

This quarter BCRTC continued to deliver its maintenance and rail services despite the constraints of the COVID-19 pandemic. BCRTC's Q3 business plan activities and accomplishments reflect the company's commitment to our employees and customers. We continue to focus on the rail priorities of delivering a Just Culture, inclusive leadership, high performance, and supporting the rail expansion projects contained in the Mayors' Vision.

TransLink Strategic Priority: Implement the Mayors' Vision

Fleet and Infrastructure

Phase 2 Mark III status update:

In Q3, Mark III testing and commissioning continued at our Burnaby maintenance facility and on our network. All 14 Mark IIIs that make up this phase of the fleet expansion are in BCRTC's possession, with 10 trains fully commissioned, and the remaining four trains in various stages of revenue service testing. It is anticipated that these remaining trains will be fully commission early in Q4, bringing our total Mark III fleet to 21 trains, which represents 84 cars.

Modernize infrastructure to increase capacity and accommodate growth

With future network expansion on the horizon and the long-term ridership growth that SkyTrain is likely to experience with it, it remains vital to modernize the system's infrastructure to ensure resiliency and reliability of the transit service BCRTC provides.

- In Q3, the 2020 running rail replacement project work began in the area between 22nd Street to New West Station. The project was able to replace 6,500 rail pads on the inbound track between the two stations. Rail pads are used to fasten, and support running rail to the guideway and help to reduce shock and vibration on the system. Running rail and rail pad replacement work is critical to the resiliency and reliability of SkyTrain's rail infrastructure.
- Work continues for a new Operations Control Centre (OCC) with the 90% design submission anticipated by mid-November. The building permit application to the City of Burnaby follows the receipt of the 90% submission package.

Elevating Devices

The Expo Line Escalator Replacement program progressed successfully in Q3. When finished this project will replace 37 escalators at 13 Expo Line stations by the end of 2023. Replacing escalators on the Expo Line is critical maintenance to accommodate the four-fold increase in ridership since these devices were installed over 30 years ago. These new, heavier-duty escalators will be able to accommodate higher passenger volumes and improve the device's safety and reliability. This critical investment in the system will enhance the customer experience well into the future.

- Granville Station escalator replacement project was completed in Q3. This project replaces six elevating devices at this station including three of the longest escalators in Metro Vancouver.
- Work to replace Escalator #3 at Waterfront Station began in September. While ridership is low, we've been fortunate to have been able to work on multiple escalators at once, thus expediting the overall project schedule and trying to keep customer impacts minimal. This replacement work was originally planned for 2021.
- Other stations where escalator replacement work occurred in Q3 include:
 - Columbia: One "up" escalator

- Commercial–Broadway: One new “up” and one new “down” escalator in the south stationhouse
- Gateway: One “up” escalator leading from street level to ticketing level
- Waterfront: Two escalators (one up, one down) at the east end of the platform, one of two escalators at the Howe Street station entrance, one (up) escalator between the Expo Line platform and Howe Street escalators
- Nanaimo - One “up” escalator
- King George - One “up” escalator

Fleet expansion and management

- Bid evaluation for our fleet expansion RFP continued in Q3. BCRTC and Thales also started an Early Works Study to investigate changes required on guideway elements in order to accommodate 5-Car Train operations.
- With this work complete, action plans are being created to ensure that the cars can be delivered and commissioned on time.

Implementation of McNeil recommendations

- The OMC1 power system upgrade project continued in Q3 with completion of the building construction phase and successful energizing of the second BC Hydro feed. This project reduces the risk of service disruptions by upgrading BCRTC’s aging power equipment, while also improving resiliency and system continuity redundancies for critical system elements. This project is a key recommendation within the McNeil report.
- Work to improve the Automatic Train Control (ATC) system to reduce occurrences of disruptions and reduce time needed to recover progressed in Q3. One feature of this project is the installation of new software that minimizes downtime after a train time-out. Work performed for this project included the completion of in-house and field testing of Vehicle Control Centre (VCC) and Vehicle On-Board Computer (VOBC) software. Implementation of VCC software is approximately 85% complete.

TransLink Strategic Priority: Maintain a State of Good Repair

Safety, Environment and Emergency Management

Employee and passenger safety on our system and in our workplace continues to be our top priority. Zero Harm and Just Culture continues to be a focus of the department with a particular focus on Just Culture, which is a values-supportive system of learning from incidents and accepting it is human nature to make mistakes, yet also holding people accountable for producing an outcome and not doing harm.

- To minimize the risk of employees to injury and illness, field level hazard assessment (FLHA) program has been implemented in the power, guideway, and elevating devices departments. The FLHA program provides a consistent approach for BCRTC employees to identify and control workplace hazards putting an emphasis on planning, safety and clear communication ahead of completing any field work. The Safety department will continue to move forward with other departments during the remainder of the year.
- A number of key safety programs have been identified for development to continue to support the overall Safety Management System (SMS). The programs include: updated PPE program, Hot Work, Hearing Conservation, Incident Investigation, hot/cold weather temperature protection, and accessing Automatic Train Control. All programs are in final draft stage and are currently being reviewed. The next phase will include final engagement with stakeholders for approval and sign off.
- The Safety Department continues working on Zero Harm related initiatives which includes piloting the SafeStart program in 2021. The program focuses on actions and gives employees tools to think about safety before completing tasks.

- In Q3, BCRTC had no wastewater exceedances, nor reportable spills.

Lost Time Incidents (LTI)

In Q3 there were 12 LTI claims accepted by WorkSafeBC, compared to seven the previous quarter. Year-to-date BCRTC has recorded 29 LTI claims compared to 39 in 2019 and the rate continues to be better (4.4) than target (5.2) for this category.

The Safety Department continues to work with other departments to identify high-risk tasks and create situational awareness. Part of this risk assessment process is to ensure effective controls are in place. A new safety dashboard introduced in Q2 is being used to identify trends within each department. Control measures are put in place and then measured for effectiveness.

Physical assaults on employees

The physical safety of our employees is the company's top priority. The foundations for a Zero Harm workplace have been laid out for our customer-facing staff. There were no physical assaults on staff in Q3 2020, keeping the YTD total at nine. The YTD assaults per 200,000 hours worked rate of 1.36 is 34% lower than 2019's rate of 2.04 for the same period.

- Physical assaults have been trending down recently. Focus and discussion are around preventative measures for a possible increase in assaults due to COVID 19 measures that are in place. Safety and Security will continue to monitor the trends.
- The Safety and Security Department continue to make progress in ensuring the assault incidents are properly investigated, communicating the risks and taking steps to prevent them.

Passenger Injury rate

- Passenger injuries on the Expo and Millennium Lines continue to be lower than target. EM passenger injuries per million boarded passengers were down 10.4% compared to the same period in 2019. There were eight reported injuries in Q3. The injury rate of 0.66 per million boarded passengers (pmbp) for the quarter is well below the threshold of 1.0 pmbp. Reduced ridership is likely a factor in the lower injury rate this quarter.

Maintenance

Despite the constraints of physical distancing, the important work of maintaining and repairing trains, track, systems and infrastructure by our rolling stock and guideway teams continued in Q3. The percentage of hours allocated to preventative maintenance activities in Q3 increased from Q2 at 56%, up 1% from Q2.

Railway infrastructure maintenance activities this quarter:

Running rail Inspections:

In Q3, the annual ultrasonic and geometry testing on our network's running rail required by Transport Canada was completed.

Geometry inspection measures the running rail gauge (width of running rail), power rail gauge (so not too tight or too far for the power collector shoes), and LIM height (not too high to hit the LIM or too low to lose motor efficiency). Ultrasonic inspection is to evaluate the condition of running rail for flaws, cracks and defects. Our rail maintenance department uses the results of these inspections to make informed decisions on scheduled maintenance.

Replacements:

- One complete trackwork replacement near Waterfront station
- Three scheduled switch machine replacements due to end of life
- Three unscheduled switch machine replacements due to defect

Grinding:

- 42.85 kilometres of running rail on the Expo and Millennium lines

- Three switches

Other:

- Two track sections of linear induction motor (LIM) rail lowered

Rolling stock maintenance activities this quarter:

Replacements in line with our annual maintenance plans:

- 358 wheelsets lathed/turned
- 20 door operators (5 cars) changed out
- 36 wheelsets changed out
- Four cars had truck change outs
- 6500 rail pads between 22nd and New Westminster stations

Inspections:

- 648 train cars inspected. Inspections are performed every 20,000 kilometres which complies with industry standards.

Continuous Improvement

Implementation of the Lean Management System (LMS) has started in the Support Shops, and Elevating Devices departments. The LMS is focused on creating a culture of continuous improvement and operational excellence focusing on the mindsets and behaviours of leaders and their teams.

Training

Adjusted training delivery based on COVID restrictions:

- Pivoted training schedule to have more, smaller classes. As an example, we previously offered 2-3 classes of 20 students for Contractors a week. Due to the need to reduce class sizes, we changed it to daily classes of 6 students. Training was able to expand a room to accommodate daily classes of 10-12 students and to-date have taught 4% more students compared to the same time last year.
- Developed a protocol to safely teach hostler training and resume STA new hire classes in September.
- At the end of Q3, training has completed 72% of required priority courses for the year. The department was able to stay on track by leveraging instructional designers to teach courses and prioritize equipment training time over new hire training, which was no longer required due to the company's hiring freeze.
- Delivered quarterly refresher training to 251 STAs on Vehicle Overview Equipment faults.
- Technician in Training class - Guideway had four new Technicians graduate from the nine-month training program allowing the department to fill some much-needed vacancies for Guideway Technicians.

Capital & Major Business

State of good repair

- Construction work continued in Q3 to develop 848 sq. meters of empty space at OMC1 into workspace. The project is 50% complete and work activities remain on track to complete in Q1 2021. Consultation with departments began in Q3 to determine which departments will be relocated to this new workspace.

TransLink Strategic Priority: Enhance Customer Experience

Expo and Millennium SkyTrain Service

Due to COVID-19 and public health concerns, SkyTrain ridership was significantly impacted. With less passengers on the system, on-time performance (OTP) and service availability was less affected by passengers-related delays.

Service delivery

- In Q3, BCRTC delivered 99.7% of scheduled service which matches the target of 99.7%. Service delivery has matched target for four consecutive months.

On-time performance

- Q3 OTP of 96.57% was slightly above the target of 96.5%. YTD OTP continues to be lower than target due the extreme weather event experienced in January. However, each month has seen a rebound closer to the performances we have been delivering for the past several years.

SkyTrain service delays [how do these kpi's compare to prior year; what is the trend? As seen in kpi table below, delays are up compared to last year to date]

- In total, SkyTrain experienced 23 major delays in this quarter with the most serious related to medical emergencies, timed out trains, switch faults, and platform track intrusions. In Q2, there were 18 major delays.
- There were 16 service incidents in the 16-30-minute delay category in Q3, four more than in Q2. The main causes for delays were issues with train doors, guideway components, train propulsion and track intrusions.
- There were seven delays over 30 minutes in Q3 compared to six in Q2.

Ridership

SkyTrain ridership continues to be below the totals experienced prior to the pandemic. However, due to the Province's restart plan, ridership has steadily increased since March.

- In July, August, and September there were 4.0M passenger boardings per month. The 12 million boardings for Q3 are higher than the 7.2 million boardings recorded in Q2.
- Compared to 2019 (86.0M), ridership is 50% lower YTD for 2020 (43.2M).

Customer experience

- The total number of customer complaints in Q3 was 406. Of the total number of SkyTrain complaints, 205 were from neighbouring residents highlighting elevated track noise, particularly around Main Street, Nanaimo, Broadway and New Westminster stations. As reported earlier in this document, our annual rail grinding program resumed in Q3 after being delayed due to a mechanical failure of BCRTC's grinder and COVID-19 travel restrictions affecting our US-based grinding contractor. As a result, complaints in this category went from 99 in July to 55 in September.
- BCRTC has developed a very responsive and agile approach to noise complaints. We try and respond almost immediately to noise complaints by validating the complaint on site and then determining the best course of action to mitigate the noise.
- SkyTrain Customer survey score for Q3 was 8.5, which was above the target of 8.3. The overall score for BCRTC in Q2 (8.6) and Q3 (8.5) brought the 2020 YTD result to 8.4, which is the highest score in the past five years.

Implementation of McNeil recommendations

An important part of the McNeil Report was the recommendation to improve customer communications during delays. This recommendation includes upgrades to digital displays (platforms, entrances, general), public address (PA) systems and closed-circuit TV (CCTV), which were aging and had not been upgraded since the beginning of SkyTrain. All these measures provide a better daily customer experience while also being a valuable communications tool during delays.

- In Q3, the following stations had digital display and CCTV upgrade work: 22nd Street, Sapperton, Surrey Central, VCC-Clark, Waterfront, Braid, Broadway, Commercial, Nanaimo, Brentwood

COVID-19 Safety Measures implemented in Q3

BCRTC has implemented several measures in stations and staff work areas to help slow the spread of the COVID-19 virus since the pandemic started. These measures continue to follow the advice of the provincial health authority to clean and sanitize high touch area and promote physical distancing.

- Additional measure introduced in Q3 included the mandatory wearing of masks onboard SkyTrain and West Coast Express.
- The investigation of measures we can take to improve ventilation and air filtering.

Key Performance Indicators – as of September 30, 2020	SkyTrain (excluding Canada Line)						West Coast Express					
	Q3 Target	Q3 Actual	Q3 Last Year	Sept. YTD Target	Sept. YTD Actual	Sept. YTD Last Year	Q3 Target	Q3 Actual	Q3 Last Year	Sept. YTD Target	Sept. YTD Actual	Sept. YTD Last Year
Customer Experience						Customer Experience						
Customer Service Performance Survey – SkyTrain Service Overall ¹	8.3	8.5	8.2	8.3	8.4	8.2	8.6	8.9	8.9	8.6	8.9	9.0
Boarded Passengers (in thousands) ²	31,086	11,983	29,758	90,063	43,223	86,046	702	104	646	2,033	697	1,966
Customer Complaints (per million boarded passengers) ³	14.8	33.9	13.8	14.8	25.2	14.7	95.0	520.7	82.1	95.0	360.0	93.1
Safety						Safety						
Major Passenger Injuries (per million boarded passengers) ⁴	1.00	0.67	0.67	1.00	0.86	0.96	0.4	0	0	0.4	0	0.5
Employee Lost Time Frequency (per 200,000 hours worked) ⁵	5.2	5.7	4.8	5.2	4.4	6.1	0	0	0	0	0	0
Physical Assaults (per 200,000 hours worked) ⁶	2.0	0.0	0.5	2.0	1.4	2.0	0	0	0	0	0	0
Total Recordable Incident Frequency		45.3	26.1		31.7	33.0						
WSBC Inspections / Orders ⁷		0/0	0/0		1/0	0/0						
Operations						Operations						
On-Time Performance (OTP) ⁸	96.5%	96.6%	96.9%	96.5%	95.2%	96.2%	97.8%	97.6%	97.6%	97.8%	92.5%	96.0%
Percentage of Scheduled Service Delivered ⁸	99.7%	99.7%	99.8%	99.7%	99.0%	99.3%	99.9%	100.0%	100.0%	99.9%	97.8%	100.0%
Incidents with duration 16 – 30 Minutes ⁸	16	10	18	48	50	47						
Incidents with duration over 30 Minutes ⁸	7	13	5	21	36	23						
Finance						Finance						
Operating Cost per Vehicle km ⁹	\$3.79	\$3.46	\$3.44	\$3.88	\$3.68	\$3.41	\$14.81	\$39.94	\$10.44	\$4.85	\$23.16	\$13.42
Operating Cost per Capacity km ⁹	\$0.040	\$0.040	\$0.040	\$0.042	\$0.043	\$0.040	\$0.100	\$0.271	\$0.071	\$0.101	\$0.157	\$0.091

¹The TransLink Customer Service Performance survey is completed quarterly for Expo/Millennium Lines and bi-annually for West Coast Express.

