL	2020 BUDGET	2021 BUDGET	Change	
				Incr/(Decr)	%
<b>SERVICE HOURS</b>					
<b>CMBC Operations</b>	<b>5,161,062</b>	<b>5,542,834</b>	<b>5,452,051</b>	<b>(90,783)</b>	<b>(1.6%)</b>
Conventional Bus	4,616,040	4,972,469	4,850,044	(122,425)	(2.5%)
Community Shuttle	532,270	556,652	587,837	31,185	5.6%
SeaBus	12,752	13,713	14,170	457	3.3%
<b>Contracted Transit Services</b>	<b>238,407</b>	<b>243,750</b>	<b>245,948</b>	<b>2,198</b>	<b>0.9%</b>
West Vancouver	117,869	119,717	117,379	(2,338)	(2.0%)
Contract Community Shuttle	120,538	124,033	128,569	4,536	3.7%
<b>Conventional Transit Service Hours</b>	<b>5,399,469</b>	<b>5,786,584</b>	<b>5,697,999</b>	<b>(88,585)</b>	<b>(1.5%)</b>
<b>SERVICE KILOMETRES</b>					
<b>CMBC Operations</b>	<b>100,205,632</b>	<b>106,781,862</b>	<b>106,368,448</b>	<b>(413,414)</b>	<b>(0.4%)</b>
Conventional Bus	89,228,352	95,537,690	94,448,012	(1,089,678)	(1.1%)
Community Shuttle	10,804,911	11,059,052	11,728,858	669,806	6.1%
SeaBus	172,369	185,120	191,578	6,458	3.5%
<b>Contracted Transit Services</b>	<b>5,085,019</b>	<b>5,251,819</b>	<b>5,357,880</b>	<b>106,061</b>	<b>2.0%</b>
West Vancouver	2,322,393	2,432,265	2,419,180	(13,085)	(0.5%)
Contract Community Shuttle	2,762,626	2,819,554	2,938,700	119,146	4.2%
<b>Conventional Transit Service Kilometres</b>	<b>105,290,651</b>	<b>112,033,681</b>	<b>111,726,328</b>	<b>(307,353)</b>	<b>(0.3%)</b>
<b>CAPACITY KILOMETRES</b>					
<b>CMBC Operations</b>	<b>5,134,032,173</b>	<b>5,787,714,198</b>	<b>3,849,953,535</b>	<b>(1,937,760,663)</b>	<b>(33.5%)</b>
Conventional Bus	4,848,986,405	5,451,025,723	3,613,120,120	(1,837,905,603)	(33.7%)
Community Shuttle	216,098,220	265,417,247	187,661,728	(77,755,519)	(29.3%)
SeaBus	68,947,548	71,271,228	49,171,687	(22,099,541)	(31.0%)
<b>Contracted Transit Services</b>	<b>171,372,191</b>	<b>189,282,547</b>	<b>127,658,533</b>	<b>(61,624,014)</b>	<b>(32.6%)</b>
West Vancouver	116,119,671	121,613,250	80,639,333	(40,973,917)	(33.7%)
Contract Community Shuttle	55,252,520	67,669,297	47,019,200	(20,650,097)	(30.5%)
<b>Conventional Transit Capacity Kilometres</b>	<b>5,305,404,364</b>	<b>5,976,996,745</b>	<b>3,977,612,068</b>	<b>(1,999,384,677)</b>	<b>(33.5%)</b>

ACCESS TRANSIT					
Twelve months ending December 31	2019	2020	2021	Change	
	ACTUAL	BUDGET <sup>1</sup>	BUDGET	Incr/(Decr)	%
<b>Service Kilometres</b>	<b>10,244,683</b>	<b>10,575,600</b>	<b>10,575,600</b>	-	-
<b>Access Transit Trips</b>					
Trips - HandyDART	1,198,349	1,259,000	1,259,000	-	-
Trips - Taxi Supplement	183,493	152,000	152,000	-	-
<b>Total Access Transit Trips</b>	<b>1,381,842</b>	<b>1,411,000</b>	<b>1,411,000</b>	-	-

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

## 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. BCRTC is responsible for managing the contracted service agreement with InTransit BC for the operation and maintenance of the Canada Line. BCRTC also operates and maintains the West Coast Express commuter rail service.

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. The company's focus in 2021 will be to deliver a Zero Harm and Just Culture to our employees, develop an engaging leadership to move us forward, and deliver high performance for our customers.

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 division's 2021 business plan aligns its focus areas and objectives with those of TransLink to support an integrated approach to meet the ever expanding needs our customers in the Metro Vancouver region.

## Initiatives

### Priority One: Rebuild Customer Ridership

- Maintain and continually enhance the COVID-19 Safe Operating Action Plan;
- Continue to support the enterprise's unified customer experience initiatives;
- Enhance customer experience through improved service quality;
- Maintain on-time performance and service reliability; and
- Continue to review and implement recommendations of BCRTC's Passenger Injury taskforce.

### Priority Two: Foster a Safe, Skilled and Resilient Workforce

- Improve the safety culture through continued implementation of Just Culture philosophy and Zero Harm initiatives;

- Strengthen our Safety Management System;
- Develop key leadership skills;
- Strengthen competency management; and
- Focus on employee mental health through implementation of programs developed through our mental health strategy.

### **Priority Three: Deliver a Reliable Transportation System in a State of Good Repair**

- Continue with our Get-Well maintenance program;
- Continue implementation of Enterprise Asset Management program;
- Improve quality assurance; and
- Set up a strong and capable project organization to deliver on BCRTC’s capital commitments.

### **Priority Four: Achieve Financial Sustainability**

- Contribute to the Investment Plan development;
- Optimize resources; and
- Leverage new systems to enhance business processes.

## **Risks and Challenges**

### **Risks**

- High demand on existing resources may reinforce dependence on solving rather than preventing problems;
- Rudimentary quality management system may hinder progression of continuous improvement;
- Aging infrastructure and outdated business systems may negatively impact our service delivery and on-time performance;
- Spread of COVID-19 impacts on staff, supply chain and customer experience; and
- Growth through capital projects may impact on ability to store and maintain our fleet and accommodate our employees.

### **Challenges**

- Leadership development;
- Preparing the business for upcoming network, systems, facilities and fleet expansion;
- Effectively manage an extensive portfolio of business priorities and capital projects with limited resources and competing deadlines; and
- On-time delivery of Enterprise Asset Management system.

## 2021 Budget vs 2020 Budget

RAIL OPERATIONS BY CATEGORY					
Twelve months ending December 31 (\$ thousands)	2019 ACTUAL	2020 BUDGET <sup>1</sup>	2021 BUDGET	Change	
				Incr/(Decr)	%
Administration	5,426	7,115	6,230	(885)	(12.4%)
Contracted Services	125,727	141,489	134,917	(6,572)	(4.6%)
Fuel and Power	16,412	16,569	16,007	(562)	(3.4%)
Insurance	5,246	5,690	6,789	1,099	19.3%
Maintenance, Materials and Utilities	50,791	51,735	57,628	5,893	11.4%
Professional and Legal	3,348	4,457	4,154	(303)	(6.8%)
Rentals, Leases and Property Tax	1,287	1,423	1,298	(125)	(8.8%)
Salaries, Wages and Benefits	116,011	127,049	133,267	6,218	4.9%
<b>Total Expenses by Category</b>	<b>324,248</b>	<b>355,527</b>	<b>360,290</b>	<b>4,763</b>	<b>1.3%</b>

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

Comparing to the Phase Two Investment Plan, BCRTC achieved cost savings of \$13 million including:

- Lower cost for Get Well maintenance program;
- Reduction in contracted services, mainly due to service changes given the decline in ridership for West Coast Express and Canada Line and revised contract cost estimates; and
- Operations optimization and efficiencies.

These savings were included in the 2021 budget and helped absorb the budgetary pressures. The 2021 operating budget included increases primarily due to contractual obligations related to labour rates and economic increases and maintenance activities. The following is the comparison to 2020 budget:

- Salaries, wages and benefits are expected to increase by \$6.2 million (4.9 per cent). This includes contractual and economic labour increases, as well as optimized resources to support the state of good repair initiatives, service delivery, project delivery and quality management;
- Maintenance, materials and utilities are expected to increase by \$5.9 million (11.4 per cent) to ensure our assets are in a state of good repair. These maintenance activities are important measures to provide our customers with a safe and reliable service. In addition, we will incur increased cleaning expenses due to the COVID-19 pandemic Safe Operating Action Plan. The increases to the 2021 operations budget are partially offset by some structural and one-time savings;
- Contracted services are expected to decrease by \$6.6 million (4.6 per cent) mainly due to service changes given the decline in ridership for West Coast Express and Canada Line, and revised contract cost estimates, partially offset by contractual increases;
- Fuel & power is expected to decrease by \$0.6 million (3.4 per cent) due to lower diesel and hydro rates as well as optimized service; and
- Other costs are expected to decrease primarily due to discretionary cost reductions given the financial constraints of the business.

## Service Assumptions

With the economy recovering at a slower than expected pace from the COVID-19 pandemic in 2020 and the possibility of subsequent waves of pandemic, service levels are expected to be as follows:

RAIL OPERATIONS					
Twelve months ending December 31	2019 ACTUAL <sup>1</sup>	2020 BUDGET <sup>2</sup>	2021 BUDGET	Change	
				Incr/(Decr)	%
<b>SERVICE HOURS</b>					
Expo & Millennium Lines	1,321,940	1,291,257	1,287,481	(3,776)	(0.3%)
Canada Line	202,836	237,894	214,145	(23,749)	(10.0%)
WCE	36,554	36,851	34,119	(2,732)	(7.4%)
<b>Rail Operations Service Hours</b>	<b>1,561,330</b>	<b>1,566,002</b>	<b>1,535,745</b>	<b>(30,257)</b>	<b>(1.9%)</b>
<b>SERVICE KILOMETRES</b>					
Expo & Millennium Lines	53,274,170	52,037,646	51,885,428	(152,218)	(0.3%)
Canada Line	6,531,343	7,642,342	6,879,402	(762,940)	(10.0%)
WCE	1,377,260	1,388,621	1,285,670	(102,951)	(7.4%)
<b>Rail Operations Service Kilometres</b>	<b>61,182,773</b>	<b>61,068,609</b>	<b>60,050,500</b>	<b>(1,018,109)</b>	<b>(1.7%)</b>
<b>CAPACITY KILOMETRES</b>					
SkyTrain: Expo & Millennium Lines	4,552,029,020	4,839,446,132	4,730,207,103	(109,239,029)	(2.3%)
SkyTrain: Canada Line <sup>3</sup>	927,124,196	1,072,543,889	965,471,033	(107,072,856)	(10.0%)
West Coast Express	203,283,591	204,960,430	189,764,951	(15,195,479)	(7.4%)
<b>Rail Operations Capacity Kilometres</b>	<b>5,682,436,807</b>	<b>6,116,950,451</b>	<b>5,885,443,087</b>	<b>(231,507,364)</b>	<b>(3.8%)</b>

<sup>1</sup> Canada Line 2019 actual Service Hours, Service KM and Capacity KM are not comparable to 2020 and 2021 Budget, resulting from the change of Canada Line service plan development methodology.