The overall score for BCRTC in Q2 (8.6) and Q3 (8.5) brought the 2020 YTD result to 8.4, which is the highest score in the past five years. Compared to Q2 results, 8 attributes remained flat in Q3 survey. However, the staff helpfulness score dropped from 9.2 to 8.2, and the staff availability score dropped from 7.2 to 6.9. A similar trend was found in customer complaints - the number of complaints about staff ability to enforce mask-wearing is increasing.

WCE September overall score stayed the same as March overall score. The most noticeable change was the service frequency score due to service reduction (8.0 in March and 7.2 in September), this was the lowest sub score since 2014.

"2 The COVID-19 pandemic continued to impact our ridership. With restrictions lifted and economic activities resumed in May, Expo and Millennium Lines' ridership recovered from 20% to 35% of the pre-pandemic level in Q2, then plateaued at 40% of the pre-pandemic level in Q3. YTD ridership has dropped 49.8% compared to last year.

WCE ridership has dropped 64.5% (0.7M passengers in 2020 YTD compared to 2.0M last year YTD, 1.3M fewer passengers). WCE continues to do daily passenger counts in order to add cars to match demand.

"3 Expo and Millennium Line received 406 complaints in Q3, which was a 43% increase over Q2. 50% of the Q3 complaints were about track noise (99 in July, 51 in August and 55 in September), and most of the concerns were along the Expo Line. With the start of the LORAM grinding near the end of September, track noise complaints started to decline in the beginning of Q4. Another area of concern is the staff availability. After the mandatory mask policy became effective on August 24, there was an increased number of complaints about staff not being visible at the stations and on board the trains to enforce the mask policy.

YTD number of complaints received for Expo and Millennium Line was down 14.2% compared to last year. However, the significant drop in ridership resulted in higher complaints per million boarded passengers of 70.8% for Expo and Millennium Line.

Compared to 2019 YTD, WCE received 68 more complaints (50.8%), mainly concerning the perceived difficulty of social distancing on WCE trains and the reduction in service. This increase, combined with the 64.5% lower ridership, resulted in a 286.7% increase in complaints per million boarded passengers compared to the prior year.

"4 In Q3, there were 8 passenger sustained serious injuries, one was a passenger fell into guideway, seven were trips and falls on escalators, platforms or stairs. Passenger injury rates are on a downward trend year over year.

BCRTC's Passenger Injury Task Force are meeting quarterly to review progress, trends, areas of concern, actions required, and opportunities for improvement. Passenger risks have been incorporated into department risk assessments to identify overall safety risks to the public and how they can be mitigated.

WCE has had no passenger injury reported since February 2019.

"5 WSBC accepted 12 Lost Time incident claims from BCRTC in Q3 2020, including 4 mental health claims and 8 physical injury claims. Although Q3 saw an increase in accepted claims over the first two quarters, 2020 YTD is the lowest amount of accepted claims since 2016 (29 in total). There were 39 in 2019, and 33 in both 2017 and 2018.

There were no Lost Time Incident claims for WCE in 2020, and have been none since 2017.

"6 Q3 2020 had the best quarterly results since 2015 - there were no assaults towards our employees that fell in CUTA Assault level 1-4. YTD number of assaults were 9, lower than 13 in last year.

The Safety Department and Security Department are working collaboratively to ensure the right department is investigating assault incidents and taking steps to prevent them. BCRTC Security Committee and Transit Security will continue to mitigate workplace violence against our staff. A review of this committee is being conducted to ensure they focus on initiatives that can improve employee safety.

WCE has had no assaults reported since 2017.

"7 A WorkSafeBC occupational safety or hygiene officer may visit worksite to conduct an inspection. An inspection report details findings of a worksite visit by a WorkSafeBC officer. It documents any points of discussion and recommendations. The inspection report may include a compliance order. The order covers any violations found of the Workers Compensation Act or Occupational Health and Safety Regulation and provides a deadline by which the employer must comply.

As of the end of Q3, BCRTC has had one WorkSafe BC inspection in 2020, and there were no compliance orders from the inspection.

"8 Expo and Millennium OTP and Service Delivery both achieved the target in Q3, their YTD performance are still impacted by the snow events in January. In Q3, three train-human contact incidents made a record-breaking impact on OTP and Service Delivery, with two of them affected rush hour service, they attributed to 17% of total quarterly cancelled and delayed trips (a typical range was 0-3%). With ridership gradually returned, other passenger-caused delay incidents also increased compared to Q2.

In Q3, Incidents with a duration over 15 minutes are comprised of:

- Customer issues and emergency responses: 6 incidents over 30 minutes, including a police incident, the fire near Quay boardwalk, an ambulance response, and three train-human contact incidents.
- Vehicle issues (Doors, VOBC, Propulsion, Brake, Smoke): 2 incidents over 30 minutes (vehicle failures), and 4 incidents between 16-30 minutes (1 vehicle failure and 3 procedure-caused delays).
- Intrusion events: 2 incidents over 30 minutes (passenger-caused), and 2 between 16-30 minutes (1 human intrusion and 1 caused by dangling cable from the train).
- Wayside issues: 3 incidents over 30 minutes (2 were guideway issues and 1 was a VCC4 issue), 3 VCC2 caused incidents were between 16-30 minutes.
- Control issue: 1 train routing error incident between 16-30 minutes.

(Duration measures the time between the incident start time until the system is fully recovered. It is different than Service Disruption minutes presented in other reports, which measures the time between start until the alternative services are provided.)

WCE Service Delivery was 100% in Q3, the YTD performance was still affected by the locomotive failure in January and the anti-pipeline protests in February. Q3 OTP was affected by various CP operational issues, including signal, switch, track infrastructure, an object on the CP track that caused damage to West 3 train. As the new crop year has begun in Q3, the annual grain movement is affecting WCE OTP. CP has been working diligently to ensure minimal impact to WCE Operation and Q3 is reflective of that diligence (Q1 = 90.4%; Q2 = 90.9%; Q3 = 97.6%). We expect the improvement to continue.

"9 Operating cost includes Allocated Costs; excludes 3rd Party Revenues and Depreciation.

For the 9 months ended September 30, 2020, Expo and Millennium operating cost was 6.8% favourable to budget due to lower labour costs driven by hiring delays, lower overtime and reduced benefits usage, timing and lower costs of maintenance contracted and professional services, non-essential costs reduction and lower hydro rates partly offset by higher maintenance activities and snow and ice removal costs.

Vehicle kilometres were 1.6% below the budget, and capacity kilometres were 8.8% below the budget. Service provision was affected by COVID-19 service reductions from March 23 to May 25, and the planned service increases in September were postponed due to the continued low ridership. Besides, more than budgeted use of 6-car MK I trains offset the vehicle kilometre negative variances but enlarged capacity kilometre variances, as MK I trains have less capacity than MK III trains.

Therefore, operating cost per vehicle kilometre was favourable to budget by 5.3%, resulting from operating costs being 6.8% lower than budget and vehicle kilometres being 1.6% below plan. The lower capacity kilometres related to the service reductions resulted in operating cost per capacity kilometre 2.1% higher than the budget.

For the 9 months ended September 30, 2020, West Coast Express operating cost was 17.4% favourable to budget due to higher contractual performance discount, lower maintenance and fuel expenses due to service reductions, lower diesel prices and non-essential costs reductions partly offset by higher snow and ice removal costs and unbudgeted Bombardier crewing facility expenses.

West Coast Express operating cost per vehicle km and per capacity km both increased by 56.0% compared to budget, and 72.6% compared to last year. This was primarily caused by COVID related service reductions: both service kilometres and capacity kilometres were 47.0% below budget.

TransLink Strategic Priority: CUSTOMER EXPERIENCE AND PUBLIC SUPPORT

CUSTOMER EXPERIENCE

Winter Weather Preparedness

- Transit Communications (TComm) has been in frequent communication throughout the year with all Metro Vancouver municipalities to ensure transit routes and all priority corridors are maintained during snowy conditions.
- All municipalities, universities, and snow removal contractors have shared their COVID-19 response and readiness plans with TComm.
- Information was gathered from internal and external stakeholders to create a snow removal map to identify areas where snow can be piled to mitigate stacking of buses.
- Testing of the weather stations and contractor call-out system have both been completed.

Access Transit Service Delivery (ATSD) Update

- *Ridership* – For the month of September, HandyDART delivered 38% of budgeted trips using approximately 75% of budgeted service hours. More than 90% of trips have two or fewer customers to ensure physical distancing.
- *Recovery Planning* – ATSD continues to stay in contact with programs, health authorities, renal communities and long-term care facilities. A number of programs are open, but they account for only 19% of pre-COVID service. The majority of programs have delayed opening due to the increased number of COVID-19 cases in BC.
- *Customer Calls* – ATSD representatives are continuing to call HandyDART customers for ‘wellness checks.’ They have now spoken to more than 8,000 customers. Most customers who are currently not using the service report they are waiting for programs to re-open (44%), the pandemic to be over (19%), or have no idea when they will return (27%).
- *Cleaning and Disinfection of Fleet* – HandyDART vehicles are disinfected at the end of shift on a daily basis. Each week, they go through a more comprehensive disinfection process including a full mop-out. In addition, Operators have cleaning supplies to do a disinfecting wipe-down of all high-touch surfaces between trips.

Wheelchair-accessible Bus Stops

- CMBC is currently at 80% for bus stop wheelchair accessibility with 6,632 accessible stops across the system.

Fare Revenue

- With the resumption of front-door boarding, farebox revenue continues to gradually increase. Through August and September, fare collection reached approximately 44% of pre-COVID levels.

Customer Information Call Centre

- Since resuming standard hours of operation in May, the Call Centre has observed a gradual increase in monthly call volume (24% increase from May to August). However, there was a slight decrease in customer calls in September when compared to August (-7%). Contributing factors may be the mandatory mask announcement made on August 24 and a decrease in questions and comments related to COVID-19 issues.
- Customer complaints have continued to trend downward. Complaints received have focused mainly on concerns over physical distancing and mask compliance.

SAFETY

Responding to the COVID-19 Pandemic: Our Employees

- *Mask policy* – As of early November, the CMBC internal mask policy included the requirement for employees to wear a face masks when physical distancing was not possible. Following the Provincial Health Order of November 7, the mask policy was strengthened and clarified, making masks mandatory for all employees while moving around inside our facilities. Mask protocols are frequently reviewed and updated as best practices and recommendations from public health officials change.
- *Daily health screening* – Per the Provincial Health Order of November 7, CMBC established daily COVID-19 health screening for employees at all eleven locations. The screening is completed either via the BC Government’s COVID-19 Support App shown at the worksite door or verbally answering four health and travel-related questions.
- *Hotline* – The employee hotline has experienced an increase in call volume since the summer and since COVID-19 case numbers have been rising in BC. Employees with questions can call the hotline, use the employee email inquiry e-mail address, or contact Occupational Health.

Employee Workplace Injuries / Accepted Lost Time Claims

- During the first nine months of 2020, CMBC recorded 266 accepted lost time claims at a rate of 8.1 claims per 200,000 hours worked, which is slightly higher than 258 claims and rate of 7.9 achieved during the same period last year.
- Motor Vehicle Incidents (MVI) are our leading cause of incidents (20% of all lost time claims), followed by Falls on the Same Level (15%), Overexertion (15%), Acts of Violence (14%), and Other Bodily Motion (11%). Looking at longer-term trends in numbers of registered claims, we see a slight decrease year-over-year.
- Safety Days at depots and garages, CMBC’s typical method of reinforcing safety messages, have been cancelled due to the COVID-19 pandemic. To compensate, electronic communications via the company intranet and TV screens at facilities have been increased.

Transit Operator Assault Statistics

- CMBC recorded 52 Transit Operator assaults during the first nine months of 2020, at the rate of 0.48 assaults per 1M boardings. This is 22% lower in terms of number of incidents compared to results for the same period last year with 67 assaults. The year-to-date rate (0.48) is higher, however, compared to last year’s rate (0.32) due to a significant drop in boardings due to the COVID-19 pandemic.
- Operator Protection Barriers, now standard across the fleet, and the work of the Violence in the Workplace (VIW) committee, Transit Security, and Transit Police continue to mitigate acts of violence against Transit Operators.

COVID-19 Infection Control Initiatives

- To ensure the bus system is as clean and safe as possible, CMBC is actively working to gain a better understanding of the performance of the ventilation and filtration systems and continuing to ensure a rigid cleaning and disinfection program is followed. Ventilation and filtration specifications for each portion of the conventional and HandyDART bus fleet are being reviewed.

Hand Sanitizer Pilot

- In response to an increased focus on cleanliness and safety during the COVID-19 pandemic, different types of hand sanitizer units for customers' use were installed on 10 RapidBuses as part of a pilot in August. The pilot allowed Maintenance teams to select the best unit for our system. Then, in the fall, another pilot followed to further test the preferred dispenser on an additional 10 RapidBuses. The pilot is ongoing with results expected in late Q4 2020.

Emergency Management

- *SeaBus exercise* – A required Transport Canada security exercise was held on October 16 with participation from SeaBus staff and other key internal stakeholders.
- *Business continuity planning* – Departmental planning is ongoing to ensure CMBC is well-positioned to manage the potential future impact of COVID-19, as well as other types of disasters. For 2021, an enterprise Business Impact Analysis (BIA) template will be created that aligns all TransLink enterprise companies.
- *Emergency Communications (ECoM) Project* – A TransLink enterprise feasibility study is being performed as the first stage of work in implementing a mass communication system for internal use. CMBC has provided its operational requirements with input from Safety, Internal Communications, and Transit Communications, among others.