<sup>2</sup> Restated 2020 Budget to adjust Service Hours, Service Km and Capacity Km for Canada Line to conform with current year presentation

<sup>3</sup> Canada Line does not provide actual service delivery statistics, using scheduled service hours and service kilometres for reporting purposes

Expo and Millennium Line service hours and kilometres for 2021 are planned to decrease by 0.3 per cent compared to the 2020 service plan. This is mostly due to deferral of the planned September 2020 service increases in response to ridership decline caused by the pandemic. The decrease in capacity kilometres is expected to be 2.3 per cent due to higher planned usage of Mark I trains in 2021 compared to the 2020 service plan. Higher use of Mark I trains is required to facilitate state-of-good-repair fleet maintenance campaigns for Mark II and Mark III trains.

Canada Line service hours, service kilometres and capacity kilometres will each drop by 10.0 per cent in 2021 compared to the 2020 service plan. Due to the decrease in ridership caused by the pandemic, the Spring 2020 scheduled service increases were cancelled, and are not planned to be reinstated in 2021.

West Coast Express service hours, service kilometres and capacity kilometres hours will each decrease by 7.4 per cent in 2021 compared to the 2020 service plan. This reduction reflects decreased demand and allows for the refurbishment of one locomotive.

## 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 2021, the COVID-19 pandemic pushed out the timeline for developing a new Transit Police strategic plan. The development of a new plan will therefore continue during 2021 and is anticipated to be completed by Fall 2021.

In the meantime, Transit Police will continue to work towards achieving its existing strategic goals which are aligned with the imperative to Rebuild Customer Ridership in 2021:

- 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 the implementation of a Tiered Policing Pilot Program to enhance policing resources and improve efficiencies. 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. Conversations on this initiative with the Ministry of Public Safety and Solicitor General (Policing and Security Branch) commenced in 2020 and the proposed program is now being further developed in order to obtain final approval from the Province.

To better engage and serve transit customers, Transit Police will complete the first-year pilot of a Waterfront Station Community Policing Office. This pilot program will see trained volunteers working on a variety of safety projects at Waterfront Station, as well as other transit locations in Downtown Vancouver, in order to increase feelings of safety and security. Volunteers will promote transit and area safety tips, work on specific initiatives such as the ‘See Something Say Something’ campaign and observe and report any suspicious activity in and around transit stations.

To support the safety of bus passengers and operators, Transit Police will continue implementing a variety of project-based safety initiatives such as having the Targeted Mobile Enforcement Team provide enhanced enforcement around bus lanes and exchanges. This includes enforcement of provincial statutes, applicable bylaws and the Criminal Code. To reduce assaults against frontline transit employees, training continues to be provided to new bus operators on de-escalation protocols and how to contact Transit Police when operators or passengers feel unsafe.

Transit Police will also work on implementing the recommendations contained within the 2020 report ‘Strengthening Support for Indigenous Peoples’. This includes gender/diversity-based analysis and training, having the recently created Indigenous Liaison Officer review all criminal investigations involving indigenous people who are either a victim, complainant or accused and consider restorative justice

options, and advancing the Blue Eagle Cadet program to build positive relationships between Transit Police officers and at-risk youth.

## **Risks and Challenges**

As the COVID-19 pandemic continues, ensuring the health and safety of employees, particularly officers working on the frontlines and our civilians within our Operations Communication Centre, remains a top priority at Transit Police. Officers have been provided with additional personal protective equipment and trained on new safety protocols in order to mitigate the risks associated with COVID-19 transmission. Transit Police continues to monitor and be guided by new/additional safety measures recommended by the BC Centre for Disease Control and Ministry of Health, in order to address the additional risks and challenges posed by the pandemic.

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 the 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. In anticipation of the transit system expanding with the Millennium-Broadway and Surrey-Langley extensions, Transit Police must be proactive in developing and acquiring the necessary civilian and sworn officer resources to support its operations and meet public expectations.

To help offset the budgetary cost pressures described below, the Transit Police achieved savings of \$0.7 million through the planned deployment of Community Safety Officers and reduction in overtime costs for special events.

## 2021 Budget vs 2020 Budget

POLICE OPERATIONS BY CATEGORY					
Twelve months ending December 31 (\$ thousands)	2019 ACTUAL	2020 BUDGET <sup>1</sup>	2021 BUDGET	Change	
				Incr/(Decr)	%
Administration	3,860	3,655	3,271	(384)	(10.5%)
Insurance	104	120	136	16	13.3%
Maintenance, Materials and Utilities	1,851	1,262	1,300	38	3.0%
Professional and Legal	351	362	369	7	1.9%
Rentals, Leases and Property Tax	1,965	2,507	2,408	(99)	(3.9%)
Salaries, Wages and Benefits	32,757	34,622	36,812	2,190	6.3%
<b>Total Expenses by Category</b>	<b>40,888</b>	<b>42,528</b>	<b>44,296</b>	<b>1,768</b>	<b>4.2%</b>

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

Police Operations expenditures are expected to increase by \$1.8 million (4.2 per cent) from 2020. The increase is mainly due to the following:

- Salaries, wages and benefits are \$2.2 million (6.3 per cent) higher than 2020. \$1.2 million is recoverable through secondments to other agencies which is recorded in miscellaneous revenue. Increases are due to contractual labour and economic increases in the Collective Agreement, increased pension costs for police officers and an adjustment for employee future benefit costs; and
- Lower expenditures include IT software licensing costs and lower rental costs.

## Corporate Operations

Corporate Operations' key focus is to address the operating needs of the organization with a focus on achieving enterprise-wide priorities, including achieving financial stability, developing a balanced 2021 ten-year Investment Plan, working on developing Phase Three of the Mayors' 10-Year Vision and the Transport 2050 Strategy, as well as focus on the 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

In 2021, Corporate Operations will undertake a range of strategic activities and initiatives as follows in order to deliver on TransLink's four key Corporate priorities:

### Priority One: Rebuild Customer Ridership

- Maintain and continually enhance the COVID-19 Safe Operating Action Plan;
- Develop and implement a ridership recovery strategy;
- Social media engagement, public education campaigns and media events to promote public awareness on safety precautions, winter preparedness measures and specific etiquette for transit ridership;
- Introduce web booking for HandyDART to promote accessibility;

- Promote Compass Pass for Organizations to attract new ridership and support Compass Operations with the implementation of new revenue programs such as app-administered bike lockers;
- Align all digital customer programs across the Enterprise to ensure a unified customer experience on all digital platforms;
- Continue the implementation of the new, responsive TransLink website;
- Build a retail strategy to promote Compass products and improve customer convenience;
- Deliver Public Engagement Program;
- Implement the existing 5-year Customer Experience Strategy and develop a new post-COVID Customer Experience Strategy;
- Start Compass 2.0 planning to provide TransLink with the data, analysis and insights for improved decision making to develop the program;
- Restart the in-person community outreach at schools, local events and attractions when COVID-19 restrictions are lifted;
- Work with large organizations to support employees and students commute options and behaviours to increase transit and other sustainable mode use;
- Rebuild the NextBus (NB) website;
- Continue to implement the bus stop balancing program as part of the Bus Speed and Reliability Program; and
- Develop a ridership and transportation performance monitoring system.

#### **Priority Two: Foster a Safe, Skilled and Resilient Workforce**

- Continue to implement a variety of project-based initiatives to reduce assaults against frontline transit employees;
- Develop a Future of Work Program and Return to Work initiatives;
- Enhance Crime Prevention Through Environmental Design (CPTED) guidelines at transit stations and provide convenient amenities for employees;
- Maintain focus on developing a Mental Health framework and Corporate Wellness programs;
- Promote Employee recognition and efforts to cultivate a friendly and open work environment;
- Initiate Succession Planning and Leadership Development programs;
- Expand awareness of TransLink's Sustainability Program through internal training and communications;
- Perform audit assessments of enterprise-wide and departmental safe operating plans to ensure a safe workforce for our employees;
- Continue to develop a formal Emergency Management, Business Continuity Program and an Emergency Communications program;
- Implement IT system changes to support TransLink MoveUp union collective bargaining agreement;
- Establish and implement the improved IT quality assurance (QA) framework with automation and performance testing;
- Develop a framework and plan for implementation of the Equity, Diversity and Inclusion Program; and
- Implement change management strategically to ensure organizational readiness to support capital projects and operating initiatives focused on the delivery of the future of work programs.

### **Priority Three: Deliver a Reliable Transportation System in a State of Good Repair**

- Initiate and deliver approved capital projects to ensure our transit system is maintained in a state of good repair to provide efficient, reliable, and safe service;
- Advance planning and concept development for bus priority upgrades on RapidBus corridors;
- ERP Project implementation to ensure supply chain efficiencies combined with effective integration with Finance and Enterprise Asset Management;
- Deployment of IT ransomware protection and forensics investigation tool for sensitive data for Transit Police;
- Implement engagement plan for Transport 2050;
- Upgrade and enhance existing TransLink retail assets to maximize revenue opportunities and customer amenities;
- Upgrade the universal faregate hub from the existing legacy integration platform in order to improve supportability and cost savings;
- Perform Property and Facilities management activities to ensure targets are maintained in good repair and obligations satisfied;
- Implementation of the Health and Safety Software system across the enterprise;
- Publish the Corporate Climate Action Plan by Q2 of 2021; and
- Retire or partially replace the WatchGuard network security system to reduce the overhead support cost.

### **Priority Four: Achieve Financial Sustainability**

- Produce a balanced 2021 Investment Plan;
- Maximise Senior Government Funding Programs by working closely with the project teams and program managers;
- Continue to work with government agencies and other stakeholders on the Low Carbon Fleet planning and funding opportunities;
- Develop a Sustainable Procurement Plan to ensure TransLink has environmental and social stewardship embedded into the procurement process for delivery in 2022;
- Increase retail program revenues to support the organization's financial targets;
- Evolve Real Estate Development Group to enhance acquisitions, development and asset management activities;
- Proceed with Phase 2 of the IT cost optimization project;
- Investigate opportunities within the Procurement Plan to gain economies of scale, bundle purchases and reduce costs;
- Implement fare increases and tariff amendments as approved by the Board of Directors;
- Maintain and Expand Carbon Credit Program;
- Minimize revenue collection costs while mitigating financial risk in the Compass Operations;
- Plan, design and execute on six priority projects that will yield new bus loops/exchanges and enhancements to SkyTrain stations together with mixed-use development in the future;
- Issue the 2021 annual Green Bond Impact Reporting on environmental benefits of our projects, such as GHG emissions, energy consumption, and mode shift; and
- Continue to track, analyze and report on sustainability data in our annual Accountability Report as a requirement of the American Public Transportation Association (APTA) Platinum Sustainability signatory.