Health & Safety Software

- The Health and Safety Software project, intended to modernize safety processes, incident management, Return to Work tracking, corrective actions, and performance reporting is now moving into the development phase. CMBC is participating in enterprise workshops to establish new, more efficient and effective safety processes. In 2021, these processes will be further developed and embedded into the software, with roll-out and training planned for early 2022. A change management plan is being developed to support the successful implementation of the project.

ENVIRONMENTAL STEWARDSHIP

Battery-Electric Bus Pilot

- The initial report from CUTRIC regarding the battery-electric bus trial on Route 100 (22nd Street/Marpole) covering September 2019 through March 2020 has been received. The report shows:
 - Gaps in the first data set due to buses being out of service and some systems not being in place to capture data early in the trial have been resolved for future reports.
 - Early indications on vehicle efficiency are in-line with assumptions used in the Low Carbon Fleet Strategy report – a sign that the strategy is based on solid assumptions.

Low Carbon Fleet Strategy (LCFS)

- Work on the future Marpole Transit Centre continues to move forward. The transit centre is intended to house a primarily battery-electric fleet. Buses are expected to begin to arrive in 2024.

Vancouver Transit Centre Energy Retrofits

- Energy retrofits at Vancouver Transit Centre were completed in August 2019. The monitoring and verification report (completed one-year post completion) found a 26% increase in electricity savings (1,6346,106 kWh versus the expected 1,305,386 kWh)! This is due to a large unexpected savings from control optimization – primarily infrared sensors that shut off heating when garage bay doors are open. Natural gas savings are 12% less than expected due to equipment issues which are being resolved. FortisBC is planning to publish an article in *BC Business* magazine on the successful working relationship between CMBC and FortisBC to reduce our natural gas consumption.

Spills KPI Target

- As of September 2020, the YTD spills KPI is 1.5 spills per million kilometres which is below the 2020 spill rate target of 2.9%. The 2021 spill target has been set at 2.0 spills/Mkm.

TransLink Strategic Priority: ENSURE STATE OF GOOD REPAIR

OUR PEOPLE

Resource Planning: Operations & Contracted Services

- As a result of the COVID-19 pandemic and to ensure physical distancing, CMBC suspended five new Transit Operator classes in the spring, leaving a shortfall of Operators required for June 2020. Classes were reinstated in the summer, with COVID-19 safety protocols, ensuring the September 2020 sheet was adequately staffed. Now, plans are in place to sufficiently support the service needs for January 2021.
- Last year, a Training Task Force developed a new syllabus for Conventional Operator Training aimed at increasing the graduation rate. The new syllabus took effect in November 2019 and CMBC continues to see an increased graduation rate since launch (2020 YTD graduation rate is 82% vs. 2019 final rate of 70%). Changes included increasing drive time prior to critical testing as well as total drive time.

One-Day Refresher Training

- In February 2020, two new One-Day Refresher Training programs – one for Conventional Transit Operators and one for Community Shuttle Operators – were completed and ready for launch. Due to the COVID-19 pandemic, the launch of the program was delayed to September (Community Shuttle) and October (Conventional). This will be an ongoing deliverable moving forward into 2021 and beyond, training 20% of Operators each year.

Video-based Route Training

- Video-based route training was provided to Conventional Transit Operators to familiarize them with routes that may be new to them prior to seasonal service changes. This type of training

was also delivered to support the move of Route 388 (22nd Street/Carvolth Exchange) from Surrey Transit Centre to Hamilton Transit Centre in September 2020.

- Twenty route orientation videos have been created and posted on the company intranet for Community Shuttle Operators. Posting the videos online gives convenient access to the Operators and also frees up resources in Operator Training.

Apprentice Program

- The Apprentice Program has been successfully operating at normal capacity since August with the implementation of extensive COVID-19 safety plans, as well as specific Apprentice Program safety procedures. Seven Level 4 apprentices graduated this past October and were immediately hired into positions at CMBC. Maintenance Training is on-track to graduate 19 apprentices in 2020.

OUR ASSETS

Onboard Technology Assets Program (OTAP)

- The OTAP pilot includes four main projects: replacing radio systems for improved connection and better coverage; replacing onboard computers and touchscreens with a larger screen and better visuals; adding new routers to improve data communication with Transit Communication; and installing new hardware to improve camera feeds to Security.
- Non-revenue vehicle installations are now complete and revenue fleet installations began on December 7. The program is currently on-budget and slightly ahead of schedule, however, there has been a recent delay related to the on-board computer reaching end-of-life. Impacts to the schedule are still being ascertained.

DOMS

- The DOMS replacement program is currently on-budget and making good progress on detailed design work with the vendor, GIRO. However, the vendor has recently identified additional risks to the schedule in order to implement the most recent changes to the Collective Agreement between Unifor/CMBC. The full impact is not quantified at this point, but the project team is working closely with the vendor to minimize the impact.

Collision Avoidance Technology Pilot

- CMBC is piloting collision avoidance technology with three vendors: Mobileye, Lucerix, and Seon. At no cost to CMBC, Lucerix and Seon have provided six systems each and Mobileye has provided three. The pilot will run until April 2021. Operator feedback is being collected throughout the trial.

Bus Fleet and Facility Capacity

- Draft reports for both the Burnaby and Port Coquitlam Transit Centre expansion feasibility studies have been received and reviewed with key internal stakeholders. Final reports are due before the end of 2020 and will be used to prepare business cases for the design phase of each project scheduled for 2021.
- Led by TransLink Planning, the Bus Storage and Maintenance Plan team presented an updated scope of work focused on four key facility expansion initiatives to the Bus & Facilities Steering Committee in October. They are working with a consultant to draft a report with recommendations on how to proceed. The report is expected to be complete in Q4 2020.

Financial Results

- CMBC's 2020 Q3 operating costs were \$534.1M or \$41.3M (7.2%) favourable to budget. The favourability was primarily driven by lower fuel costs (lower fuel prices and lower service kms).

TransLink Strategic Priority: MOBILIZE THE MAYORS' VISION

FLEET

Fleet Procurement (2019 and earlier)

Buses	Expansion	Replacement	Total	Notes
Double-decker	5	27	32	32 of 32 buses delivered
Community Shuttle (2019)	5	49	54	54 of 54 buses delivered
HandyDART	10		10	8 recommissioned buses and 2 pilot vans

Fleet Procurement (2021-2023)

- A comprehensive review of all fleet replacement and expansion projects has taken place with input from all key stakeholder groups within the TransLink enterprise.

Farebox Replacement for Conventional Buses

- Approximately 300 conventional buses at Surrey, Hamilton, and Port Coquitlam Transit Centres have transitioned to new TAG mechanical fareboxes with paper transfers. Installations began at Burnaby, Richmond, and Vancouver Transit Centres in late November. The project is on-track to meet the Q4 2021 target completion date.

New SeaBus Vessel Update

- On October 20, the *Burrard Chinook* made a voyage to the Point Hope Shipyard in Victoria for planned modifications.

KEY PERFORMANCE INDICATORS AS OF SEPTEMBER 30, 2020

KEY PERFORMANCE INDICATORS¹	2020 ANNUAL TARGET	2020 YTD TARGET	2020 YTD ACTUAL	2019 YTD LAST YEAR
TransLink Customer Survey – Bus service overall ²	8.0	8.0	8.2	7.9
Scheduled Service Delivered ³	98.5%	98.5%	92.9%	97.8%
Customer complaints per million boarded passengers	100	96	101	101
Customer commendations per million boarded passengers	16	16	15	16
HandyDART denial as a % of trips requested as defined in agreement	0.12%	0.12%	0.06%	0.06%
On-time Performance				
Bus Regularity – frequent service	79.0%	79.0%	83.3%	78.4%
Bus Punctuality – infrequent service	79.0%	79.0%	85.9%	81.0%
Spills per million Kms	2.9	2.9	1.5	2.4
Preventable collisions per million Km ⁴	10.8	10.8	8.3	10.9
Operator assaults (CUTA 1-4) per million boarded passengers ⁵	0.29	0.29	0.48	0.32
Employee lost time accepted claims per 200,000 hours worked ⁶	8.0	8.0	8.1	7.9
Pedestrian incidents with verified bus contact per million service hours ⁷	-	-	9.8	16.4
Onboard injury claims per million boarded passengers	3.9	3.9	4.4	4.2
CMBC operating cost per service hour ⁸	\$121.84	\$121.69	\$120.95	\$120.63
Access Transit operating cost per trip	\$41.52	\$41.39	\$73.32	\$41.03
METRICS				
Access Transit trips provided (thousands)				
HandyDART	1,259	945	449	895
Supplemental taxi service	152	114	38	130
Total Trips ⁹	1,411	1,059	487	1,025

¹ Performance measures are for CMBC business operations (Conventional Bus, Community Shuttle, and SeaBus) and exclude contracted conventional transit and contracted Community Shuttle.

² The TransLink Customer Satisfaction Survey is conducted every quarter. The 2020 YTD Actual represents the average results for Q1 (8.0), Q2 (8.3) and Q3 (8.3).

³ The actual service delivered is lower than last year and budget due to snow in January and the COVID-19 pandemic.

⁴ This data is subject to change due to the timing of adjudications.

⁵ CMBC recorded 52 Transit Operator assaults during the first nine months of 2020. This is lower in terms of number of incidents compared to the same period last year (67). However, this year's YTD rate of 0.48 is higher compared to last year's rate (0.32) due to a significant drop in passenger boardings due to the COVID-19 pandemic.

⁶ In the first nine months of 2020, CMBC recorded 266 accepted lost time claims at a rate of 8.1 claims per 200,000 hours worked which is higher than the 2019 rate (7.9).

⁷ The target for this metric is unavailable as it specifically refers to pedestrian incidents with verified bus contact as opposed to all types of pedestrian incidents. A target at the corporate level is available only for the overall pedestrian incident rate (2020: 16.2 incidents per million service hours).

⁸ Net of recoveries and excludes TransLink allocated costs.

⁹ Total Access Transit trips provided in the first nine months of 2020 were lower compared to the same period in 2019 and when compared to budget. Trips were reduced in January due to multiple days of running Essential Services because of winter conditions and since March due to the COVID-19 pandemic.



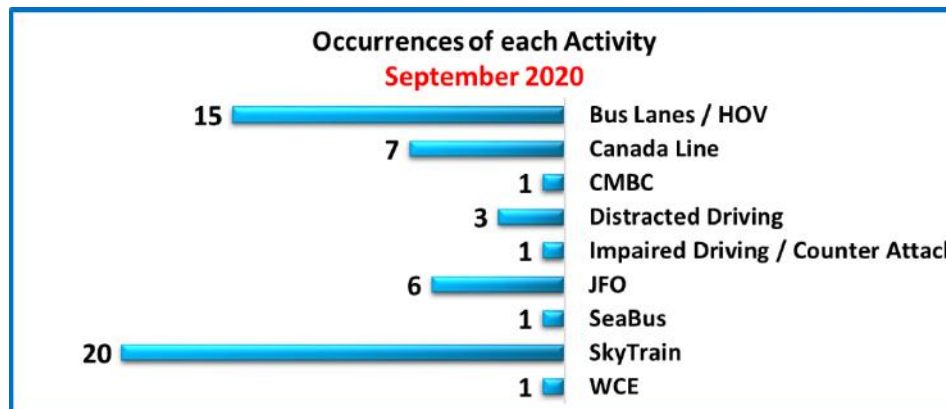
METRO VANCOUVER TRANSIT POLICE REPORT FOR DECEMBER 2020 TRANSLINK BOARD MEETING

TransLink Strategic Priority: Customer First

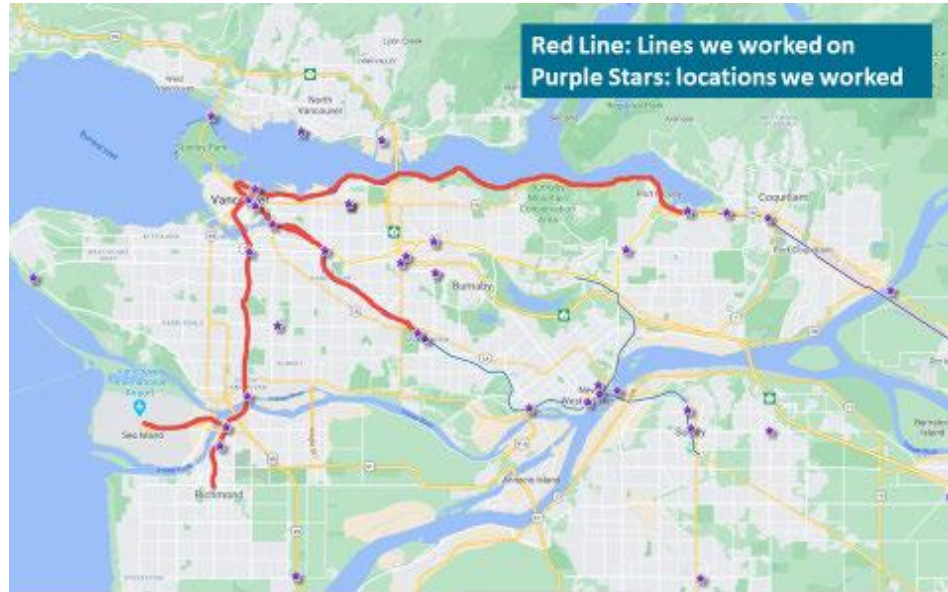
- Targeted Mobile Enforcement Team (“TMET”)**
 In September 2020, Transit Police formally launched a new initiative – TMET, composed of one Sergeant and six Constables. Responding to intelligence reports, crime statistics and complaints received from the public, TMET works in partnership with Jurisdictional Police Departments (“JPDs”) and public safety agencies to provide focused enforcement on and near the transit system.



TMET provides strategic, project-driven enforcement of provincial statutes, TransLink bylaws and the *Criminal Code* to help ensure seamless policing across Metro Vancouver. Whether responding to concerns about pedestrian safety at a transit hub, lane changes that increase the chance of collision due to vehicles parked in bus lanes, or removing impaired drivers from the road during road blocks on TransLink bridges, TMET is driven by its core focus on increasing public safety. Transit Police Officers assigned to TMET are also trained in impaired driving investigations and the use of the provincial eTicketing (electronic tickets), which is a new tool being rolled out by Transit Police. In September, the first month of operation, TMET conducted 55 targeted activities, as shown on the chart below. Six of those activities were Joint Forces Operations (“JFO”) with five different police partners (Burlington Northern Railway Police, Burnaby RCMP, North Vancouver RCMP, Port Moody Police and Surrey RCMP).



The chart that follows shows where TMET worked during September 2020, which includes on the actual transit system as well as other community locations with a nexus to delivery of safe transit (e.g., bus lanes or bus loops).