## Risks and Challenges

Corporate Operations has identified the following key risks and challenges:

- While Senior Government relief funding will help offset losses caused by pandemic and will help bolster liquidity, there is a risk of repeat waves of infection and economic recovery in the region being slower than anticipated, thus having a negative impact on TransLink’s financial position.
- Recruitment and retention of the right talent continues to be a challenge due to a competitive labour market and the uncertainty around future of work due to the COVID-19 pandemic. This challenge, if not managed, may delay Corporate Operations meeting internal and external customer expectations.
- Delays in the implementation of capital projects due to COVID-19 and other factors may result in escalating costs and the delivery schedule.
- Staff turnover is a risk that may lead to a loss of business knowledge and delays due to training of new staff.
- There is a risk associated with implementation and delivery of major technology initiatives.

The risks and challenges are continuously monitored through management oversight and project steering committees. TransLink is committed to identifying efficiencies and avoiding discretionary spending to deliver planned initiatives amid the financial pressures caused by the pandemic.

## 2021 Budget vs 2020 Budget

CORPORATE OPERATIONS BY CATEGORY					
Twelve months ending December 31 (\$ thousands)	2019 ACTUAL	2020 BUDGET <sup>1</sup>	2021 BUDGET	Change	
				Incr/(Decr)	%
Administration	19,756	21,465	18,026	(3,439)	(16.0%)
Contracted Services	15,298	14,750	15,172	422	2.9%
Insurance	251	219	284	65	29.7%
Maintenance, Materials and Utilities	1,783	1,953	1,833	(120)	(6.1%)
Professional and Legal	10,232	11,608	11,094	(514)	(4.4%)
Rentals, Leases and Property Tax	10,920	15,662	12,493	(3,169)	(20.2%)
Salaries, Wages and Benefits	45,020	52,423	53,577	1,154	2.2%
<b>Total Expenses by Category</b>	<b>103,260</b>	<b>118,080</b>	<b>112,479</b>	<b>(5,601)</b>	<b>(4.7%)</b>

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

Comparing to the Phase Two Investment Plan, Corporate Operations achieved cost savings of \$16 million including:

- Reductions in headcount;
- Lower professional fees & discretionary expenses; and
- Lower credit card fees and fare media costs due to reduced ridership.

These savings helped absorb budgetary pressures such as inflationary increases in committed obligations and labour rate increases. TransLink remains committed to achieving budget efficiencies in the future through diligent fiscal management in order to keep delivering on planned commitments.

## Roads and Bridges

ROADS & BRIDGES OPERATIONS BY CATEGORY					
Twelve months ending December 31 (\$ thousands)	2019 ACTUAL	2020 BUDGET	2021 BUDGET	Change	
				Incr/(Decr)	%
Administration	157	75	32	(43)	(57.3%)
Capital infrastructure contributions	37,310	80,387	91,305	10,918	13.6%
Contracted Services	5,371	5,827	5,876	49	0.8%
Insurance	1,014	1,224	1,312	88	7.2%
Maintenance, Materials and Utilities	48,389	36,358	40,253	3,895	10.7%
Professional and Legal	1,197	1,829	1,529	(300)	(16.4%)
Rentals, Leases and Property Tax	285	228	336	108	47.4%
Salaries, Wages and Benefits	1,360	1,613	1,432	(181)	(11.2%)
<b>Total Expenses by Category</b>	<b>95,083</b>	<b>127,541</b>	<b>142,075</b>	<b>14,534</b>	<b>11.4%</b>

The 2021 Roads and Bridges budget of \$142.1 million is \$14.5 million (11.4 per cent) higher than the 2020 budget. The increase is mainly due to higher and timing of contributions to support municipal capital infrastructures as committed in the Phase Two Investment Plan and increased bridge maintenance contract costs.

The Roads and Bridges 2021 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 the Phase One and Phase Two Investment Plans;
- 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;
- Continue to make progress towards implementing a regional permit system for oversize-overweight vehicles;
- Maintain and perform ongoing operations, inspections and rehabilitation on all TransLink owned bridges;
- Complete deck rehabilitation detailed design for the Knight Street Bridge;
- Develop a maintenance plan to address operational concerns on the Westham Island Bridge; and
- Manage the Golden Ears Bridge concession agreement and perform annual audits of Concessionaire performance.

## Amortization

The 2021 budget for amortization expense increased \$5.6 million (2.3 percent) in comparison to the 2020 budget. Main capital projects that contribute to the increase in amortization expense in 2021 include SkyTrain vehicle refurbishments, bus farebox replacements as well as station upgrades and rail infrastructure projects.

## **Interest**

Interest expense of \$180.5 million is \$4.8 million (2.6 per cent) lower than the 2020 budget mostly due to significantly lower interest rates on the debt raised in 2019 and 2020 and lower short term debt balances, partly offset by lower capitalized interest credit due to lower capital spending.

## **Corporate – One-time**

Corporate one-time costs in the 2021 budget are \$25.2 million, mainly consisting of feasibility studies (\$8.0 million), contingency provision (\$5.0 million), costs in capital projects that are not eligible for capitalization (\$5.7 million), RapidBus expansion (\$2.5 million), Regional Transportation Strategy development (\$1.7 million), Flexible Service Piloting Program (\$1.1 million) and other miscellaneous items.

## 7. Investment in Capital Assets

Summary of Capital, by Program (\$ thousands)	Total Project Budget			2021 Capital Cash Flow		
	Gross Cost	Less: Funding *	Translink Net Cost	Gross Cost	Less: Funding *	Translink Net Cost
<b>2021 New Capital Program</b>						
Equipment	6,793	-	6,793	349	-	349
Facilities	5,204	-	5,204	4,850	-	4,850
Infrastructure	466,707	(193,091)	273,616	66,922	(10,773)	56,149
Major Construction	6,000	-	6,000	6,000	-	6,000
Technology	12,475	-	12,475	7,279	-	7,279
Vehicles	114,333	(100,224)	14,109	7,813	(5,536)	2,277
Contingency	10,000	-	10,000	10,000	-	10,000
<b>2021 New Capital Program Total</b>	<b>621,512</b>	<b>(293,315)</b>	<b>328,197</b>	<b>103,213</b>	<b>(16,309)</b>	<b>86,904</b>
<b>Active/Approved in Principle (AIP) Capital</b>						
Equipment	256,270	(36,376)	219,894	79,476	(8,292)	71,184
Facilities	114,969	(34,167)	80,802	54,789	(22,483)	32,306
Infrastructure	591,127	(219,604)	371,523	143,632	(43,885)	99,747
Major Construction	3,277,334	(1,644,294)	1,633,040	222,454	(126,279)	96,175
Technology	148,076	-	148,076	47,306	-	47,306
Vehicles	567,005	(515,307)	51,698	100,249	(84,681)	15,568
<b>Active/Approved in Principle (AIP) Capital Total</b>	<b>4,954,781</b>	<b>(2,449,748)</b>	<b>2,505,033</b>	<b>647,906</b>	<b>(285,620)</b>	<b>362,286</b>
<b>Total Capital</b>						
Equipment	263,063	(36,376)	226,687	79,825	(8,292)	71,533
Facilities	120,173	(34,167)	86,006	59,639	(22,483)	37,156
Infrastructure	1,057,834	(412,695)	645,139	210,554	(54,658)	155,896
Major Construction	3,283,334	(1,644,294)	1,639,040	228,454	(126,279)	102,175
Technology	160,551	-	160,551	54,585	-	54,585
Vehicles	681,338	(615,531)	65,807	108,062	(90,217)	17,845
Contingency	10,000	-	10,000	10,000	-	10,000
<b>Total Capital Total</b>	<b>5,576,293</b>	<b>(2,743,063)</b>	<b>2,833,230</b>	<b>751,119</b>	<b>(301,929)</b>	<b>449,190</b>
<b>Capital Infrastructure Contributions</b>						
2021 New Program	84,878	-	84,878	24,698	-	24,698
Active and Approved in Principle	303,910	-	303,910	43,407	-	43,407
<b>Capital Infrastructure Contributions Total</b>	<b>388,788</b>	<b>-</b>	<b>388,788</b>	<b>68,105</b>	<b>-</b>	<b>68,105</b>
<b>All Projects</b>	<b>5,965,081</b>	<b>(2,743,063)</b>	<b>3,222,018</b>	<b>819,224</b>	<b>(301,929)</b>	<b>517,295</b>

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

## Overview

TransLink’s capital program is aligned with our current priorities of rebuilding customer ridership, ensuring a state of good repair, while continuing to work on implementing prioritized programs of the Mayors’ 10-Year Vision. The current capital program continues to address emerging state of good repair investments needed to ensure existing assets serve customers and stakeholders safely, effectively and efficiently, while continuing to support the delivery of the Mayors’ 10-Year Vision. 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 2021 new capital program is \$621.5 million plus \$84.9 million for Capital Infrastructure Contributions.

The projected 2021 cash flow for all projects is \$819.2 million, with \$103.2 million for the 2021 New Capital Program, \$647.9 million for existing capital programs and \$68.1 million for Capital Infrastructure Contributions. The net cash impact in 2021 after senior government funding is \$517.3 million.

## 2021 New Capital Program

The 2021 New Capital Program is intended to keep the overall system in a state of good repair, as well as continue the delivery of the Mayors’ 10-Year Vision. The program is also intended to deliver key milestones for major projects and improve customer experience.

Fleet replacement and low carbon fleet strategy related projects are anticipated to be funded by the GVRF at approximately 90%. Several of the larger infrastructure projects are anticipated to be funded by the ICIP program, including the OMC 4 - New Vehicle Maintenance facility, Marpole Transit Centre and Growth in Rail Integration Project (GRIP) and Integrated Program Management. The net capital for the 2021 new capital program is currently forecasted at \$328.2 million.

**Table 1: 2021 New Capital Program (\$ thousands)**

2021 New Capital Program, Project Details		Total Project Budget			2021 Capital Cash Flow		
Classification and Project Name	Program Description	Gross Cost	Less: Funding *	TransLink Net Cost	Gross Cost	Less: Funding *	TransLink Net Cost
<b>Equipment</b>							
ATC Existing equipment replacement - Phase 6	Replace Automatic Train Control (ATC) equipment approaching end-of-life to maintain the ATC System in a state of good repair and upgrade ATC system to enable SkyTrain expansion.	6,120	-	6,120	60	-	60
Metro Vancouver Transit Police Equipment Expansion	Procure additional police equipment (carbines, extended range impact weapons) to ensure the safety of the public and first responders.	103	-	103	103	-	103

2021 New Capital Program, Project Details		Total Project Budget			2021 Capital Cash Flow		
Classification and Project Name	Program Description	Gross Cost	Less: Funding *	TransLink Net Cost	Gross Cost	Less: Funding *	TransLink Net Cost
Rail Switch Machine Test Bench	There are currently an estimated 200 switches approaching end of life within the system. It is recommended that these switches are tested prior to installation. This project covers the purchase of specialized test benches, testing equipment, training and shop equipment.	570	-	570	186	-	186
<b>Equipment Total</b>		<b>6,793</b>	<b>-</b>	<b>6,793</b>	<b>349</b>	<b>-</b>	<b>349</b>
<b>Facilities</b>							
PowerSmart Upgrades - SeaBus - Design	Design the Energy Conservation Measures for the SeaBus Terminals to reduce operating costs and improve environmental sustainability.	696	-	696	342	-	342
SkyTrain Roof Replacement	Detailed design and implementation activities for the replacement of 4 skylights at Stadium China Town Station; the roof replacement at Production Way, Surrey Central SkyTrain Station, and up to 3 sub stations.	4,508	-	4,508	4,508	-	4,508
<b>Facilities Total</b>		<b>5,204</b>	<b>-</b>	<b>5,204</b>	<b>4,850</b>	<b>-</b>	<b>4,850</b>
<b>Infrastructure</b>							
Broadway Station Track Intrusion System Upgrade	Install an optical track intrusion system for Platform 5 at Broadway Station to meet safety recommendations. Currently, all platforms on SkyTrain except this platform have a track intrusion system.	1,800	-	1,800	988	-	988
Burnaby Transit Centre Facility Improvement for Phase 2 Expansion - Design	Design phase for facility improvement to Burnaby Transit Centre to provide capacity expansion to operation, maintenance & service to meet the Phase 1 and 2 of the 10-year Mayors' Vision.	1,647	-	1,647	645	-	645
Bus speed and reliability infrastructure	Provide funding to municipalities to plan, design, and build transit priority infrastructure projects to improve bus speed reliability.	4,243	-	4,243	1,061	-	1,061
CMBC Hoist Asset Renewal Program (ARPG)	Replace a total of 3 hoists at the Surrey Transit Centre.	919	-	919	447	-	447
CMBC Pavement Rehabilitation 2021	Rehabilitate pavement (asphalt) at up to three locations: 3,400 sq. m at Port Coquitlam Station Loop, 4,900 sq. m at Port Coquitlam Transit Centre, and 17,700 sq. m at Richmond Transit Centre.	1,165	-	1,165	23	-	23

2021 New Capital Program, Project Details		Total Project Budget			2021 Capital Cash Flow		
Classification and Project Name	Program Description	Gross Cost	Less: Funding *	TransLink Net Cost	Gross Cost	Less: Funding *	TransLink Net Cost
Columbia SkyTrain Station Upgrades - concept confirmation and lift design	Confirm concepts and lift design for future upgrades to Columbia station to improve accessibility, capacity and passenger flow while improving overall passenger experience.	1,655	-	1,655	895	-	895
Growth in Rail Integration Project (GRIP) and Integrated Program Management	Implementation of mitigation measures to facilitate expansion of the rail portfolio. The measures could include, but not limited to: <ul style="list-style-type: none"> <li>• Upgrades to infrastructure and systems to support the safe introduction of 5-car trains into service.</li> <li>• Independent program management services to ensure successful integration with existing services and expansions associated with the forecasted fleet requirements, onboarding of Surrey Langley Skytrain and Broadway Subway, and related projects.</li> </ul>	96,300	(66,300)	30,000	1,593	-	1,593
Knight Street Bridge - Deck & Sidewalk Rehab - Implementation	<ul style="list-style-type: none"> <li>• Rehabilitate the deck before the onset of corrosion</li> <li>• Replace bearings before failure occurs and to support loading of sidewalk upgrades</li> <li>• Implement sidewalk upgrades to meet modern standards</li> </ul>	15,500	-	15,500	-	-	-
Marpole Transit Centre - Implementation - Phase 1	Implementation for the Marpole Transit Centre. This facility will be designed for the Operation and Maintenance of 300 40' Equivalent (Battery Electric) Buses, Double Decker Buses and to service a diesel fleet at opening.	51,836	(8,000)	43,837	33,047	(1,343)	31,704
OMC 4 - New Vehicle Maintenance facility	Implementation of new maintenance facilities and associated site development works at OMC 4 in order to accommodate the expanded fleet and the additional rail-borne maintenance equipment for the expanded SkyTrain network.	197,000	(69,435)	127,565	6,275	(2,400)	3,875
Port Coquitlam Transit Centre Facility Improvement for Phase 2 Expansion - Design	Design phase for facility improvements to provide capacity expansion to operation, maintenance & service to meet the service capacity requirements of Phases 1 and 2 of the 10-year Mayors' Vision.	1,647	-	1,647	651	-	651
Port Coquitlam Transit Centre Infrastructure to Support Battery Electric Buses	Provide the infrastructure to support 57 on-route charged battery electric buses to be based out of Port Coquitlam Transit Centre that are being purchased as end of life replacement for 57 buses due to be retired in 2023.	30,604	(27,544)	3,060	2,521	(2,269)	252
Replace 3 Escalators	Replace 3 APTA/Transit grade escalators at Commercial Broadway Station.	6,900	(6,210)	690	4,135	(3,722)	413

2021 New Capital Program, Project Details		Total Project Budget			2021 Capital Cash Flow		
Classification and Project Name	Program Description	Gross Cost	Less: Funding *	TransLink Net Cost	Gross Cost	Less: Funding *	TransLink Net Cost
Replace 7 Expo Line Elevators **	Replace 7 Expo Line elevators as prioritized in the Escalators and Elevators Condition Assessment Services report of February 2018: 29th Avenue, Paterson, Edmonds (2), Columbia (2), West Coast Express	11,805	(10,624)	1,180	-	-	-
Richmond Transit Centre Roof Replacement	Replacement of roof membranes at Richmond Transit Centre garage, depot admin area, fuel building, bus wash building, farebox building and facilities maintenance shed.	1,592	-	1,592	46	-	46
2021 Running Rail Replacement	Replace running rail that have reached the end of service life.	12,444	(4,978)	7,466	2,597	(1,039)	1,558
Safety Assurance for Rail Expansion	Safety assurance tasks required to certify the Broadway Subway for revenue service.	1,850	-	1,850	225	-	225
SeaBus Facility and Seawall Rehabilitation Year 1 of 2	Rehabilitation of the North & South SeaBus terminal and Seawall cathodic protection in order to maintain a state of good repair and improve customer experience. This rehabilitation will encompass the Seawall cathodic protection system, elements of the fendering system and the end of life mechanical components.	2,300	-	2,300	2,300	-	2,300
SkyBridge Vertical Floating Rail Joints Replacement	Replacement of 4 vertical joints on the SkyBridge that are at end of service life.	2,086	-	2,086	2,086	-	2,086
SkyTrain Station Power Capacity Phase 1	Increase the power capacity at the Waterfront Station by replacing the electrical power equipment approaching end-of-life to supply power for the growing loads and maintain a state of good repair.	6,678	-	6,678	4,109	-	4,109
Trolley Overhead On-Street Infrastructure State of Good Repair Program 2021	Continue the Trolley Overhead Replacement Program to replace the following: 90-100 Poles; up to 2,100 m U/G cable; 9-10 km running wire & 36-40 switch assemblies; and 1,700-2,500 hangers & ears.	4,607	-	4,607	3,085	-	3,085
Trolley Overhead Rectifier Station State of Good Repair Program	Detailed design and implementation services for the replacement of Oakridge and the refurbishment of Southlands trolley overhead rectifier stations.	10,007	-	10,007	187	-	187
Westham Island Bridge - Howe Truss Replacement	Replace the Timber Howe Truss Span on Westham Island Bridge to address limited redundancy and functional constraints of the existing bridge.	2,122	-	2,122	6	-	6
<b>Infrastructure Total</b>		<b>466,707</b>	<b>(193,091)</b>	<b>273,616</b>	<b>66,922</b>	<b>(10,773)</b>	<b>56,149</b>

2021 New Capital Program, Project Details		Total Project Budget			2021 Capital Cash Flow		
Classification and Project Name	Program Description	Gross Cost	Less: Funding *	TransLink Net Cost	Gross Cost	Less: Funding *	TransLink Net Cost
<b>Major Construction</b>							
Surrey Langley SkyTrain (SLS) Project Development	<ul style="list-style-type: none"> <li>Further definition and project development of SLS Stage 2 Fleetwood to Langley (including reference concept development, planning, engineering, agreements, public and stakeholder engagement, First Nations and environmental analysis)</li> <li>Maintaining readiness to commence procurement of Stage 1</li> <li>Managing Stage 1 advance works and coordination with parallel projects</li> </ul>	6,000	-	6,000	6,000	-	6,000
<b>Major Construction Total</b>		<b>6,000</b>	<b>-</b>	<b>6,000</b>	<b>6,000</b>	<b>-</b>	<b>6,000</b>
<b>Technology</b>							
BCRTC Software Application Renewal Program	Migrate the MyBCRTC employee intranet to a modern, vendor-supported content management system.	519	-	519	519	-	519
Claims Management System Replacement	Replace the current Claims Management system before the underlying technology becomes unsupported in October 2021.	812	-	812	812	-	812
CMBC CloudSuite Enterprise Asset Management Implementation	As part of the ERP Program, migrate CMBC from their current Enterprise Asset Management platform to a Cloud solution.	750	-	750	375	-	375
Enterprise Emergency Communication System Implementation	Implement a system to notify and engage impacted stakeholder groups during an emergency event that might risk their safety, limit system use or otherwise cause disruption to services.	500	-	500	445	-	445
Enterprise IT Security End-point Protection System Implementation	Replace current antimalware software with more advanced endpoint protection (EPP) software to mitigate risk of cyber-attack.	1,494	-	1,494	620	-	620
IT Infrastructure Refresh	Replace IT technology infrastructure equipment (e.g. network, end-user computing, and data centre hardware) in line with defined enterprise equipment lifecycles to ensure a state of good repair.	7,400	-	7,400	3,546	-	3,546
Provincial Digital Evidence Management Solution Implementation	The BC Public Safety & Justice System, under a Ministerial order, will implement a provincial digital evidence management solution across all police agencies, including Transit Police.	500	-	500	462	-	462