As a result of the TMET targeted activities in September, Transit Police issued 229 Violation Tickets and 329 TransLink Bylaw Tickets, made four Warrant arrests and one Report to Crown Counsel, and opened 28 police files.

The top 5 areas for issued Violation Tickets were:

- ✪ Langley - Hwy 1 / 202nd
– Excessive amount of HOV exit abuse
- ✪ Vancouver - 41st / Price Edward
– Bus lane
- ✪ New Westminister - 1st St / Royal Ave
– Bus only right turn
- ✪ Vancouver - Hastings / Garden Drive
– Bus lanes
- ✪ Coquitlam / Coquitlam Central
– SkyTrain

The top five stations for TMET issuing TransLink Bylaw Tickets were:

- ✪ Main Street Station
- ✪ MetroTown Station
- ✪ Broadway City-Hall
- ✪ Columbia Station
- ✪ On-board Train (Waterfront-Patterson)



- **Awakening Ceremony to Unveil Indigenous Artwork for the Transit Police**

In 2019, Transit Police embarked on strengthening its support and relationships with Indigenous Peoples and, in 2020, it released an action report to the Transit Police Board (available on www.transitpolice.bc.ca).

One supportive step in 2020 was when Transit Police partnered with Christine Mackenzie, a talented First Nation artist from the Kwakiutl Nation and part of the urban Indigenous community.

On September 30th, Transit Police hosted a cultural awakening ceremony to unveil Ms. Mackenzie's Indigenous art piece (as shown) and to share its meaning for the Transit Police. This artwork will be added to the Transit Police vehicles and also displayed and

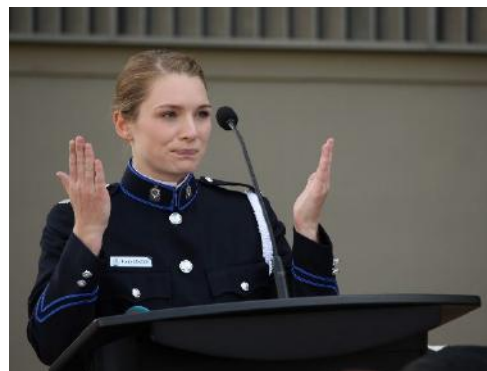


educationally used in other ways by Transit Police, in collaboration with Ms. Mackenzie. The artwork represents and showcases the Transit Police's strong and ongoing commitments to Indigenous People. For the ceremony, Transit Police was very appreciative to have Qayqayt



First Nation Chief Rhonda Larrabee help welcome the attendees and provided insightful remarks as well as to hear from West Nahannee, a cultural/spiritual advisor from the Squamish Nation, and the Hookesheda Drum Group lead by Benjamin Gonzales.

It is noted that September 30th also marked Orange Shirt Day, which enabled Transit Police to include recognition of this significant event to honour the children that attended residential schools and the generations affected by that policy.



• **Disturbed and Suicidal Persons**

Protecting and assisting vulnerable persons is a Strategic Objective within the Transit Police Strategic Plan, in particular providing support to those exhibiting safety related mental health issues. Transit Police Officers work closely with the TransLink operating companies, community and health care partners, and Jurisdictional Police to:

- Support vulnerable people and those in a mental health crisis on transit;
- Prevent suicide occurring on the transit system;
- Effectively manage the impacts of suicide on the SkyTrain operations; and
- Effectively support staff impacted by the response to suicide calls.

If you are in a mental health crisis on transit, or you're worried about the mental health of someone else, let us know.

Call 604.515.8300
Text 87.77.77

Call 911 in emergency



The chart below shows the number of events during the pandemic (March to September 2020) and year-to-date that Transit Police handled in relation to disturbed persons, attempted suicide, suicide and s. 28 apprehensions under the of *Mental Health Act* (“MHA”). (A police officer may apprehend and immediately take a person to a physician for examination if satisfied from personal observations, or information received, that the person is acting in a manner likely to endanger that person's own safety or the safety of others, and is apparently a person with a mental disorder.)

Disturbed Pers/Att Suicide/Sec. 28 MHA

Crime Type	Mar-Sep 2019	Mar-Sep 2020	May 3 Yr Range	YTD 2019	YTD 2020
Disturbed Persons	152	129	101-152	157	157
Sec. 28 MHA	124	97	110-124	128	121
Suicide	1	4	1-4	1	4



Tragically, there have already been four suicides on the transit system this year. Fortunately, there were successful interventions in the other instances. Transit staff, such as station attendants and transit control centers, play an important role in helping identify persons with suicidal ideation/attempts on the transit system and notifying the Transit Police, or taking initial action. Beyond the tragic loss of life, suicides on the transit system have economic and social costs, with service disruptions impacting transit users directly, as well as others using transportation infrastructure. Further, there often is psychological trauma to customers, staff and first responders witnessing such incidents or possible injuries when trains are braked in response.

Dealing with the full range of suicidal behaviour and crisis-related incidents (e.g., sudden deaths) places significant demands on police resources as well as triggers the need for critical

incident defusing. Transit Police has had increased call outs to its Critical Incident Stress Management (“CISM”) Team in recent months.

Of the 2020 s. 28 MHA events to date, over 80% of the individuals were committed, held, or self-admitted at hospital.

The Transit Police Community Engagement Team has a Mental Health Constable assigned to help support vulnerable transit riders and link them with resources, and to help transit staff in planning an appropriate response to emerging situations. The Mental Health Constable also coordinates the Transit Police CISM Team, which is being expanded in fall 2020. All transit staff can play a role by encouraging persons to seek support and to report concerns by calling or texting Transit Police, or 911, if there is an emergency. Research shows that each suicide prevented is important from a human, societal and economic perspective.

- **Transit Police Officer Recognized**

On October 19, 2020, four Transit Police Officers were awarded with either a 20, 30 or 40-year bar from the Canadian Police Exemplary Service Medal (“PESM”) Program of the Governor General. The PESM recognizes police officers for long and exemplary Canadian police service. Further, Transit Police Inspector Kyle received a Police Officer Commission, which is a provincial honour to formally recognize high-caliber, senior officers for their rank, professionalism and dedication to policing British Columbia.



TransLink Strategic Priority: State of Good Repair

- **Readiness for Emergencies and Threats**

In the fall, Transit Police has engaged in two specific exercises for readiness to respond to emergencies and threat situations.

SeaBus Exercise – In October, Transit Police participated in a joint SeaBus Security Exercise. The exercise was largely a tabletop exercise, with a brief functional segment at the end. The scenario involved Transport Canada contacting the CMBC Security Officer to direct that SeaBus transition from MARSEC 1 to MARSEC 2, in reaction to unspecified threats to shipping in the region (but with no direct threat to SeaBus). Under Transport Canada rules, SeaBus has 12 hours to implement MARSEC 2 after being directed to do so.

The initial part of the exercise covered the staged notifications to various leaders and components within CMBC, TransLink and Transit Police, and the follow-up security measures to be initiated (e.g., facility and vessel sweeps, washroom closures, visible presence of Transit



Police and Transit Security at the terminal, and attendance of the Transit Police Explosive Dog Teams). The exercise then moved into a simulated Connectivity Conference Call and a brief functional segment involving role playing passengers.

CP Rail Exercise – In November, Transit Police participated in a joint rail safety training exercise with CP Rail Police. This included a group of patrol members as well as a Transit Police explosive detection dog team, as shown above. With West Coast Express operating on heavy rail tracks, such training is beneficial to joint incident response and threat mitigation for safety of transit passengers as well as the surrounding communities.

- **Gate Crashing Enforcement Initiative**

The duties of Transit Police include the enforcement of the *Greater Vancouver Transit Conduct and Safety Regulations*. Since the inception of access gates on SkyTrain/Canada Line stations in 2015, a percentage of (“GVTCR”) the ridership have continued to push through gates without paying. In addition to loss of fare, this action causes damage to the paddles and inner mechanisms of the gates. It requires TransLink to have the equipment supplier repair damaged paddles, paddle shafts and motor damage. The monthly repair expense can range from \$1,000 to \$20,000 per month. Transit Police piloted an enforcement initiative (based on statistical analysis) to target the top six stations with excessive gate crashing activity and during the days/times of highest frequency. The aim was to reduce TransLink repair costs by targeting specific locations where gate crashing is proliferating as well as helping support a good state of repair of the system.

The pilot ran for over one month in summer 2020, with a team of two Transit Police Officers from each squad being deployed for a set time each shift. Their focus was to enforce the following GVTCR offences:

- *Section 8(4)(e) Illegally go thru open fare gate that was not opened by that person; and*
- *Section 8(4)(a) Illegally force fare gate open.*

- **Performance Measurement Culture**

Transit Police is an intelligence-led and data-driven police agency, and gathers comprehensive statistics in relation to crime and organizational performance. Transit Police shares statistical and performance information with the public, TransLink and stakeholders through a variety of tools. A snapshot of key statistics for 2020 Q1/Q3 as compared to 2019 Q1/Q3, follows:

Transit Crime and Safety Statistics	2019 Q1 /Q3	2020 Q1 /Q3	% Change
Crimes Against Persons/100,000 Boarded Passengers <i>(primary and assists)</i>	.378	.653	73%
Crimes Against Property/100,000 Boarded Passengers <i>(primary and assists)</i>	.436	.699	60%
Other Criminal Code Violations/100,000 Boarded Passengers¹ <i>(primary and assists)</i>	.258	.406	58%
Provincial Violation Tickets (“VTs”)	8,264	4,883	-41%
Arrests - Warrants Executed (All)	782	519	-34%
Arrests - New Charges²	585	567	-3%
Total S. 28 Mental Health Act Apprehension Files	167	127	-24%
Sexual Offences <i>(primary and assists)</i>	109	102	-6%
SCBCTA Fare Bylaw Infractions	12784	4791	-63%

As a result of COVID-19, for the 2020 Q1/Q3 period, the number of transit Boarded Passengers dropped by 49% and there was a decrease in Transit Police total files by -38% (largely fewer Violation Ticket files). However, notwithstanding the impact of the pandemic on regular ridership, criminals continued to use the transit system and target transit riders. This is demonstrated in the 2020 Q1/Q3 increased rates for both Crimes Against Persons per 100,000 Boarded Passengers (up 73%) and Crimes Against Property per 100,000 Boarded Passengers (up 60%).

The actual number of Crimes Against Persons in 2020 Q1/Q3 was 1,122, as compared to 1,285 for the same period in 2019; this is a 13% decrease. The actual number of Crimes Against Property in 2020 Q1/Q3 was 1,205, as compared to 1,483 for the same period in 2019; this is a 19% decrease.

The number of sexual offence files (primary and assists) for the 2020 Q1/Q3 was slightly lower than 2019 Q1/Q3, down 6%. This may be attributed, in part, to the lower ridership during the pandemic and greater visibility for a person if they commit a sexual offence.

Criminal Warrant Arrests

Reducing crime and disorder on transit and the surrounding community is Strategic Objective #1 of the Transit Police Strategic Plan. In Q1/Q3 2020, Transit Police Officers made 519 arrests for outstanding criminal warrants, which included RCMP, Municipal Police and Transit Police issued warrants from BC and elsewhere. The number of warrant arrests for the 2020 Q1/Q3 is

¹ Other Criminal Code Violations: Includes such offences as weapons, disturbing the peace, child pornography, obstruct peace officer, possess break and enter instruments, intimidation and threats, breach/bail violations, indecent acts/exposing, and counterfeiting.

² Arrest means an actual arrest and all other cases where charges were recommended to Crown Counsel.

down 34% from the same period in 2019; however, the volume of warrant arrests continues to be significant when compared to historical rates (i.e., 591 criminal warrants in full year of 2015).

Many warrant arrests arise from on-view work of Transit Police Officers in their Community Service Areas (assigned patrol area), calls for service, confirming identity incidental to criminal arrest or during enforcement of a provincial statute offence (such as misuse of a fare gates). However, Transit Police Officers also familiarize themselves with offenders and criminals of concern or offenders wanted through law enforcement intelligence sharing, regional BOLFs (Be on the Look Out For), and the Transit Police Offender Management Program.

Below is an example of the scope of duties that can occur in a daily shift (September 26, 2020), with a total of 52 files, include 17 warrant related arrests.

Charge(s)	Arrest Location	In Custody Location/ Release Type
1 – Warrant Theft	King George, Surrey MetroTown SkyTrain Station, Burnaby	Arrested and released after identity confirmation Undertaking
State of Intoxication in Public Place (SIPP)	Commercial Drive, Vancouver	VPD Cells
MVA – Driving while Prohibited	Beatty Street, Vancouver	Appearance Notice – Vehicle towed
MVA – s. 215 24hour Driving Prohibition	Alberni & Thurlow, Vancouver	Issued 24hour Driving Prohibition and Notice of Prohibition – Vehicle impounded
6 – Unendorsed Warrants	Surrey Central SkyTrain, Surrey	Surrey Cells
1 – Endorsed Warrant	124th & Larson Road, Surrey	Appearance Notice
9 – Unendorsed Warrants	152nd & 104th Ave, Surrey	Surrey Cells
MVA – Immediate Roadside Suspension	Garden City Road, Richmond	90 Day Driving Prohibition – Vehicle impounded

Misuse of Fare Gates and Provincial Violation Tickets (“VTs”)

In comparing the 2020 Q1/Q3 to 2019 Q1/Q3 periods, there were decreases in the volume of issued Fare Infraction Notices (“FINs”), a TransLink bylaw, as well as the number of Violation Tickets (“VTs”). The decreases are reflected of the lower ridership and may also be attributed to an adjustment to operational deployment models and policing practices during the pandemic. (Issuance of VTs is associated to Transit Police Officers’ active observations and enforcement of the provincial offences regarding the misuse of fare gates³, which was new legislation in 2017.) Of critical importance to the safety of transit customers and staff, and the general public, is how the process of confirming an offender’s identity allows Transit Police to learn whether there is a criminal record or conditions of release, and if there are any outstanding warrants to be executed. Executing outstanding warrants contributes positively to the work of our Jurisdictional Police partners and their offender management and community safety and crime reduction efforts.

³ The amended *Greater Vancouver Transit Conduct and Safety Regulation* came into effect March 2017. A person who commits an offence under the *Regulation* can be issued a violation ticket in the amount of \$173. The new offences are intended to focus on “disorderly behavior”, instead of the loss of fare revenue. Neither the Transit Police Officer nor the offender needs to be inside the **fare paid zone** to issue a ticket to a person who commits an offence under s. 8(4) of the *Regulation*. Because the person has committed an “offence”, the Officer has lawful authority to briefly detain the person outside of the fare paid zone. Persons who do not “tap in/tap out” will contravene section 8(4)(d) – “going through a fare gate that was not opened by that person.” Accordingly, Transit Police can issue a ticket on that basis.