2021 New Capital Program, Project Details		Total Project Budget			2021 Capital Cash Flow		
Classification and Project Name	Program Description	Gross Cost	Less: Funding *	TransLink Net Cost	Gross Cost	Less: Funding *	TransLink Net Cost
TransLink Analytics Program	Continues the 2019 and 2020 Program delivering data analytics to support strategic, tactical and operational decision making across the enterprise.	500	-	500	500	-	500
<b>Technology Total</b>		<b>12,475</b>	<b>-</b>	<b>12,475</b>	<b>7,279</b>	<b>-</b>	<b>7,279</b>
<b>Vehicles</b>							
2021 BCRTC Service Support Vehicles (SSV) Expansion	Procure and outfit 3 SSVs (2 compact utility vehicles and 1 forklift) required to provide transportation for staff and equipment used for day-to-day function and emergency responses. This is required due to the recent increase in BCRTC staff levels to maintain current system.	241	-	241	241	-	241
2023 Conventional Bus Replacement - 57 BEBs***	Replace existing fifty-seven 40-foot buses which will reach end of their useful service life in 2023 with battery-electric buses (BEBs).	88,740	(79,866)	8,874	-	-	-
Community Shuttle Replacement - 64 Buses***	Replace existing sixty-four Community Shuttle buses which will reach the end of their useful service life in 2022.	15,900	(14,310)	1,590	-	-	-
Expansion of 5 Transit Police Non-Revenue Vehicles	Expand the Metro Vancouver Transit Police Fleet by 5 to provide vehicle resources to our Community Safety Officer (CSO) Program, Targeted Mobile Enforcement Team (TMET), and Patrol Section.	436	-	436	436	-	436
Replacement of 44 HandyDART Vehicles	Replace existing 44 HandyDART buses which will reach the end of their useful service life in 2022.	6,720	(6,048)	672	6,151	(5,536)	615
Replacement of 6 BCRTC Service Support Vehicles (SSV)	Replace existing six existing BCRTC SSVs which have reached the end of their useful service life.	411	-	411	411	-	411
Replacement of 6 Transit Police Non-Revenue Vehicles	Replace existing six Transit Police Vehicles which have reached the end of their useful service life.	490	-	490	490	-	490
Service Support Vehicles Replacement - 22 Vehicles	Replace existing 22 Service Support vehicles which have reached the end of their useful service life.	1,395	-	1,395	84	-	84
<b>Vehicles Total</b>		<b>114,333</b>	<b>(100,224)</b>	<b>14,109</b>	<b>7,813</b>	<b>(5,536)</b>	<b>2,277</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>-</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>

2021 New Capital Program, Project Details		Total Project Budget			2021 Capital Cash Flow		
Classification and Project Name	Program Description	Gross Cost	Less: Funding *	TransLink Net Cost	Gross Cost	Less: Funding *	TransLink Net Cost
<b>Grand Total</b>		<b>621,512</b>	<b>(293,315)</b>	<b>328,197</b>	<b>103,213</b>	<b>(16,309)</b>	<b>86,904</b>

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

\*\*Project cash flows are expected to start in 2022.

\*\*\*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 2022.

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

Capital projects already approved and underway have a total budget of \$5.0 billion. Anticipated senior government contributions total \$2.5 billion, leaving the net cost forecasted at \$2.5 billion. The spending forecast in 2021 is \$647.9 million, with senior government funding of \$285.6 million, and net spending of \$362.3 million.

Most of the spending is for Major Construction Programs (\$222.5 million), Infrastructure programs (\$143.6 million) and Fleet Replacement and Expansion programs (\$100.2 million) that 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			2021 Capital Cash Flow		
Classification and Project Name	Program Description	Gross Cost	Less: Funding *	Translink Net Cost	Gross Cost	Less: Funding *	Translink Net Cost
<b>Equipment</b>							
ATC Existing Equipment Replacement Phase 3 & Phase 4	Replace Automatic Train Control (ATC) equipment to improve system reliability and maintain state of good repair.	59,120	-	59,120	16,477	-	16,477
CMBC Facilities Camera Replacement	Replace end-of-life security camera and surveillance systems at CMBC facilities, SeaBus facilities and vessels.	1,600	-	1,600	1,597	-	1,597
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	601	-	601
CMBC Hoist Replacement	Replace three hoists identified at the Surrey Transit Centre to align with Sandwell Hoist Replacement Program.	800	-	800	752	-	752
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	1,966	-	1,966
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	781	-	781
Farebox Replacement	Replacement of bus fleet Cubic farebox equipment which is at end of useful service life for approximately 1,700 buses.	16,633	-	16,633	12,489	-	12,489
Millennium Line Fire and Life Safety Systems (FLSS) Equipment Replacement	Installation of Fire Safety system in Millennium Line.	9,250	-	9,250	3,875	-	3,875

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2021 Capital Cash Flow		
Classification and Project Name	Program Description	Gross Cost	Less: Funding *	Translink Net Cost	Gross Cost	Less: Funding *	Translink Net Cost
Onboard Technology Assets Program (OTAP)	Upgrade technologies onboard CMBC's fleet of vehicles including radio systems, vehicle logic units and camera systems.	81,600	(20,732)	60,868	20,814	(8,251)	12,563
Rail-borne 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	3,677	-	3,677
Replacement of Hegenscheidt Underfloor Lathe	Replace the Hegenscheidt Wheel Lathe that has reached the end of its service life.	4,710	-	4,710	2,210	-	2,210
Replacement of Rotary Grinder	Replace rail grinding equipment to ensure timely scheduled grinding under the maintenance program.	17,357	-	17,357	3,553	-	3,553
SkyTrain Advanced Radio System Phase 1&2	Conceptual and detailed design work and implementation of 3rd party radio services.	22,760	(8,044)	14,716	1,132	(41)	1,091
SkyTrain Customer and Operations Telecommunications Upgrade Phase 1 - 4	Modernize train communications and complete integration of all SkyTrain Customer and Operations Telecommunications Subsystems to address obsolescence issues and support train expansion.	24,959	(7,114)	17,845	6,153	-	6,153
SkyTrain Physical Security System	Upgrade and expand the existing Keyscan access control system, replace the key management system and replace and expand the key safes.	7,704	(486)	7,218	3,399	-	3,399
<b>Equipment Total</b>		<b>256,270</b>	<b>(36,376)</b>	<b>219,894</b>	<b>79,476</b>	<b>(8,292)</b>	<b>71,184</b>
<b>Facilities</b>							
BCRTC OMC 1 and 2 Space Optimization Modernization	Renovation to optimize and modernize BCRTC's workplace and facilities.	8,000	-	8,000	3,797	-	3,797
BTS Office Move to Metrotown	To move three BTS programs (OTAP, ERP and DOMS) to Metrotown.	1,081	-	1,081	2,594	-	2,594
Burnaby Transit Centre FOH Electric Shop and Lunch room Upgrades	Fleet Overhaul (FOH) maintenance lunch room implementation	1,530	-	1,530	1,195	-	1,195
Bus Facility Customer Amenities Improvement Program	Upgrade and maintenance of customer amenities at TransLink's bus facilities and infrastructure.	6,573	-	6,573	1,581	-	1,581
Canada Line Capstan Station Project	Design, construction, testing and commissioning of the new Richmond Capstan Station on Canada Line.	50,953	(29,173)	21,780	20,916	(19,334)	1,582
Facilities Metro Vancouver Transit Police Hub Offices	Acquisition of a front facing hub office space at the Metro Vancouver Transit Police Bridgeport location.	511	-	511	266	-	266

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2021 Capital Cash Flow		
Classification and Project Name	Program Description	Gross Cost	Less: Funding *	Translink Net Cost	Gross Cost	Less: Funding *	Translink Net Cost
Facility Retrofit Projects - Burnaby Transit Centre Stores	Address hazardous materials abatement and carousel storage system replacement at Burnaby Transit Centre building.	2,100	-	2,100	1,701	-	1,701
Facility Upgrades to Accommodate Double Decker Buses	The upgrade of Hamilton Transit Centre to allow for repairs after motor vehicle accidents and major maintenance of the double decker bus fleet.	2,650	-	2,650	-	-	-
Metro Vancouver Transit Police Headquarters Expansion	Expansion and renovation of existing office facilities to accommodate additional workplace requirements of the Metro Vancouver Transit Police.	1,003	-	1,003	141	-	141
OMC 2 Completion Project	Expansion of the Operations and Maintenance Centre to facilitate additional industrial workshop space.	2,870	-	2,870	330	-	330
OMC Perimeter Security Upgrade	Design and development of the perimeter security upgrade at the Operations and Maintenance Centre.	1,990	-	1,990	1,555	-	1,555
PowerSmart Upgrades	Implement PowerSmart Upgrades (PSU) relating to Energy Conservation Measures (ECMs) for the 307 Columbia St. building and parking area.	159	-	159	31	-	31
Pre-design and Detailed Design of Marpole Transit Centre	Pre-design and engineering design work related to the Marpole Transit Centre (MTC) in support of mobilizing the Mayors' Vision.	15,485	(4,994)	10,491	10,130	(3,149)	6,981
SeaBus Facility Upgrades - Design	Design work for updating the essential auxiliary spaces and equipment, including the installation of an elevator within SeaBus North Terminal.	2,805	-	2,805	933	-	933
SeaBus Terminals Interior Refurbishment	Refurbishments to the passenger environment in North and South SeaBus Terminals.	17,259	-	17,259	9,619	-	9,619
<b>Facilities Total</b>		<b>114,969</b>	<b>(34,167)</b>	<b>80,802</b>	<b>54,789</b>	<b>(22,483)</b>	<b>32,306</b>
<b>Infrastructure</b>							
2019 - 2020 Trolley Overhead State of Good Repair	Continued investment in the Trolley Overhead program in state of good repair replacements.	9,445	(1,169)	8,276	2,163	-	2,163
2020 CMBC Paving Rehabilitation	Rehabilitation of asphalt pavement at Richmond Transit Centre, Bridgeport Exchange and Production Way stations.	1,370	-	1,370	1,266	-	1,266

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2021 Capital Cash Flow		
Classification and Project Name	Program Description	Gross Cost	Less: Funding *	Translink Net Cost	Gross Cost	Less: Funding *	Translink Net Cost
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	559	-	559
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	4,990	-	4,990
Brentwood SkyTrain Station Upgrades – Phase 1 and 2	Upgrade to improve the weather protection, amenities and elevator at Brentwood SkyTrain station's rail and bus facilities.	24,370	(23,455)	915	15,249	(15,249)	-
Broadway Station Track Intrusion System Upgrade	To Design and Implement Track Intrusion System at Broadway Station on Platform 5	400	-	400	139	-	139
Burnaby Mountain Gondola Transit	Further design, planning and partner engagement for a potential gondola from the Millennium Line to Simon Fraser University Burnaby campus.	2,200	-	2,200	1,320	-	1,320
Burrard Station Upgrade	Design and upgrade Burrard Station for increased capacity and passenger flow.	72,000	(68,400)	3,600	6,580	(5,757)	823
Bus Speed and Reliability	Provide funding to municipalities to improve bus speed and reliability infrastructure.	6,552	-	6,552	507	-	507
Edmonds Operations and Maintenance Centre (OMC) Capacity Upgrade	Improvements to the SkyTrain Operations and Maintenance Centre at Edmonds.	80,260	(78,349)	1,911	22,423	(18,368)	4,055
Expo Line Elevator Replacement	Upgrade or replace 20 Expo Line elevators, including West Coast Express and Operations and Maintenance Centre yard, as prioritized in the Escalators and Elevators Condition Assessment Services.	16,035	-	16,035	7,261	-	7,261
Expo Line Escalator Replacement - Accelerated Program	To replace the end of service life Expo Line escalators.	83,521	(14,517)	69,004	20,574	-	20,574
Expo Line Surrey Power Rail Replacement	Replacement of 8.6 km 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	10,424	-	10,424
Expo Line Traction Power Equipment Replacement	Replace and recondition traction power equipment to current technology for 15 substations.	20,547	-	20,547	7,450	-	7,450