TO: Board of Directors

FROM: Christine Dacre, Chief Financial Officer
Olga Kuznetsova, Vice President Financial Services

DATE: November 12, 2020

SUBJECT: 2021 Business Plan, Operating and Capital Budget

PROPOSED RESOLUTION:

That the TransLink Board of Directors approve the proposed 2021 Business Plan, Operating and Capital Budget as attached as Attachment 1 to this report.

EXECUTIVE SUMMARY

The COVID-19 pandemic in 2020 has created a new set of challenges resulting in TransLink re-evaluating 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, and provide pre-COVID levels of service.

COVID-19 pandemic has had a negative impact on several sources of TransLink's revenue: transit fares, parking rights tax and development cost charges are anticipated to be well below 2020 levels.

TransLink made significant reductions in expenditures both in 2020 and proposed for the 2021 budget to help alleviate the losses in revenue caused by COVID-19. Management reviewed the 2021 budget in alignment with new corporate priorities and derived savings by reducing headcount, professional services costs and discretionary spending across all operating divisions. TransLink deferred the expansion on bus and rail services in 2020 and proposes to continue the deferral in 2021 that was contemplated in the Phase 2 Investment Plan. The 2021 New Capital Program is focused on essential state of good repair activities and previously committed projects including those substantially funded by existing provincial and federal programs.

Senior Government relief funding under the Safe Restart Agreement, coupled with prudent fiscal management and a healthy liquidity position, will enable TransLink to continue providing pre-COVID service levels through 2021. Uncertainty around the timing of economic recovery and ridership levels continue, and a longer-term structural gap in our revenue sources will need to be addressed in the next investment plan.

PURPOSE

The purpose of this report is to request the Board of Directors approve the 2021 Business Plan, Operating and Capital Budget.

BACKGROUND

The COVID-19 pandemic is having a significant impact on TransLink's operations. At the height of the physical restriction in March – April 2020, ridership boardings declined to 17% of pre-COVID levels. Although ridership has shown a trajectory for recovery over summer 2020, it continues to be significantly below pre-COVID levels, currently at 42%. The ridership is expected to continue to be suppressed in 2021.

Other revenue sources, such as fuel tax, parking rights tax and development cost charges have also been affected. While fuel tax revenue is expected to recover to 2020 levels, parking rights tax and development cost charges are expected to remain low.

Significant cost reductions were implemented in 2020 which included a hiring freeze and significant curtailment of discretionary spending. Previously planned expansion on bus and rail has been put on hold, and some capital projects were deferred. The forecasted revenue losses for 2020 are \$426 million and the net savings from reduced expenditures are \$107 million, leaving a net loss of \$319 million.

In September 2020, the BC Government announced that under the Safe Restart Agreement, TransLink will receive \$644 million one-time operating funding relief. This funding will enable TransLink to continue providing pre-COVID service levels through 2021. These services will meet the expected demand on transit, while allowing safe physical distancing.

With the on-going uncertainty of ridership and related fare revenue recovery, the 2021 Budget was developed with a focus on revised priorities, essential state of good repair program, and reductions in expenditures. Throughout 2021, TransLink will continue monitoring and adjust its operating and fiscal scenarios associated with the progress and aftermath of the pandemic.

DISCUSSION

The 2021 Business Plan, Operating and Capital Budget supports four corporate priorities:

- **Rebuild Customer Ridership:** TransLink will rebuild ridership by focusing on restoring public trust and confidence in transit as the economy recovers.
- **Foster a Safe, Skilled and Resilient Workforce:** TransLink will help build resilience among the workforce by focusing on business continuity, transparency and adaptability.
- **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.
- **Achieve Financial Sustainability:** TransLink will actively manage the financial health and work towards the achievement of long term financial sustainability.

Major initiatives for 2021 within these areas are outlined in the Business Plan.
best

Total consolidated revenues for 2021 are budgeted to be \$2.0 billion which is \$56.2 million lower than the 2020 budget. Included in 2021 is an estimated \$282 million of senior government relief funding.

TransLink receives its revenue mainly through taxation, transit fares and government transfers. The COVID-19 pandemic has impacted multiple ongoing revenue sources and as a result these are all expected

to be lower in 2021 compared to the 2020 budget. Revenue sources significantly affected by the pandemic are transit fare, parking rights tax and development cost charges.

With a significant decline in ridership in 2020 and ridership levels expected to remain below pre-COVID levels in 2021, there are significant uncertainties associated with its recovery. TransLink is continuously monitoring the ridership levels and transit fare revenue and continues to make concerted efforts aimed at rebuilding ridership as the ridership levels are currently coming in below what was expected.

A potential offsetting factor to low ridership levels is the anticipation of a vaccine becoming available in 2021. The 2021 budget assumptions do not factor in the vaccine being available.

Senior Government relief funding will help TransLink to provide pre-COVID service levels and help absorb some of the financial impact of the pandemic. Senior Government Relief Funding attributable to 2021 is estimated at \$282.2 million.

Translink postponed the planned fare increase scheduled in the Phase 2 Investment Plan for July 2020 in the midst of the pandemic when such a fare increase would have been counterproductive. The 2021 Budget includes a fare rate increase of 2.3%, rather than the 4.6% plus 4.1% fare increases that were included in the Phase Two Investment Plan for 2020 and 2021, respectively. The lower fare rate increase is aimed at supporting affordability of transit fare for our customers impacted by the pandemic. Part of the \$644 million relief funding from the Senior Government is to cover the revenue loss from the lower rate increase.

Expenses are budgeted at \$2.0 billion which is \$23.2 million (1.2 per cent) higher than the 2020 budget. TransLink has made significant reductions to the expenses (\$63.3 million) to help alleviate the adverse financial impact of the pandemic. Savings were derived through not implementing planned service expansion, 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. These savings helped absorb and offset the budgetary pressures mainly driven by existing inflationary increases, negotiated labour rates and existing contractual commitments pertaining to essential activities.

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 previously committed projects under the Mayors' 10-Year Vision.

Risks associated with achieving budgeted results include:

- Impact of COVID-19:
 - Unknowns of the pandemic recovery trajectory and BC's economic recovery; and
 - Ridership recovery impacting fare revenue;
- BCRTC state of good repair and service;
- CMBC service hours (managing running and recovery time); and
- Key technology projects.

Due to prudent fiscal management, and aided by the Senior Government relief funding, TransLink is expected to maintain a healthy liquidity position throughout 2021, with unrestricted cash and investments as of December 31, 2021 budgeted to be \$614.3 million. These available liquidity reserves are expected to be sufficient to withstand the adverse impacts should the ridership levels continue to be suppressed beyond what is anticipated in the 2021 budget, and uncertainties associated with risks outlined above.



2021 Business Plan

OPERATING AND CAPITAL BUDGET SUMMARY



translink.ca



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Caution Regarding Forward-Looking Statements

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

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

1. Business Plan Summary

The South Coast British Columbia Transportation Authority, TransLink, is Metro Vancouver's regional transportation authority and its service region includes 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 ¹	BUDGET ²	BUDGET	Incr/(Decr)	%
Revenue					
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%
Sub Total Continuing Operations	2,096,463	2,023,212	1,966,978	(56,234)	(2.8%)
Gain/(Loss) on Disposal	506	-	-	-	-
Total Revenue	2,096,969	2,023,212	1,966,978	(56,234)	(2.8%)
Expenditures					
Bus Operations ¹	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%)
Total Expenditures	1,763,764	1,935,692	1,958,899	23,207	1.2%
Surplus for the year	333,205	87,520	8,079	(79,441)	(90.8%)

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

² 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 ¹	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 ²	(2,371,421)	(2,757,744)	(2,798,740)	40,996	1.5%
Indirect P3 debt ³	(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 ⁴	11.5%	10.5%	10.5%	0.0%	0.5%

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

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

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

⁴ 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)	%
Scheduled Transit Service					
Overall Performance Rating (out of 10)	7.8	8.0	8.0	-	-
Service Hours ^{1,2}	6,960,799	7,352,586	7,233,744	(118,842)	(1.6%)
Operating Cost Recovery ³	58.9%	56.9%	32.8%	(24.1%)	(42.4%)
Operating Cost per Capacity Km ^{1,2,4}	\$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%
Access Transit Service					
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%	-	-
Ridership (thousands)					
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 ⁵	\$2.41	\$2.46	\$2.76	\$0.30	12.2%

¹ 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.

² Restated 2020 Budget for Canada Line to conform with current year presentation.

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

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

⁵ 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)	
Background Assumptions					
Real GDP Growth		3.10%			
Employment rate		4.40%			
Hydro Cost Increase		2.70%			
Population	thousands	2,771			
Households	thousands	1,100			
Operating Assumptions with Sensitivity Analysis					
Revenue					
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	
Expense					
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 ¹	24,312	17,059	17,422	363	2.1%
Revenue Before Gain/(Loss) on Disposals	2,096,463	2,023,212	1,966,978	(56,234)	(2.8%)
Gain/(Loss) on Disposal	506	-	-	-	-
Total Revenue	2,096,969	2,023,212	1,966,978	(56,234)	(2.8%)

¹ 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%
Total Taxation	906,969	943,443	905,663	(37,780)	(4.0%)

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

TRANSIT REVENUES					
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%)
Total Fare Revenue	656,982	696,193	397,212	(298,981)	(42.9%)
Other	28,380	26,967	24,336	(2,631)	(9.8%)
Total Transit	685,362	723,160	421,548	(301,612)	(41.7%)

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%
Total Government Transfers Revenue	398,523	261,913	552,357	290,444	110.9%

Government transfers include funds received from GVRP, 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 (\$ thousands)	2019 ACTUAL	2020 BUDGET ²	2021 BUDGET	Change	
				Incr/(Decr)	%
Bus Operations ¹	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%)
Total Expenses by Segment	1,763,764	1,935,692	1,958,899	23,207	1.2%

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

² 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

BUS OPERATIONS BY CATEGORY					
Twelve months ending December 31 (\$ thousands)	2019 ACTUAL ¹	2020 BUDGET ²	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%
Total Expenses by Category	774,150	831,084	844,162	13,078	1.6%

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

² 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:

BUS OPERATIONS					
Twelve months ending December 31	2019 ACTUAL	2020 BUDGET	2021 BUDGET	Change	
				Incr/(Decr)	%
SERVICE HOURS					
CMBC Operations	5,161,062	5,542,834	5,452,051	(90,783)	(1.6%)
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%
Contracted Transit Services	238,407	243,750	245,948	2,198	0.9%
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%
Conventional Transit Service Hours	5,399,469	5,786,584	5,697,999	(88,585)	(1.5%)
SERVICE KILOMETRES					
CMBC Operations	100,205,632	106,781,862	106,368,448	(413,414)	(0.4%)
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%
Contracted Transit Services	5,085,019	5,251,819	5,357,880	106,061	2.0%
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%
Conventional Transit Service Kilometres	105,290,651	112,033,681	111,726,328	(307,353)	(0.3%)
CAPACITY KILOMETRES					
CMBC Operations	5,134,032,173	5,787,714,198	3,849,953,535	(1,937,760,663)	(33.5%)
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%)
Contracted Transit Services	171,372,191	189,282,547	127,658,533	(61,624,014)	(32.6%)
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%)
Conventional Transit Capacity Kilometres	5,305,404,364	5,976,996,745	3,977,612,068	(1,999,384,677)	(33.5%)

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

¹ 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 ¹	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%
Total Expenses by Category	324,248	355,527	360,290	4,763	1.3%

¹ 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 ¹	2020 BUDGET ²	2021 BUDGET	Change	
				Incr/(Decr)	%
SERVICE HOURS					
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%)
Rail Operations Service Hours	1,561,330	1,566,002	1,535,745	(30,257)	(1.9%)
SERVICE KILOMETRES					
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%)
Rail Operations Service Kilometres	61,182,773	61,068,609	60,050,500	(1,018,109)	(1.7%)
CAPACITY KILOMETRES					
SkyTrain: Expo & Millennium Lines	4,552,029,020	4,839,446,132	4,730,207,103	(109,239,029)	(2.3%)
SkyTrain: Canada Line ³	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%)
Rail Operations Capacity Kilometres	5,682,436,807	6,116,950,451	5,885,443,087	(231,507,364)	(3.8%)

¹ 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.

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

³ 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 ¹	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%
Total Expenses by Category	40,888	42,528	44,296	1,768	4.2%

¹ 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 ¹	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%
Total Expenses by Category	103,260	118,080	112,479	(5,601)	(4.7%)

¹ 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%)
Total Expenses by Category	95,083	127,541	142,075	14,534	11.4%

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
2021 New Capital Program						
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
2021 New Capital Program Total	621,512	(293,315)	328,197	103,213	(16,309)	86,904
Active/Approved in Principle (AIP) Capital						
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
Active/Approved in Principle (AIP) Capital Total	4,954,781	(2,449,748)	2,505,033	647,906	(285,620)	362,286
Total Capital						
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
Total Capital Total	5,576,293	(2,743,063)	2,833,230	751,119	(301,929)	449,190
Capital Infrastructure Contributions						
2021 New Program	84,878	-	84,878	24,698	-	24,698
Active and Approved in Principle	303,910	-	303,910	43,407	-	43,407
Capital Infrastructure Contributions Total	388,788	-	388,788	68,105	-	68,105
All Projects	5,965,081	(2,743,063)	3,222,018	819,224	(301,929)	517,295

* 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
Equipment							
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
Equipment Total		6,793	-	6,793	349	-	349
Facilities							
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
Facilities Total		5,204	-	5,204	4,850	-	4,850
Infrastructure							
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"> • Upgrades to infrastructure and systems to support the safe introduction of 5-car trains into service. • 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. 	96,300	(66,300)	30,000	1,593	-	1,593
Knight Street Bridge - Deck & Sidewalk Rehab - Implementation	<ul style="list-style-type: none"> • Rehabilitate the deck before the onset of corrosion • Replace bearings before failure occurs and to support loading of sidewalk upgrades • Implement sidewalk upgrades to meet modern standards 	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
Infrastructure Total		466,707	(193,091)	273,616	66,922	(10,773)	56,149

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
Major Construction							
Surrey Langley SkyTrain (SLS) Project Development	<ul style="list-style-type: none"> 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) Maintaining readiness to commence procurement of Stage 1 Managing Stage 1 advance works and coordination with parallel projects 	6,000	-	6,000	6,000	-	6,000
Major Construction Total		6,000	-	6,000	6,000	-	6,000
Technology							
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
Technology Total		12,475	-	12,475	7,279	-	7,279
Vehicles							
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
Vehicles Total		114,333	(100,224)	14,109	7,813	(5,536)	2,277
Contingency							
Capital Program Contingency	Capital Program Contingency	10,000	-	10,000	10,000	-	10,000
Contingency Total		10,000	-	10,000	10,000	-	10,000

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
Grand Total		621,512	(293,315)	328,197	103,213	(16,309)	86,904

*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
Equipment							
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
Equipment Total		256,270	(36,376)	219,894	79,476	(8,292)	71,184
Facilities							
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
Facilities Total		114,969	(34,167)	80,802	54,789	(22,483)	32,306
Infrastructure							
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
Infrastructure Total		591,127	(219,604)	371,523	143,632	(43,885)	99,747
Major Construction							
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
Major Construction Total		3,277,334	(1,644,294)	1,633,040	222,454	(126,279)	96,175
Technology							
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
Technology Total		148,076	-	148,076	47,306	-	47,306
Vehicles							
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)	-
Vehicles Total		567,005	(515,307)	51,698	100,249	(84,681)	15,568
Grand Total		4,954,781	(2,449,748)	2,505,033	647,906	(285,620)	362,286

* 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
2021 New Program			
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	-
Grand Total		84,878	24,698

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

Classification and Project name	Description	Total Project Budget	2021 Capital Cash Flow
Active and Approved in Principle			
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
Grand Total		303,910	43,407

8. Changes in Financial Position

Consolidated Statement of Financial Position			
As at December 31	2020	2021	Change
(\$ thousands)	BUDGET ¹	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)
Financial Assets	1,574,841	1,994,451	419,610
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
Liabilities	6,220,599	6,514,913	294,314
Net Debt	(4,645,758)	(4,520,462)	125,296
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)
Non-Financial Assets	6,329,966	6,329,671	(295)
Accumulated Surplus	1,684,208	1,809,209	125,001

¹ 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.

UNRESTRICTED CASH AND INVESTMENTS			
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
Total Unrestricted cash and investments	365,927	614,337	248,410

Restricted Funds

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

RESTRICTED CASH AND INVESTMENTS			
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
Total Restricted cash and investments	897,517	1,178,559	281,042

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.

FINANCING				
As at December 31 (\$ thousands)	2020 BUDGET ¹	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	
Net Direct Debt	2,757,744	2,798,740	40,996	
Golden Ears Bridge contractor liability	1,024,302	1,013,077	(11,225)	
Deferred concessionaire credit	455,838	432,565	(23,273)	
Indirect P3 Debt	1,480,140	1,445,642	(34,498)	
Subtotal Net Direct Debt and Indirect P3 Debt	4,237,884	4,244,382	6,498	
Deferred Government Transfers	1,117,012	1,226,620	109,608	
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	
Other Financing	203,715	398,925	195,210	
Total Financing	5,558,611	5,869,927	311,316	
Less: Other restricted cash and investments	(546,926)	(735,128)	(188,202)	
Less: Unrestricted cash and investments	(365,927)	(614,337)	(248,410)	
PSAB Net Debt	4,645,758	4,520,462	(125,296)	

¹ 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

Consolidated Statement of Financial Position			
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
Financial Assets	2,129,335	1,574,841	1,994,451
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
Liabilities	6,027,079	6,220,599	6,514,913
Net Debt	(3,897,744)	(4,645,758)	(4,520,462)
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
Non-Financial Assets	5,496,734	6,329,966	6,329,671
Accumulated Surplus	1,598,990	1,684,208	1,809,209

Consolidated Statement of Operations

Consolidated Statement of Operations			
Twelve months ending December 31	2019	2020	2021
(\$ thousands)	ACTUAL ¹	BUDGET ¹	BUDGET
Revenue			
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>
Expenses			
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>

¹ Restated to reflect budget transfers

Consolidated Statement of Changes in Net Debt

Consolidated Statement of Changes in Net Debt			
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	-	-	-
	(302,106)	(555,016)	(404,354)
Change in supplies inventory	(10,312)	(8,425)	(7,300)
Change in prepaid expenses	(2,704)	(2,990)	(1,500)
	(13,016)	(11,415)	(8,800)
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	(3,897,744)	(4,645,758)	(4,520,462)

Consolidated Statement of Cash Flows

Consolidated Statement of Cash Flows			
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.

Allocated Cost Breakdown					
Twelve months ending December 31	2019	2020	2021	Change	
(\$ thousands)	ACTUAL	BUDGET ¹	BUDGET	Incr/(Decr)	%
Shared Services					
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%)
Total Shared Services allocated	-	-	-	-	-
Costs Administered by TransLink and allocated to operating companies					
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%)
Total Costs Administered by TransLink allocated	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%)
Total costs allocated to operating companies from TransLink	73,248	81,176	83,344	2,168	2.7%

¹ Restated to reflect budget transfers

TO: Board of Directors

FROM: Christine Dacre, Chief Financial Officer
Steve Veinot, Director, Strategic Sourcing & Contract Management

DATE: December 10, 2020

SUBJECT: SkyTrain Fleet Contract Award

PROPOSED RESOLUTION:

That the TransLink Board of Directors approve:

- A. Awarding the contract for 205 SkyTrain cars for the Expo and Millennium Upgrade Program (EMUP), including an option for up to 400 additional cars at TransLink's discretion which option is subject to future project approvals as may be required, to Bombardier Transportation Canada Inc.; and
- B. The Chief Executive Officer or his designate to execute a contract with Bombardier Transportation Canada Inc. to design, manufacture, test, deliver and commission these SkyTrain cars, as further described in this report.

EXECUTIVE SUMMARY

The procurement of 205 new SkyTrain cars is a large component of the Expo and Millennium Upgrade Program (EMUP) and TransLink is securing a railcar manufacturer to design, manufacture, test, deliver and commission these cars. A Request for Proposals was issued on July 31, 2019 and closed on May 11, 2020 for railcar manufacturers to submit bids for the delivery of these 205 cars and, at TransLink's discretion, options for an additional 400 cars for future service expansion and replacement needs.

Management is seeking approval to conclude the negotiation and execute a contract with Bombardier Transportation Canada Inc. for these SkyTrain cars.

BACKGROUND

As part of EMUP, TransLink, on behalf of its operating entity, the British Columbia Rapid Transit Company Ltd. (BCRTC), will be procuring for the design, manufacture, testing, delivery and commissioning of 205 new SkyTrain cars. These SkyTrain cars will replace the existing Mark I trains and provide system capacity for long term service expansion, as well as the Broadway Subway Project (BSP).

TransLink wants to ensure consistency with the design and supply of future SkyTrain cars to support future SkyTrain fleet expansion and replacement requirements, such as the Surrey Langley SkyTrain and replacement of the Mark II trains. As a result, an additional 400 cars, to be ordered as options, are included in the procurement process to give TransLink ability to secure future fleet, if needed. These option cars are not a commitment and would be ordered at TransLink's discretion, dependent on SkyTrain demands and TransLink's future capital programs. These options will be structured in a flexible manner to achieve

TransLink's need to order in quantities that suit future requirements. Any quantity of the 400 option cars not exercised by the deadline of 2035 will lapse without penalty or commitment.

When the SkyTrain service began in 1985, the Linear Induction Motor (LIM) technology used to propel the existing Mark I, Mark II and Mark III SkyTrain cars was proprietary to Bombardier Transportation Inc. The patent for the LIM technology has since expired and as such, now allows for other manufacturers within the rail industry to build their own LIM system(s).

With the size of investment in SkyTrain cars, TransLink took this as an opportunity to assess the current market and determine if it could create competition with other railcar manufacturers that have developed LIM technology that would satisfy both the operational and technical requirements for the SkyTrain service.

DISCUSSION

Procurement Activities and Processes

Market Sounding

In order to determine whether there was any competition in the marketplace for the LIM technology, TransLink researched the viability of local, national and international railcar manufacturers to provide a similar LIM system that would operate on TransLink's network.

TransLink was advised that for a large manufacturing organization to invest the time and money into a new design and production process, a substantial investment and commitment would be required. This commitment would generally be a long-term agreement to procure approximately 200 SkyTrain cars over several years.

High-level train specifications were provided to indicate TransLink's basic functional requirements and preferences, car performance, quality and maintainability requirements, without making specific assumptions with respect to the actual design and configuration of the cars.

TransLink sought the expertise of railcar manufacturers to create a world-class SkyTrain complete with impressive customer amenities without compromising the reliability of the trains or TransLink's ability to provide service.

Through the course of general discussions with a number of these manufacturers, it was discovered that there were at least two possible organizations, other than Bombardier Transportation Canada Inc., that were interested in working on the project and could potentially manufacture a LIM type of railcar to meet TransLink's requirements.

Request for Information (RFI)

Seeking to gather more formalized information from the market sounding discussions and to better understand the market requirements from the railcar manufacturing industry, a public Request for Information (RFI) was issued from February 26, 2018 to October 31, 2018.

An overview of the project including details of the SkyTrain network, operating lines, expected quantity of cars, technology requirements and guideway requirements was provided with the RFI. Additionally, during the RFI period, TransLink hosted a number of site visits intended to answer questions and provide further information as requested by railcar manufacturers. Each site visit was attended by multiple

companies, including railcar manufacturers, major component suppliers and consulting companies with railcar expertise.

When the RFI closed, three manufacturers had expressed interest in TransLink's SkyTrain project, which confirmed there were an adequate number of companies to create a competitive environment to provide a solution for new SkyTrain cars. The feedback received through the RFI provided additional considerations for the Request for Proposals (RFP) that TransLink subsequently issued.

Request for Proposals (RFP)

Project Expertise

From the feedback received through the market sounding and RFI processes, TransLink determined that additional expertise to supplement its internal resources would be required in order to deliver a successful project. The majority of expertise needed was technical in nature and as such, TransLink issued and awarded two competitive solicitations: Technical Writing Services and Program Manager Services, respectively.

The Technical Writing Services project, awarded to Parsons Inc., was centered around the creation of the performance specification document. This work included coordination with BCRTC and TransLink, research and confirmation of industry standards requirements and input from Thales on Automated Train Control (ATC) components.

The Program Manager Services project, awarded to SNC-Lavalin Inc., sought to provide relevant technical expertise and experience in managing long-term railcar manufacturing projects.

Strategic Sourcing worked closely with key internal and external stakeholders, including; BCRTC's Engineering, Operations, Maintenance and Fleet departments, and TransLink's technical writer and program manager to create the content of the RFP. Significant input was also provided by TransLink Planning and Finance.

Procurement Model

TransLink chose to use an RFP procurement model to allow TransLink to select a proponent with the best overall solution based upon set evaluation criteria. The more flexible nature of this procurement model was preferred as it allowed proponents to identify what they had the ability to provide from TransLink's performance-based specification.

The alternate option of an Invitation to Tender (ITT) style procurement model, where the award would have been based on the lowest priced compliant bidder, would have necessitated TransLink be very specific with all elements of the project from design and manufacturing to operating requirements.

RFP Management

In order to support the fairness and transparency of the procurement process, TransLink engaged the services of a fairness monitor. The role of the fairness monitor was to observe and monitor all aspects of procurement for the project and to report with respect to the fairness of the procurement process observed. The fairness monitor's report is included as Appendix A – Fairness Monitor Final Report.

RFP Process

On July 31, 2019, TransLink issued a public RFP for the design, manufacturing, testing, delivery and commissioning of new SkyTrain cars. The initial closing date for the RFP was December 31, 2019; however, at the request of companies interested in responding, the deadline for submissions was extended to May 11, 2020.

During the RFP period, TransLink held two site visits for prospective proponents intended to clarify the technical information and provide any further information as requested by proponents. Each site visit was carried out over two days.

The initial day provided a walk-through of BCRTC's Operations and Maintenance Centre (OMC) where proponents were provided with information on BCRTC's processes, expectations and restrictions. The second day of the site visit was held for individual proponents to ask commercially sensitive information specific to their designs and business practices. The fairness monitor was in attendance during the second day of the site visit to ensure any information provided to each proponent was similar in nature.

Major elements contained within the RFP were the performance specification, the project schedule milestones (i.e. BSP requirements, the Investing in Canada Infrastructure Program (ICIP) funding deadlines), warranty program criteria, key performance indicators, service level requirements and other information structured to ensure the best overall solution. Proponents were asked to provide detailed responses to questions structured into technical and commercial areas to demonstrate how they would achieve the requirements.

These areas included:

- Technical Performance and Features
- Quality Assurance
- Project Delivery (i.e. approach to work, project schedule and key milestones)
- Qualifications and Experience (i.e. key personnel, organizational structure and experience)
- Financial and Corporate Stability
- Pricing Information

TransLink received proposals from two companies. All information from the proposal submissions was provided to the technical and commercial evaluation teams, respectively, to be reviewed, assessed and consolidated into a final score.

Evaluation

The first step in the evaluation process was to review each submission and assess the information provided based upon the following criteria;

- Ability to provide LIM technology
- Integration of LIM motors with the brake systems and Thales' TOP ATC system
- Meet all existing space envelope restrictions on the Expo and Millennium Lines (from performance specification)
- Not exceed the train weight and axle loads (from performance specification)

The technical evaluation team was comprised of members from BCRTC Engineering, Maintenance and Operations as well as TransLink's Program Manager. Additional information was provided to the technical team through advisory members from BCRTC Health and Safety, Training, Access Transit, Sustainability and others.

The commercial evaluation team led by TransLink Strategic Sourcing was comprised of TransLink Treasury and TransLink Strategic Sourcing with Legal and Finance in an advisory capacity.

The evaluation teams reviewed the technical and commercial proposals using the following criteria:

- Business and technical reputation, as well as financial stability;
- Skills, knowledge, qualifications, and previous experience in delivering a similar scope of work;
- Team members' respective abilities, experience, qualifications and success in providing a high-quality product;
- Capability, flexibility and sufficiency of resources to fulfill the work, including the ability to deliver the trains when and where required;
- Quality of the trains proposed against TransLink's performance criteria;
- Environmental impacts and benefits of the trains proposed, if any;
- Existing management practices, controls and quality assurance controls and procedures for all aspects of management, engineering, design, production, supply, testing and delivery;
- Quality and duration of the proponent's warranty and training programs;
- Total cost as estimated by TransLink, including the cost over the service life of the trains;
- Proposed schedule for delivery of the trains and the other components of the work relative to the contract milestones, and TransLink's perception of the proponent's ability to meet this schedule;
- Quality of the proposal, including clarity, completeness and thoroughness;
- Past dealings with the proponent (if any), including TransLink's (positive or negative) relationship with the proponent; and
- Any other information submitted by the proponent or acquired by TransLink or any other criteria set out in the RFP or otherwise reasonably considered by TransLink.

To assist with the evaluation of the proposals, the teams initiated a clarification process with the two proponents through a presentation provided by each proponent and followed by comprehensive clarification questions based on the individual proposals. The evaluation teams received the clarification responses, which informed the pricing and technical information and guided the scoring.