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2021 Capital Cash Flow		
Classification and Project Name	Program Description	Gross Cost	Less: Funding *	Translink Net Cost	Gross Cost	Less: Funding *	Translink Net Cost
Expo Line Tunnels Ventilation System Rehabilitation	Condition assessment and design of tunnel ventilation systems requiring repair and upgrade for the Expo Line.	6,165	(451)	5,714	2,160	-	2,160
Investments in Transit Priority on Priority Rapid Bus Corridors – Phase 1 and 2	Implement transit priority measures, upgrades to bus stops, terminals and depot improvements to accommodate service for various new and existing Rapid Bus Lines.	78,671	(1,106)	77,565	5,800	-	5,800
Knight Street Bridge Rehabilitation Project	Rehabilitation of Knight Street Bridge deck to maintain optimal structural condition.	2,000	-	2,000	865	-	865
Lonsdale Quay Exchange Upgrade	Design and implementation of improvements to passenger environment in bus loop and North SeaBus Terminal.	14,686	(7,343)	7,343	1,523	(761)	762
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	1,250	-	1,250
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	3,460	-	3,460
Pattullo Bridge Upgrade	Design for structural seismic upgrade work on the Pattullo Bridge.	55,000	-	55,000	2,165	-	2,165
Phibbs Exchange Upgrade	Upgrade Phibbs bus exchange for safety and customer and vehicle capacity.	6,500	(3,750)	2,750	3,980	(3,750)	230
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	9	-	9
Running Rail Replacement – 2019 and 2020	Replace running rail that have reached the end of service life.	15,910	-	15,910	8,616	-	8,616
SkyBridge Vertical Joint Replacement – Material Procurement Only	Replacement of vertical expansion joints for the SkyBridge that connects the Expo Line over the Fraser River	586	-	586	11	-	11
Skytrain Passenger Information Displays (PIDS) Upgrade	Procurement and replacement of the SkyTrain Platform LEDs, Station Entrance Emergency Information Panels and Closed Circuit Television (CCTV) cameras and public address systems at select Expo and Millennium Line stations.	45,150	(21,064)	24,086	3,136	-	3,136

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2021 Capital Cash Flow		
Classification and Project Name	Program Description	Gross Cost	Less: Funding *	Translink Net Cost	Gross Cost	Less: Funding *	Translink Net Cost
TransLink Owned Bicycle Infrastructure	Rehabilitate and upgrade regional cycling routes, bike parking at transit facilities and install bike counters across the region.	9,500	-	9,500	5,962	-	5,962
Translink Owned Bike Infrastructure	Rehabilitate and upgrade regional cycling routes, bike parking at transit facilities and install bike counters across the region.	3,299	-	3,299	1,623	-	1,623
Waterfront Station Power Systems Upgrade	To Upgrade Power System Core Capacity from 400 KVA to 750 KVA	660	-	660	43	-	43
Yard Track Reconditioning	Reconditioning the existing yard tracks and track switches.	3,095	-	3,095	2,124	-	2,124
<b>Infrastructure Total</b>		<b>591,127</b>	<b>(219,604)</b>	<b>371,523</b>	<b>143,632</b>	<b>(43,885)</b>	<b>99,747</b>
<b>Major Construction</b>							
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).	117,270	(74,656)	42,614	9,816	(9,773)	43
Broadway Subway Project Transit Plan	To build bypass trolley overhead infrastructure for impacted bus routes during construction.	9,590	(9,590)	-	2,656	-	2,656
EMUP - Optical Transportation Network	Improvements to the fibre optic network for SkyTrain communications.	10,700	(3,344)	7,356	-	-	-
EMUP - Propulsion Power Upgrades Expo and Millennium Lines-Design	Improvements to rectifier substations at several SkyTrain stations and OMC.	96,300	(89,328)	6,972	21,974	(21,739)	235
Evergreen Extension Integration to Meet Current Standards	Project scope is to address safety/reliability issues, systems deficiencies and current standards for bicycle infrastructure.	8,274	(94)	8,180	620	-	620
EMUP - Fleet Acquisition	Procure 205 new cars for the Expo and Millennium Lines as part of the Phase 2 Investment Plan. The new SkyTrain cars are required to allow for the retirement of 150 Mark I Vehicles and to support capacity expansion to meet projected passenger demand.	931,600	(762,628)	168,972	74,424	(59,605)	14,819

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2021 Capital Cash Flow		
Classification and Project Name	Program Description	Gross Cost	Less: Funding *	Translink Net Cost	Gross Cost	Less: Funding *	Translink Net Cost
Operations and Maintenance Centre 4 (OMC 4) - Design and Acquisition	Develop a facility to accommodate the expanded fleet and reduce the need for overnight storage on mainline tracks.	369,600	(85,810)	283,790	61,318	(11,595)	49,723
SkyTrain Operation Control Centre	The design, construction and commissioning of a new/upgraded Operations Control Centre (OCC)	106,000	(56,003)	49,997	29,115	(15,600)	13,515
Surrey-Langley SkyTrain (SLS) Project**	Design and development of a 16 km extension of the Expo Line SkyTrain system connecting Surrey Centre with Langley City Centre. The project is proposed to be delivered in stages with the first stage connecting the Fleetwood Town Centre in Surrey.	1,628,000	(562,841)	1,065,159	22,531	(7,967)	14,564
<b>Major Construction Total</b>		<b>3,277,334</b>	<b>(1,644,294)</b>	<b>1,633,040</b>	<b>222,454</b>	<b>(126,279)</b>	<b>96,175</b>
<b>Technology</b>							
2018-2019 TransLink Software Application Renewal Program	Renewal and replacement of software applications as per the Lifecycle Management and Renewal program.	2,884	-	2,884	1,066	-	1,066
2018-2020 IT Infrastructure Refresh	Continued investment in technology infrastructure to renew capital leases, replace owned assets, accommodate new headcount and provide for growth.	18,698	-	18,698	6,206	-	6,206
2019-2020 Transportation Analytics Program	To provide ridership and congestion information and analytics to support BCRTC to optimize network performance through improved planning and operations.	1,400	-	1,400	516	-	516
Access Transit Trapeze PASS - Additional Modules	Implement additional Trapeze PASS modules: Itinerary Planning Assistant, Web Booking (PASS-WEB) and Operational Performance Monitoring/Reporting (ViewPoint).	1,660	-	1,660	1,131	-	1,131
BCRTC Enterprise Asset Management	Implement an Enterprise Asset Management system to enable the effective control of SkyTrain system and maintenance processes.	45,500	-	45,500	18,441	-	18,441
BCRTC Payroll, Scheduling and Timekeeping	Modernizing BCRTC and West Coast Express payroll systems through transition to the Enterprise Payroll Services.	5,910	-	5,910	1,826	-	1,826
BCRTC Software Application Renewal Program	Migration of enterprise software applications to SQL server for data resiliency and usability.	850	-	850	850	-	850

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2021 Capital Cash Flow		
Classification and Project Name	Program Description	Gross Cost	Less: Funding *	Translink Net Cost	Gross Cost	Less: Funding *	Translink Net Cost
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.	27,435	-	27,435	6,732	-	6,732
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	369	-	369
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.	3,598	-	3,598	1,342	-	1,342
Finance Enterprise Resource Planning (ERP)	Implementation of a Finance and Supply Chain Enterprise Resource Planning (ERP) business solution.	26,000	-	26,000	6,211	-	6,211
OMC1 3rd Floor Server Room Upgrade	Upgrade and expansion to the Video Cassette Recorder room at Operations and Maintenance Centre.	1,247	-	1,247	217	-	217
Responsive Website	Develop a responsive corporate website joined or integrated into to the new responsive translink.ca. The agile project will perform a content audit, develop the information architecture, conduct user experience testing, and complete design and technical development.	2,000	-	2,000	32	-	32
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	1,992	-	1,992
TransLink Enterprise Assets Management	Provide a strategic-level investment decision-support tool for enterprise assets.	6,794	-	6,794	375	-	375
<b>Technology Total</b>		<b>148,076</b>	<b>-</b>	<b>148,076</b>	<b>47,306</b>	<b>-</b>	<b>47,306</b>
<b>Vehicles</b>							
2016 Conventional Bus Replacement	This project is to replace 111 conventional 40ft and 60ft buses that reached end of useful service lives with 25-40ft CNG, 60-40ft diesel and 26-60ft diesel buses.	90,883	(82,624)	8,259	400	(100)	300
2017 HandyDART Vehicle Replacement	Replace 35 HandyDART buses that reached end of service by 2017.	4,900	(4,410)	490	6	-	6

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2021 Capital Cash Flow		
Classification and Project Name	Program Description	Gross Cost	Less: Funding *	Translink Net Cost	Gross Cost	Less: Funding *	Translink Net Cost
2018 CMBC Trolley Overhead Truck Replacement	Replacement of six end of service Trolley Overhead trucks to support overhead network maintenance, repair and construction.	2,424	-	2,424	793	-	793
2018 HandyDART Vehicle Replacement	Replacement of 40 HandyDART vehicles that have reached the end of service.	5,620	(5,605)	15	5	-	5
2019 CMBC Trolley Overhead 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	2,372	-	2,372
2019 Conventional Bus Expansion	Purchase 54 conventional buses required to implement the 2019 service expansion as part of the Mayors' Vision.	74,602	(73,800)	802	250	-	250
2019 Conventional Bus Replacement (Double Decker)	Replacement of 27 end of service 40-foot high floor conventional buses with 27 double-decker low-floor buses.	33,922	(30,000)	3,922	300	-	300
2020 Community Shuttle Expansion	Purchase nine Community Shuttle vehicles to expand community service.	2,471	(2,000)	471	2,100	(1,614)	486
2020 Conventional Bus Expansion	Purchase 68 expansion conventional buses required to implement Phase 2 service expansion.	100,740	(97,784)	2,956	10,002	(7,895)	2,107
2020 Conventional Bus Replacement	Replacement of end-of-life Orion V model 2001 Highway buses with 25 ADI Double-decker buses.	32,500	(29,080)	3,420	28,990	(26,124)	2,866
2020 HandyDART Expansion	Purchase 10 HandyDART vehicles for service expansion.	1,600	(1,440)	160	1,600	(1,554)	46
2020 HandyDART Vehicle Replacement	Replacement of 42 end of service HandyDART vehicles.	6,300	(6,130)	170	6,007	(5,844)	163
2021 Community Shuttle Expansion	Purchase 9 Community Shuttle vehicles to support the service expansion throughout Metro Vancouver as per Phase 2 Investment Plan of the 10-year Mayors' vision.	2,600	(2,440)	160	2,599	(2,440)	159
2021 Community Shuttle Replacement	Procure 53 Community Shuttle buses to replace existing shuttles that will reach the end of their useful service lives in 2021.	14,101	(13,690)	411	14,097	(13,690)	407
2021 Conventional Bus Expansion	Purchase thirty articulated 60' hybrids, thirty-nine - 40' hybrids, and nine - 40' electric expansion buses.	111,790	(107,820)	3,970	42	(40)	2
2021 HandyDART Expansion	Purchase 10 HandyDART vehicles which will allow TransLink to implement service expansion as per the Mayors' Vision.	1,610	(1,560)	50	1,534	(1,534)	-

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2021 Capital Cash Flow		
Classification and Project Name	Program Description	Gross Cost	Less: Funding *	Translink Net Cost	Gross Cost	Less: Funding *	Translink Net Cost
2021 HandyDART Replacement	Procure and replace 42 HandyDART vehicles which have reached end of asset service life.	6,550	(6,380)	170	6,259	(6,259)	-
Additional SeaBus Vessel - Burrard Chinook	Design and upgrade Burrard Station for increased capacity and passenger flow.	29,000	(14,200)	14,800	2,606	(1,256)	1,350
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
CMBC Service Support Vehicle (SSV) Replacement	Purchase and outfit of 18 replacement SSVs for CMBC as replacement for asset at end of service life.	1,225	-	1,225	1,225	-	1,225
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.	10,000	(6,892)	3,108	120	-	120
MKI refurbishment	Refurbishment of 36 MK I 500-800 series cars in order to allow the continuity of safe, reliable and comfortable SkyTrain services.	10,000	(9,000)	1,000	8,346	(6,535)	1,811
WCE Fleet Procurement	Procure train cars for expanding service on the West Coast Express rail network.	20,967	(20,452)	515	9,796	(9,796)	-
<b>Vehicles Total</b>		<b>567,005</b>	<b>(515,307)</b>	<b>51,698</b>	<b>100,249</b>	<b>(84,681)</b>	<b>15,568</b>
<b>Grand Total</b>		<b>4,954,781</b>	<b>(2,449,748)</b>	<b>2,505,033</b>	<b>647,906</b>	<b>(285,620)</b>	<b>362,286</b>

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

\*\* Surrey-Langley SkyTrain Project is subject to approval from the Mayor's council through a formalized new Investment Plan.

## 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 will maintain substantially the same level of contributions to the Major Road Network upgrades and structure rehabilitation program in 2021 as prior year, along with additional spending for expanding the regional bike network. Work related to the program will begin in 2021, invoicing will occur approximately one year after completion. TransLink is budgeting new capital contribution funding of \$84.9 million to municipalities for road and bike infrastructure. Projects already approved and underway have a budget of \$303.9 million, which with the 2021 capital infrastructure contributions, total \$388.8 million.

**Table 3: Capital Infrastructure Contribution Projects Planned for 2021 (\$ thousands)**

Classification and Project name	Description	Total Project Budget	2021 Capital Cash Flow
<b>2021 New Program</b>			
Expanding and upgrading the network of municipal designated (Regional) cycling routes (Expansion) (BICCS)	2021 funding for the expansion of the cycling network in the region.	15,470	-
Major Road Network (MRN) Pavement Rehabilitation	2021 contribution program to member municipalities for pavement rehabilitation.	24,948	24,698
Major Road Network (MRN) Structures - Seismic Upgrades (Expansion)	2021 additional contribution to member municipalities for seismic road network rehabilitation.	15,210	-
Major Road Network and Bike (MRNB) Capital Program	2021 additional contribution to member municipalities for upgrades to the road network	23,400	-
Walking Infrastructure to Transit (WITT)	2021 funding for the expansion of the walking infrastructure network in the region.	5,850	-
<b>Grand Total</b>		<b>84,878</b>	<b>24,698</b>

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

Classification and Project name	Description	Total Project Budget	2021 Capital Cash Flow
<b>Active and Approved in Principle</b>			
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	244
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	2,082
2016 Major Road Network and Bike MRNB Capital Program	2016 contribution program to member municipalities for pavement rehabilitation, and road and bike infrastructure upgrades.	23,784	2,114
2017 MRN Pavement Rehabilitation	2017 contribution program to member municipalities for pavement rehabilitation.	15,725	198
2017 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.	20,555	8,458
2017 Walking Infrastructure to Transit (WITT) Funding Program	2017 funding for the expansion of the walking infrastructure network in the region.	2,500	1,053
2018 Bicycle Infrastructure Capital Cost Sharing Funding Program	2018 funding for the expansion of the cycling network in the region.	15,148	2,478
2018 Major Road Network and Bike MRNB Upgrade Minor Capital Funding Program	2018 additional contribution to member municipalities for upgrades to the road network.	21,404	7,136
2018 MRN Structures Funding Program (MRN)	2018 additional contribution to member municipalities for seismic road network rehabilitation.	19,500	7,261
2018 Walking Infrastructure to Transit Funding Program	2018 funding for the expansion of the walking infrastructure network in the region.	5,000	870
2019 Bicycle Infrastructure Capital Cost Share (BICCS)	2019 funding for the expansion of the cycling network in the region.	15,269	3,328

Classification and Project name	Description	Total Project Budget	2021 Capital Cash Flow
2019 MRN Pavement Rehabilitation Program	2019 contribution program to member municipalities for pavement rehabilitation.	23,551	234
2019 MRN Structures - Seismic Rehab	2019 additional contribution to member municipalities for seismic road network rehabilitation.	5,005	1,260
2019 MRNB Capital Program/Upgrades	2019 additional contribution to member municipalities for upgrades to the road network.	17,997	4,307
2019 Walking Infrastructure to Transit (WITT) Funding Program	2019 funding for the expansion of the walking infrastructure network in the region.	5,000	1,240
2020 Bicycle Infrastructure Capital Cost Share (BICCS)	2020 funding for the expansion of the cycling network in the region.	15,897	416
2020 Major Road Network (MRN) Structures Rehabilitation and Seismic Upgrade Program	2020 additional contribution to member municipalities for seismic road network rehabilitation.	22,615	568
2020 Major Road Network and Bike (MRNB) Capital Program	2020 additional contribution to member municipalities for upgrades to the road network.	21,727	-
2020 Walking Infrastructure to Transit (WITT)	2020 funding for the expansion of the walking infrastructure network in the region.	5,516	160
<b>Grand Total</b>		<b>303,910</b>	<b>43,407</b>

## 8. Changes in Financial Position

<b>Consolidated Statement of Financial Position</b>			
As at December 31	2020	2021	Change
(\$ thousands)	BUDGET <sup>1</sup>	BUDGET	Incr/(Decr)
Cash and cash equivalents	313,709	522,504	208,795
Accounts receivable	154,945	110,600	(44,345)
Loan receivable	127,997	64,670	(63,327)
Restricted cash and cash equivalents and investments	897,517	1,178,559	281,042
Investments	52,218	91,833	39,615
Debt reserve deposits	28,455	26,285	(2,170)
<b>Financial Assets</b>	<b>1,574,841</b>	<b>1,994,451</b>	<b>419,610</b>
Accounts payable and accrued liabilities	264,350	301,229	36,879
Debt	3,136,790	3,268,456	131,666
Deferred government transfers	1,117,012	1,226,620	109,608
Golden Ears Bridge contractor liability	1,024,302	1,013,077	(11,225)
Deferred concessionaire credit	455,838	432,565	(23,273)
Employee future benefits	145,675	157,148	11,473
Deferred revenue and deposits	63,120	102,046	38,926
Deferred lease inducements	13,512	13,772	260
<b>Liabilities</b>	<b>6,220,599</b>	<b>6,514,913</b>	<b>294,314</b>
<b>Net Debt</b>	<b>(4,645,758)</b>	<b>(4,520,462)</b>	<b>125,296</b>
Tangible capital assets	6,204,409	6,204,870	461
Supplies inventory	92,669	98,601	5,932
Prepaid expenses	32,888	26,200	(6,688)
<b>Non-Financial Assets</b>	<b>6,329,966</b>	<b>6,329,671</b>	<b>(295)</b>
<b>Accumulated Surplus</b>	<b>1,684,208</b>	<b>1,809,209</b>	<b>125,001</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 expenditures during 2021 expected to result in a net increase of \$0.5 million (0.0 percent) in capital assets in comparison to the 2020 budget. Capital spending delayed in 2020 are planned to be carried out in 2021, with capital spending originally anticipated in 2021 being correspondingly delayed into the future years. Projects forecasting significant spending in 2021 include Expo and Millennium Line upgrades, conventional bus replacements and equipment, rail fleet expansion and refurbishment, station upgrades, and rail infrastructure projects including the Surrey Langley SkyTrain and OMC 4 storage facility.

## 9. Liquidity and Capital Resources

### Cash Flows and Liquidity

Unrestricted cash and investments are expected to increase by \$248.4 million compared to the 2020 budget. The 2020 budget showed a lower balance than actual because of a higher actual cash balance carry over from 2019. Cost reductions, lower capital spending and the anticipated receipt of Senior Government relief funding are all projected to help maintain TransLink's unrestricted cash and investment balances at healthy levels by the end of 2021. This will provide liquidity to manage further reductions in revenue if economic recovery is slower than projected in 2021.

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

<b>UNRESTRICTED CASH AND INVESTMENTS</b>			
As at December 31	2020	2021	Change
(\$ thousands)	BUDGET	BUDGET	Incr/(Decr)
Cash and cash equivalents	313,709	522,504	208,795
Investments	52,218	91,833	39,615
<b>Total Unrestricted cash and investments</b>	<b>365,927</b>	<b>614,337</b>	<b>248,410</b>

### Restricted Funds

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

<b>RESTRICTED CASH AND INVESTMENTS</b>			
As at December 31	2020	2021	Change
(\$ thousands)	BUDGET	BUDGET	Incr/(Decr)
Unspent government transfers	363,646	470,623	106,977
TPCC's investments	23,956	29,997	6,041
Restricted proceeds of real estate sales	159,324	234,508	75,184
Self administered sinking funds	350,591	443,431	92,840
<b>Total Restricted cash and investments</b>	<b>897,517</b>	<b>1,178,559</b>	<b>281,042</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 \$41.0 million due to the issuance of debt, partly offset by sinking fund contributions. The issuance of new debt in 2021 will help finance budgeted capital spending net of senior government contributions.