Clarifications, Presentations and Evaluation Findings:

- Deviations to the performance specification and program support requirements (warranty program, quality assurance program, TransLink facilities and resources, testing and commissioning requirements, and spare parts/inventory), contractual requirements, were cited by the proponents.
- A further review of these deviations was needed in order to assess if they were acceptable to BCRTC and if there was any potential risk to the EMUP program.
- BCRTC completed the initial technical gap analysis of deviations indicated (including identification of which deviations were acceptable or not acceptable).
- Further clarification questions were sent to each proponent to ensure TransLink's comprehensive understanding of the submissions and recommended proposed solution.
- Review of commercial and contract deviations was completed.
- Additional pricing information for possible optional items or work as outlined in the submissions was requested from the proponents.
- TransLink requested each company provide a presentation of their proposed solution, program elements and company strengths to the evaluation team.

- Once the extra information was received, each evaluation team member was tasked to consider the additional details provided through the clarification phase and proponent's presentation and decide on their final individual scores.
- Ultimately, the consolidated scoring from the evaluation team identified the company with the best overall solution to meet TransLink's needs; Bombardier Transportation Canada Inc.

Notice of Preferred Proponent and Notice to Proceed

The project team provided the details of the consolidated scoring and results of the evaluation process to the project Steering Committee in order to seek approval to proceed with the next step of the procurement process.

The Steering Committee reviewed all relevant information and provided the project team with approval to issue the Notice of Preferred Proponent. This Notice was sent to Bombardier Transportation Canada Inc. on September 21, 2020.

Issuing the Notice of Preferred Proponent allowed TransLink to engage Bombardier Transportation Canada Inc. in detailed contract negotiations. The initial discussions identified a need to begin certain design work prior to contract execution in order to maintain the high-level project schedule and other time critical factors.

The project team requested and received approval from the Steering Committee to issue a Limited Notice to Proceed (LNTP) letter outlining the terms of the early works to be completed prior to contract execution at a not to exceed value of \$2M. After a number of discussions to define the specifics of the work to take place under the LNTP, the letter was signed by Bombardier Transportation Canada Inc. and TransLink on October 19, 2020.

Contract Negotiations

In order to achieve the best possible outcome for a successful negotiation of the contract with Bombardier Transportation Canada Inc. the following key elements were considered;

- The proposed contract terms and conditions provided with the RFP are the baseline for the new agreement to be drafted between TransLink and Bombardier Transportation Canada Inc.
- Bombardier Transportation Canada Inc. has not accepted certain proposed conditions of the contract and has identified a number of requested changes.

After significant detailed negotiations with Bombardier Transportation Canada Inc. throughout the months of October and November, the following details key contract terms which have been agreed to, subject to Board approval.

Pricing

- The unit price per car of \$3.5M for the new SkyTrains includes;
 - Enhancements and improved features as compared to the most recent Mark III cars
 - Better warranty program and reliability requirements as compared to the Mark III contract
 - More favourable contract terms and conditions than the Mark III contract

- Letters of Credit (performance and warranty) and liquidated damages
- The total value of this contract will be \$722,592,636 for 205 SkyTrain cars

Enhancements and Improved Features

- The new SkyTrain cars will include the following improved features:
 - Trains will be in a 5-car configuration versus the Mark III design that has 4 cars
 - TOP VOBC is a new and improved VOBC design
 - Provisions for in-train PIDS
 - Provisions for new communication system (STARS)
 - Provisions for passenger Wi-Fi
 - LED headlight
 - Extra middle interior light for door status
 - Added fault detection light to each door
 - Bike rack
 - Fold down hostler seat
 - Modified HVAC with extra cooling
 - West coast art on seats
 - West coast art on windscreens
 - New end cap design
 - Seating arrangement as per public engagement survey result
 - 15% improvement on reliability

Payment Milestones

- The payments have been categorized and linked to major milestones and deliverables within the project, from design to final delivery of SkyTrain cars and subsequent warranty requirements
- The Letters of Credit, for both performance and warranty, are also generally linked to these major milestones

Delivery Schedule

- The initial train is expected to be delivered October 2023 to begin testing on TransLink's Expo and Millennium Lines
- The second train is expected to be delivered June 2024, once testing of the first train on TransLink's network has been completed
- All subsequent trains will be delivered at a rate of approximately one per month until the last train is delivered September 2027

Warranty

- In addition to the regular warranty, Bombardier Transportation Canada Inc. will provide a one-time two-year extension of the warranty period for any component that must be replaced during the standard warranty period
- Fleet systematic warranty will apply from conditional acceptance of the first train and ending two years after conditional acceptance of the last train if a failure of identical subsystems or components in the trains occurs on more than 15% of the fleet

SkyTrain Car Options

- Up to 400 SkyTrain options cars can be ordered, at TransLink's discretion, no later than the deadline of 2035, where the quantity, order date and delivery date are to be agreed between TransLink and Bombardier Transportation Canada Inc.
- A minimum order quantity will apply for each instance of an option ordered, with the quantity dependant upon concurrent or non-concurrent production (non-concurrent production to have a higher minimum quantity)
- Pricing for SkyTrain car options will be based upon set formulas for escalation, foreign currency exchange and labour indices

Contract Risk Management

Contract Mechanisms

- In order to ensure that Bombardier Transportation Canada Inc. meets TransLink's requirements for the SkyTrain car project, the contract has been structured in such a way that all major project activities are linked to a monetary transaction
- TransLink has outlined all project requirements from the design stage(s) through to delivery of the trains within a detailed contract deliverables list. These deliverables are linked to the major payment milestones; if the deliverable is not met, payment will not be provided
- In addition to the structure of payments, TransLink has ensured that the liquidated damages are tied to the delivery of the trains. If a train is late, the applicable liquidated damages cost will be applied for each day the train is late

Monetary Protection

- In order to safeguard any payments made to Bombardier Transportation Canada Inc. prior to the delivery of all trains, TransLink identified the need for protection of its investment
- This protection or insurance comes in the form of a Letter of Credit and a parent company guarantee. While there is an initial cost associated with this type of protection, the benefits outweigh the cost
- In the event Bombardier Transportation Canada Inc. defaults on the contract and cannot perform the work, TransLink has the ability to do the following: (1) "cash in" the Letter of Credit with Bombardier's financial institution, and (2) require the parent company complete any outstanding remaining work under the contract

Securities – Letters of Credit

- Bombardier will provide Letters of Credit (LoC)
- All LoCs will be issued from a Canadian bank that meets TransLink's minimum rating and is nationally recognized
- TransLink will have the ability to access the LoC value in the event Bombardier Transportation Canada Inc. defaults on the Skytrain car contract
- Based on TransLink's analysis of the various LoCs, the above schedule will provide sufficient protection on the cumulative contract costs less the cost of any trains that are delivered

Securities – Parent Guarantee

- A parent guarantee will be issued by Bombardier Transportation (Global Holding) UK Limited (BTGHUK) for the entire value of the contract, for the length of the contract term from contract execution to the expiry of the warranty period for the last train

- The guarantee is expected to remain with BTGHUK after the acquisition to Alstom is completed
- If BTGHUK requests that the guarantee be assigned to a different company, TransLink will review to confirm sufficient protection would continue to be provided regardless of the change in company

Liquidated Damages

- Bombardier has confirmed that trains will be delivered ready for commissioning which will reduce the lag time between the delivery and testing and commissioning stages of the project schedule
- The total liquidated damages payable under this contract will be capped at fifteen per cent (15%) of the total contract price
- Liquidated damages will be the only remedy available to TransLink for late delivery of the SkyTrain cars.

Other Information

Proposed Alstom SA Acquisition

As of July 31, 2020, the proposed acquisition of Bombardier Inc.'s rail division by Alstom SA had been cleared to proceed by the European Commission and was expected to be finalized in the first half of 2021.

On September 16, 2020, Bombardier Inc. and Alstom SA announced the signing of the Sales and Purchase Agreement (SPA) for the acquisition of Bombardier Transportation Inc. The signing of the SPA allowed Bombardier Inc. to move into the final phase and completion of the sale, with an expectation that the sale was to be completed by Q1 2021.

Bombardier Transportation Canada Inc. is an affiliate of BTGHUK, the group consolidating holding company which holds all the assets and manages all the activities of Bombardier Transportation worldwide.

RECOMMENDATION

The Board of Directors approves the award of the 205 SkyTrain cars with Bombardier Transportation Canada Inc., allowing Management to conclude the negotiations and authorizes the CEO to execute the associated contract.

ATTACHMENTS

APPENDIX A: Fairness Monitor Final Report

SOUTH COAST BC TRANSPORTATION AUTHORITY
Skytrain Fleet Vehicle Procurement Project

Report of the Fairness Monitor

Introduction

I was retained as Fairness Monitor for the Skytrain Fleet Vehicle Procurement (the “Project”), with the mandate to advise on, monitor, and report regarding fairness of the conduct of the procurement. This is my final report.

Role and Scope

In evaluating fairness of a procurement process, the appropriate standard is whether a well-informed person would consider the process fair. My considerations have included whether the process as designed and implemented by the Project team displayed characteristics such as:

1. Process is open, competitive, and transparent (these overlap in some respects)
 - All proponents have access to all relevant information
 - There are appropriate measures to preserve commercial confidentiality
2. Project requirements are rationally related to project objectives
3. Project team members are free from bias; conflicts are considered
4. Project team members possess appropriate expertise and competency
5. Process is objective:
 - Criteria are established in advance and disclosed appropriately
 - No additional criteria are inadvertently introduced
 - Standards are applied consistently
6. Team complies with pre-determined procedures

RFP

The Project RFP was published in July 2019. I had the opportunity to comment on the RFP before it was finalized, and was satisfied with the handling of my comments.

Meetings and Enquiries

The Project team convened two rounds of meetings with proponents to discuss the requirements of the RFP. In advance of the meetings, the Project team prepared written guidelines to ensure a fair and consistent approach to all such meetings. I had the opportunity to review and comment on the guidelines in advance, and was satisfied with the handling of my comments. I attended the meetings, and observed that the Project team conducted the meetings in accordance with the guidelines and the RFP as published.

During the RFP period, the Project team communicated with Proponents through the ARIBA platform, including answering numerous questions submitted by Proponents and issuing Addenda. I reviewed all correspondence between the Project team and Proponents. I observed that

Proponents had the same access to information as appropriate, with proper consideration being given to any Proponent requests for confidential treatment of questions.

Evaluation

Before any Proponents' submissions were opened, the Project team prepared an Evaluation Plan setting out the roles of those involved in the evaluation, standards of conduct including confidentiality and fairness considerations, and the process to be followed. The Evaluation Plan was reviewed with evaluators before they had access to the submissions. I had the opportunity to review and comment on the Evaluation Plan before it was finalized, and was satisfied with the handling of my comments.

The evaluation was conducted by two teams of evaluators with expertise in technical and in commercial matters. I attended a selection of the meetings of both teams at which they discussed and graded the submissions. I observed that evaluators took a consistent approach to Proponents' submissions, discussed and instructed themselves appropriately on fairness-related issues as they arose, and conducted the evaluation in a manner consistent with both the RFP and the Evaluation Plan.

Conclusion

During the Project, the Project team has sought or I have offered advice or comments on matters of fairness. In each case, I have been satisfied with the handling of my recommendations.

Based on all the foregoing, I am satisfied that conduct of the procurement for the Project was designed fairly, and was implemented fairly by the Project team, consistent with the requirements of the RFP.

Signed and dated at Vancouver, as of September 11, 2020.

A handwritten signature in blue ink, appearing to read 'J. Shackell', is written over a faint, illegible printed name.

Jane Shackell, QC
Fairness Monitor

TO: Board of Directors

FROM: Geoff Cross, Vice President, Transportation Planning & Policy

DATE: December 10, 2020

SUBJECT: Fare Infraction Review Update

EXECUTIVE SUMMARY

The intent of the Fare Infraction Review is to review the issue raised by #AllonBoard community advocates, that fare infraction fines (“FINs”), as currently structured, disproportionately impact those who cannot afford to pay them. This review intends to identify options to address this concern, assess the impacts of potential changes to the fare infraction process, and arrive at a recommendation for next steps to address the concerns raised as appropriate.

This review builds on policy direction established in 2018 through the 2016 Transit Fare Review to work with the Provincial government to fund and implement a low-income fare discount, discussions for which are ongoing. In 2019, TransLink contributed approximately \$100,000 in support of providing fares to disadvantaged people. Some of these programs were put on hold in 2020 due to COVID and significant decrease in ridership.

The work has re-affirmed that FINs are an important mechanism to preserve revenue and the integrity of the fare system overall. It has also identified that FINs issued to youth are decreasing year-over-year, as are the proportion of tickets that are sent to ICBC to Refuse to Issue a driver’s licence or vehicle insurance until outstanding fines are paid.

A review and evaluation of a list of options has been ongoing. This report completes the review with an evaluation of the options and a recommendation for next steps.

PURPOSE

This report provides an evaluation and recommendation of options to address complaints that fines from FINs disproportionately impact low-income individuals.

BACKGROUND

In response to requests from community advocacy groups, in 2019 TransLink staff initiated a process to identify and assess options to address the difficulty that youth and low-income adults encounter in paying fines for fare evasion.

There are two different tickets an individual can receive when found without valid fare, depending on the circumstances:

- a) **Fare Infraction Notice (FIN):** a by-law infraction can be issued under the *South Coast British Columbia Transportation Authority Act* (the “Act”) and the related Fare Collection Regulation

bylaw, for either failing to pay the fare required by the Transit Tariff or for failing to, while in a fare paid zone, retain and produce for inspection the required proof of payment.

- b) **Provincial Violation Ticket (PVT)**: can be issued for offences such as misusing the fare gates (and for other offences including wilfully obstructing a fare officer) under the Greater Vancouver Transit Conduct and Safety Regulation.

Both types of tickets carry a fine of \$173 (with FINs increasing up to \$273 if unpaid after 366 days) and may prevent an individual from renewing their drivers' license or vehicle insurance if the fine remains unpaid.

The fare infraction review undertaken by TransLink focuses on options related to FINs, which account for over two-thirds of tickets issued on the system, as TransLink administers and collects the fines from FINs and obtains any revenue collected. The Provincial government administers and collects fines from PVTs; TransLink does not have any direct ability to change PVT fine levels, collection, or enforcement. If any changes are made to the FIN process, TransLink will share the changes with the Province for their consideration in relation to the PVTs.

DISCUSSION

Impacts of COVID-19 pandemic on the Fare Infraction Review:

- The review did not consider temporary, short-term measures specific to COVID-19 and COVID-recovery timelines. The scope remained focused on permanent options to be implemented on a medium-term time horizon.
- The evaluation of options was conducted using 2019 data. Due to the impacts of COVID-19, 2020 data varies significantly from normal operations.
- 2020 data has been provided in the report where available.
- Some new initiatives that were planned for 2020 to support low-income and youth riders were put on hold.

Several factors are important to highlight in the evaluation of options.

FINs are an important mechanism to preserve revenue and the integrity of the fare system.