Net direct debt and indirect P3 debt of \$4.24 billion combined is expected to be \$6.5 million higher than the 2020 budget. This debt 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 248.1 per cent is within the debt to revenue policy maximum limit of 300 per cent for the 2021 budget.

<b>FINANCING</b>				
As at December 31 (\$ thousands)	2020 BUDGET <sup>1</sup>	2021 BUDGET	Change Incr/(Decr)	
Debt	3,136,790	3,268,456	131,666	
Less: Self-administered sinking funds	(350,591)	(443,431)	(92,840)	
Less: Debt reserve deposits	(28,455)	(26,285)	2,170	
<b>Net Direct Debt</b>	<b>2,757,744</b>	<b>2,798,740</b>	<b>40,996</b>	
Golden Ears Bridge contractor liability	1,024,302	1,013,077	(11,225)	
Deferred concessionaire credit	455,838	432,565	(23,273)	
<b>Indirect P3 Debt</b>	<b>1,480,140</b>	<b>1,445,642</b>	<b>(34,498)</b>	
<b>Subtotal Net Direct Debt and Indirect P3 Debt</b>	<b>4,237,884</b>	<b>4,244,382</b>	<b>6,498</b>	
<b>Deferred Government Transfers</b>	<b>1,117,012</b>	<b>1,226,620</b>	<b>109,608</b>	
Accounts payable and accrued liabilities	264,350	301,229	36,879	
Deferred revenue and deposits	63,120	102,046	38,926	
Employee future benefits	145,675	157,148	11,473	
Deferred lease inducements	13,512	13,772	260	
Less: Accounts receivable	(154,945)	(110,600)	44,345	
Less: Loan receivable	(127,997)	(64,670)	63,327	
<b>Other Financing</b>	<b>203,715</b>	<b>398,925</b>	<b>195,210</b>	
<b>Total Financing</b>	<b>5,558,611</b>	<b>5,869,927</b>	<b>311,316</b>	
Less: Other restricted cash and investments	(546,926)	(735,128)	(188,202)	
Less: Unrestricted cash and investments	(365,927)	(614,337)	(248,410)	
<b>PSAB Net Debt</b>	<b>4,645,758</b>	<b>4,520,462</b>	<b>(125,296)</b>	

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

## 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)	2019 ACTUAL	2020 BUDGET	2021 BUDGET
Cash and cash equivalents	502,060	313,709	522,504
Accounts receivable	246,889	154,945	110,600
Loan receivable	190,009	127,997	64,670
Restricted cash and cash equivalents and investments	1,101,107	897,517	1,178,559
Investments	61,281	52,218	91,833
Debt reserve deposits	27,989	28,455	26,285
<b>Financial Assets</b>	<b>2,129,335</b>	<b>1,574,841</b>	<b>1,994,451</b>
Accounts payable and accrued liabilities	368,232	264,350	301,229
Debt	2,738,435	3,136,790	3,268,456
Deferred government transfers	1,188,463	1,117,012	1,226,620
Golden Ears Bridge contractor liability	1,033,348	1,024,302	1,013,077
Deferred concessionaire credit	479,239	455,838	432,565
Employee future benefits	143,709	145,675	157,148
Deferred revenue and deposits	62,201	63,120	102,046
Deferred lease inducements	13,452	13,512	13,772
<b>Liabilities</b>	<b>6,027,079</b>	<b>6,220,599</b>	<b>6,514,913</b>
<b>Net Debt</b>	<b>(3,897,744)</b>	<b>(4,645,758)</b>	<b>(4,520,462)</b>
Tangible capital assets	5,381,268	6,204,409	6,204,870
Supplies inventory	84,556	92,669	98,601
Prepaid expenses	30,910	32,888	26,200
<b>Non-Financial Assets</b>	<b>5,496,734</b>	<b>6,329,966</b>	<b>6,329,671</b>
<b>Accumulated Surplus</b>	<b>1,598,990</b>	<b>1,684,208</b>	<b>1,809,209</b>

## Consolidated Statement of Operations

<b>Consolidated Statement of Operations</b>			
Twelve months ending December 31	2019	2020	2021
(\$ thousands)	ACTUAL <sup>1</sup>	BUDGET <sup>1</sup>	BUDGET
<b>Revenue</b>			
Taxation	906,969	943,443	905,663
Transit	685,362	723,160	421,548
Government transfers			
Senior Government Funding	338,451	199,547	205,360
Senior Government Relief Funding	-	-	282,246
Golden Ears Bridge Tolling Replacement	60,072	62,366	64,751
Amortization of deferred concessionaire credit	23,273	23,337	23,273
Investment income	58,024	54,300	46,715
Miscellaneous revenue	24,312	17,059	17,422
Gain on disposal of tangible capital assets	506	-	-
	<u>2,096,969</u>	<u>2,023,212</u>	<u>1,966,978</u>
<b>Expenses</b>			
Bus operations	774,150	831,084	844,162
Corporate	121,470	149,453	137,665
Rail operations	324,248	355,527	360,290
Roads and bridges	95,083	127,541	142,075
Transit Police	40,888	42,528	44,296
Sub-total Expenses, before Amortization and Interest	<u>1,355,839</u>	<u>1,506,133</u>	<u>1,528,488</u>
Amortization of tangible capital assets	212,942	244,307	249,942
Interest	194,983	185,252	180,469
	<u>1,763,764</u>	<u>1,935,692</u>	<u>1,958,899</u>
Surplus for the year	333,205	87,520	8,079
Accumulated surplus, beginning of year	1,265,785	1,596,688	1,801,129
Accumulated surplus, end of year	<u>1,598,990</u>	<u>1,684,208</u>	<u>1,809,208</u>

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

## Consolidated Statement of Changes in Net Debt

<b>Consolidated Statement of Changes in Net Debt</b>			
Twelve months ending December 31 (\$ thousands)	2019 ACTUAL	2020 BUDGET	2021 BUDGET
Surplus for the year	333,205	87,520	8,080
Acquisition of tangible capital assets	(515,285)	(799,323)	(654,296)
Amortization of tangible capital assets	212,942	244,307	249,942
Gain on disposal of tangible capital assets	(506)	-	-
Net proceeds from disposal of tangible capital assets	743	-	-
Write-down of tangible capital asset	-	-	-
	<u>(302,106)</u>	<u>(555,016)</u>	<u>(404,354)</u>
Change in supplies inventory	(10,312)	(8,425)	(7,300)
Change in prepaid expenses	(2,704)	(2,990)	(1,500)
	<u>(13,016)</u>	<u>(11,415)</u>	<u>(8,800)</u>
Decrease (increase) in net debt	18,083	(478,911)	(405,074)
Net debt, beginning of year	(3,915,827)	(4,166,847)	(4,115,388)
Net debt, end of year	<u>(3,897,744)</u>	<u>(4,645,758)</u>	<u>(4,520,462)</u>

## Consolidated Statement of Cash Flows

<b>Consolidated Statement of Cash Flows</b>			
Twelve months ending December 31 (\$ thousands)	2019 ACTUAL	2020 BUDGET	2021 BUDGET
Surplus for the year	333,205	87,520	8,080
Non-cash changes to operations	(129,698)	40,650	40,577
Changes in non-cash operating working capital	90,504	55,866	428,808
Net changes in cash from operating transactions	294,011	184,036	477,465
Purchase of tangible capital assets	(514,960)	(799,323)	(654,296)
Net proceeds from disposal of tangible capital assets	743	-	-
Net changes in cash from capital transactions	(514,217)	(799,323)	(654,296)
Decrease (increase) in restricted cash and investments	(121,213)	45,215	(147,169)
Increase in investments	(108)	-	-
Decrease (increase) in debt reserve deposits	1,432	(560)	2,271
Net changes in cash from investment transactions	(119,889)	44,655	(144,898)
Debt proceeds	200,000	700,000	300,000
Issue costs on financing	(1,420)	-	-
Repayments of debt	(125,489)	(362,655)	(63,554)
Repayments of Golden Ears Bridge contractor liability	(7,030)	(9,046)	(11,225)
Lease inducements received	257,955	(685)	(1,008)
Government transfers received for tangible capital additions	1,117	248,722	243,289
Net changes in cash from financing transactions	325,133	576,336	467,502
Increase in cash and cash equivalents	(14,962)	5,704	145,773
Cash and cash equivalents, beginning of year	517,022	308,005	376,731
Cash and cash equivalents, end of year	502,060	313,709	522,504

## Appendix II – Allocated Costs between Operating Companies

TransLink's methodology for allocating costs to benefiting 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.

100 per cent of a cost may be allocated to a business unit if it is the only unit benefiting from 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 2020 budget are an increase in IT software licensing and network infrastructure costs. In addition, the cost of insurance is higher due to rate increases in 2021, partly offset by lower fare media costs as the ridership is expected to be low due to COVID-19.

<b>Allocated Cost Breakdown</b>					
Twelve months ending December 31	2019	2020	2021	Change	
(\$ thousands)	ACTUAL	BUDGET <sup>1</sup>	BUDGET	Incr/(Decr)	%
<b>Shared Services</b>					
Bus Operations	35,651	40,286	43,792	3,506	8.7%
Access Transit	98	160	134	(26)	(16.3%)
SkyTrain - Expo and Millenium Lines	7,314	8,290	7,449	(841)	(10.1%)
West Coast Express	162	125	284	159	127.2%
Transit Police	3,425	3,170	2,844	(326)	(10.3%)
Roads & Bridges	16,458	3,022	5,843	2,821	93.3%
Corporate	(63,108)	(55,053)	(60,346)	(5,293)	(9.6%)
<b>Total Shared Services allocated</b>	-	-	-	-	-
<b>Costs Administered by TransLink and allocated to operating companies</b>					
Bus Operations	17,658	19,177	18,558	(619)	(3.2%)
SkyTrain - Expo and Millenium Lines	4,326	4,621	4,681	60	1.3%
SkyTrain - Canada Line	2,313	2,468	2,839	371	15.0%
West Coast Express	443	446	452	6	1.3%
Transit Police	1,858	2,433	2,311	(122)	(5.0%)
<b>Total Costs Administered by TransLink allocated</b>	26,598	29,145	28,841	(304)	(1.0%)
Bus Operations	53,309	59,463	62,350	2,887	4.9%
Access Transit	98	160	134	(26)	(16.3%)
SkyTrain - Expo and Millenium Lines	11,640	12,911	12,130	(781)	(6.0%)
SkyTrain - Canada Line	2,313	2,468	2,839	371	15.0%
West Coast Express	605	571	736	165	28.9%
Transit Police	5,283	5,603	5,155	(448)	(8.0%)
<b>Total costs allocated to operating companies from TransLink</b>	<b>73,248</b>	<b>81,176</b>	<b>83,344</b>	<b>2,168</b>	<b>2.7%</b>

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