TransLink's fare evasion program is intended to encourage people to pay their fares. In 2019, the revenue received from fares paid for roughly 58% of TransLink's operating costs, making fares integral to funding the operation of the transit system. The scheme helps ensure that people who do not pay their fares face consequences if caught and helps preserve the integrity of requiring fare payment. The general public and TransLink customers provide frequent feedback about the need for TransLink to address fare evasion. Without a proper mechanism in place to deter fare evasion, the integrity of TransLink's fare system and revenue would be at risk of being compromised.

Since 2013, the number of FIN tickets issued annually to youth has decreased every year from 1,828 (or 7% of all tickets) to 482 (or 3% of all tickets) in 2019. 159 FIN tickets (or 3% of all tickets) have been issued to youth so far in 2020.

Today, youth represent between 3% and 5% of total tickets issued for both ticket types. For context, youth are estimated to account for between 6% and 12% of total system-wide journeys. Information on income of individuals receiving a FIN or PVT is not available. We note that none of the PVTs issued to youth between 2013-2016 would have been related to fare evasion.

Table 1: Tickets issued by type and by age of offender, 2013 – September 2020

Infraction Type	2013	2014	2015	2016	2017	2018	2019	2020
Infraction Notice	25,073	30,173	31,393	25,320	20,400	15,911	18,507	5,308
Age 19 and older	23,245 (93%)	28,050 (93%)	29,320 (93%)	23,899 (94%)	19,398 (95%)	15,334 (96%)	18,025 (97%)	5,149 (97%)
Under age 19	1,828 (7%)	2,123 (7%)	2,073 (7%)	1,421 (6%)	1,002 (5%)	577 (4%)	482 (3%)	159 (3%)
Provincial Violation Tickets	643	603	527	585	5,869	7,335	7,010	1,969
Age 19 and older	585 (90%)	539 (88%)	495 (94%)	545 (93%)	5,481 (93%)	6,974 (95%)	6,647 (95%)	1,967 (99.9%)
Under age 19	58 (10%)	64 (12%)	32 (6%)	40 (7%)	388 (7%)	361 (5%)	336 (5%)	2 (0.01%)
Total Tickets	25,716	30,776	31,920	25,905	26,269	23,246	25,517	7,277

In the current system, unpaid FIN fines can be sent to ICBC with a request for ICBC to Refuse to Issue (RTI) or renew a driver's license or vehicle insurance until fines are paid.

In 2019, only 28 FINs issued to youth were sent to RTI, 0.2% of all FINs issued, representing a decreasing trend. Only 2 FINs issued to youth have been sent to RTI in 2020.

This annual number of FINs issued to youth that were sent to RTIs has decreased significantly in recent years from 146 in 2013 to 28 in 2019.

Table 2: % of FINs to under age 19 riders that were sent to RTI

Fare Infraction Notice	2013	2014	2015	2016	2017	2018	2019	2020
Under age 19 sent to RTI	146 (0.6%)	133 (0.4%)	129 (0.4%)	97 (0.4%)	41 (0.2%)	22 (0.1%)	28 (0.2%)	2 (>0.1%)

The BC NDP proposed extending free transit for aged 12 and under in their 2020 election platform.

TransLink has long provided free transit for children under 5 years of age and offered discounted Concession fares for ages 5-18 and over age 65. Extending free transit to age 12 and under is estimated to cost between \$5-10 million annually in forgone revenue. TransLink is analyzing how this could be best implemented should the Provincial Government indicate intent to pursue further. This initiative would not materially impact the quantities or composition of Fare Infraction Notices being issued.

Transit Police are prioritizing initiatives that facilitate access to transit for vulnerable groups.

- **Discretionary Compass tickets:** Transit Police can carry up to 10 Compass tickets each shift and have discretion to distribute these tickets to individuals during their shift, often to facilitate the completion of a trip if someone is found fare evading and cannot afford the fare. SkyTrain attendants carry these tickets as well.
- **Transit Police Community Engagement team:** Prior to COVID, planning was underway for a six-month pilot that would allow the Transit Police Community Engagement team to provide single-use Compass tickets to customers at their point of need, including during outreach aimed at facilitating access to transit. TransLink and BC Housing had each planned to contribute \$10,000 to this pilot for a total of \$20,000 in 2020. This initiative was put on hold for 2020; options are being explored for 2021.

In 2019, TransLink provided approximately \$100,000 of financial support for low-income access to transit. Support was planned to increase for 2020 but some programs were put on hold. Options for support are being explored for 2021.

- **Access to Transit program – *TransLink contributed \$50,000 in 2019 and \$50,000 in 2020***
TransLink partners with BC Housing to co-fund a program that provides single-use Compass tickets for homeless individuals to access shelters, work, services, or appointments. In 2019, TransLink and BC Housing each contributed \$50,000 for tickets which are distributed at BC Housing-approved shelters. Data from the 2018-2019 season indicates ticket requests were three times higher than the amount of tickets available.
- **Charitable Donations – *TransLink contributes \$50,000 annually***
TransLink allocates approximately \$50,000 annually to fund community donation requests. The majority of this funding is used to provide single-use Compass tickets.
- **Compass Card Donation Program – *Program is self-funded***
Balances on lost and donated Compass cards are allocated to an account in partnership with the United Way that is drawn upon to obtain single-use tickets for people in need. Approximately \$90,000 was raised in 2019.
- **Adopt-A-School Program – *TransLink had planned to contribute \$40,000 in 2020. This project was put on hold for 2020 and is being explored for 2021.***
TransLink had planned to provide \$40,000 of single-use Compass tickets for distribution in 2020 to students identified as most in need by Adopt-A-School to help remove barriers to access transportation, improve educational attendance and opportunity through transit services.

In addition to these TransLink initiatives, there are initiatives delivered by other organizations that provide support for access to transit, although TransLink does not collect data on these initiatives, and it is therefore difficult to measure their impact. For example, TransLink allows organizations to purchase bulk Compass tickets at stored value rates. Approximately 600 organizations are participating in this program and TransLink believes that many organizations support youth or low-income individuals, but TransLink does not obtain information about the intended use of the purchased tickets. TransLink is also aware, through the fare infraction dispute process, that there are government and not-for-profit agencies that

provide fares to persons requiring assistance, including students, newcomers, etc. through their own program funding. TransLink is also aware that the City of Vancouver is currently planning a free transit pilot, with funding from UBCM, for about 400 people to evaluate how the free passes impact access.

As part of its poverty reduction mandate, the Province currently offers the BC Bus Pass, a discounted annual transit pass, to low income seniors and persons on disability assistance. Discussions are ongoing with the Province to explore expanded discounts for youth and low-income residents who are not eligible for the BC Bus Pass.

OPTIONS

A long list of assessed options was reviewed which resulted in a short list of seven options for evaluation, which are detailed below.

a) Allow fines to be reduced based on income

This option would introduce a reduced fine amount for low-income individuals. During the initial dispute process, individuals could seek a reduced fine by submitting documentation of low-income status to TransLink. If the individual is found to qualify as low-income (thresholds would be set by TransLink based on best practices for low-income measures), the fine would be reduced from \$173 to a predetermined amount that is consistently applied to all individuals found to qualify.

For purposes of analysis, the reduced fine was tentatively set at \$25, a reduction of 85% off the full fine amount. This number was selected as it seemed to strike a reasonable balance between requiring some form of payment (greater than free) without being entirely out of reach for low-income individuals.

As this option would apply to all individuals based on income, it directly addresses the target demographic of this review by reducing the disproportionate financial impact of fare infraction penalties on low-income individuals. This option could increase TransLink's fare infraction administration costs if the number of disputed tickets increases, and as TransLink would need to collect and consider evidence acceptable as proof of low-income status.

Implementing this option may require changes to the Act, which is dependent on the Province, and would require changes to the Fare Collection Bylaw, which is dependent on the Mayors' Council, and changes to the ticket form. Additional changes to the Act and/or the Bylaw may be required.

b) Allow fines to be reduced based on age (<19)

This option would introduce a reduced fine amount for individuals under the age of 19. Similar to Option a, individuals seeking a fine reduction would be required to submit documentation of their age to TransLink during the initial dispute process. If the individual is found to be within qualifying age, the fine would be reduced from \$173 to a predetermined amount.

For purposes of analysis, the reduced fine for this option was set at \$25, the same amount as Option a. This provides a reduction of 85% off the full fine amount.

Implementing this option would require similar changes to those outlined in Option a, except that the reduced ticketed amount would be on the basis of age.

As this option would apply to all youth regardless of individual or family income, it does not directly address the low-income target demographic of this review. It would be equally available to all riders under 19 years of age. Reducing fines for all youth would eliminate the key enforcement mechanism for ensuring fare payment for this demographic and could cause an increase in fare evasion, with some impact on revenue. This option would also increase TransLink's administrative time and costs relating to fare infraction.

Implementing this option may require changes to the Act, which is dependent on the Province, and would require changes to the Fare Collection Bylaw, which is dependent on the Mayors' Council, and changes to the ticket form.

c) Allow fines to be reduced if paid early

This option would introduce an early fine payment reduction available to everyone who receives a FIN, a technique often employed to encourage early payment of other fines across Metro Vancouver.

For purposes of analysis, the reduced fine was tentatively set at \$110. This amount was based on an average reduction rate (35%) for early payment of various fines and infractions in Metro Vancouver.

As this option would be available to all riders, the reduced early fine should not be set too low; the lower the reduced early fine payment is set, the greater the incentive for all riders to evade fare payment, with inherent revenue risk. However, the higher the reduced early fine payment is set, the less benefit it provides to low-income individuals.

This option is not specifically targeted to the low-income population. The amount of fine reduction is unlikely to be low enough to benefit the low-income individuals who are the target demographic of this review.

Implementation of this option would require changes to the Act, changes to the Fare Collection By-Law, and changes to the ticket form.

d) Establish a fine relief fund

This option would formally establish a fine relief fund through which low-income individuals could apply for funding to pay their \$173 fine. It would be funded by TransLink and administered through partnership with not-for-profit organizations. The fund could also be open to accepting third party donations.

The amount of the fund could be set at any value. Where the value is set will determine the extent and magnitude of how effective it will be in assisting fine payment for low-income riders. These funds would be returned to TransLink via fine payments.

As this option would apply to individuals based on income, it directly addresses the target demographic of this review by reducing the disproportionate financial impact of fare infraction

penalties on low-income individuals. The financial impact of this option is dependent on the amount TransLink contributes to the fund, though funds will ultimately be paid back to TransLink through FIN payments. Since this option would be administered by a third party, TransLink's ongoing administrative time and costs relating to this option would be minimal. However, administration by an external non-profit would provide TransLink with less visibility into consistency of fund administration, such as low-income access to funds and adherence to the rules of the program. For this option, no changes would be needed to the Act or the Bylaw.

e) **Explore the development of a FIN Warning system**

Transit Police explored multiple possible approaches for implementing a FIN warning system; for example, allowing fare officers to, at their discretion and in accordance with a written policy, issue and track warning tickets with a \$0 fine amount. After such exploration, it was determined that none of the possible approaches directly addressed the problem that this review is focused on, and all options had some potential drawbacks.

f) **Replace RTI with alternative collection mechanisms**

To enforce payment of FIN fines, TransLink can request ICBC Refuse-to-Issue ("RTI"), or renew, the driver's license or vehicle insurance of a person with an unpaid FIN fine until paid. TransLink can alternately refer the unpaid amount to a collection agency, which is typically used when an RTI is not available.

This option proposes that TransLink not request ICBC to RTI for unpaid FIN fines. To replace RTI, staff reviewed alternative mechanisms to enforce payment. There are limited alternative collection mechanisms available to TransLink, which include barring individuals from using transit or taking the individuals to court to enforce collection. Staff concluded that these alternatives are more punitive and come with greater reputational risks than the current collection enforcement mechanism.

Staff found that RTI is a more effective collection enforcement tool than referring debts to a collection agency: 65% of FINs with an RTI request result in payment compared to 6% of FINs that are referred to a collection agency. Management also believes that the risk of an RTI is one of the main factors that lead to individuals paying their FIN within the 90 days that TransLink provides individuals before taking any collection action. The Province also uses RTI to enforce payment of its violation ticket debt.

This option would directly address the concern surrounding the disproportionate impact on low-income individuals who would not be able to drive due to any debt they owe related to FINs; but, it would also apply equally to everyone with FIN-related debt owing to TransLink. Given the significant negative impacts to revenue that would result from weakening the enforcement of FINs issued and owed to TransLink, this option is not recommended for consideration.

g) **Expand TransLink's existing supports for low-income individuals**

This option would expand TransLink's programs that facilitate access to transit for low-income and vulnerable individuals. TransLink's existing programs, detailed in the Discussion section of this report, are funded by both TransLink and Transit Police and often operate in collaboration with community partners. This option would enhance the funding and magnitude of these programs, including Transit Police's programs that provide single-use tickets for distribution to vulnerable

individuals and the Access to Transit program that provides single-use transit tickets for homeless individuals to access shelters, work, services, or appointments. In the 2018-2019 winter season, demand for the Access to Transit program was three times greater than the supply of tickets available.

This option is a preventative approach that decreases the likelihood that a low-income person would be in a position to receive a fare infraction. This option preserves the fare enforcement system. It is low-cost and high benefit. It would also be low effort to implement as no changes would be needed to the Act, Bylaw, or ticket form and it utilizes existing partnerships and program infrastructure.

As a preventative approach, this option does not independently address the problem of the impact fines have on low-income individuals; it is recommended for consideration as part of a package of options that also address the problem of fine payment. This option would not impact TransLink's ongoing advocacy to the Province for a broader, more comprehensive funding program for low income individuals.

Should this option be endorsed in principle, scoping and costing proposals for new and expanded programs and partnerships would be initiated.

EVALUATION

Each option was evaluated through the lens of addressing complaints that fines from FINs disproportionately impact low-income individuals, together with the potential impacts and consequences of each option. A full evaluation of how the options perform against all objectives can be found in Attachment 1.

We recommend that the **following options be eliminated** from further consideration for the purpose of this review:

- **Option b: Allow fines to be reduced based on age (<19)**
Reducing fines for all youth could negatively impact fare payment by youth, with significant impacts on revenue.
- **Option c: Allow fines to be reduced if paid early**
This option would decrease the fine amount for everyone, which could have negative impacts on fare payment compliance and revenue. It is unlikely to be sufficiently low-cost to benefit low-income individuals and does not directly address the issue.
- **Option e: Explore the development of a FIN Warning System**
Implementing of a FIN warning system was explored. This approach did not directly address the problem and had some drawbacks. Management from TransLink and Transit Police agreed that a FIN Warning System should not be considered further as part of this review.
- **Option f: Replace RTI with alternative collection mechanisms**
This option would replace TransLink's most effective mechanism to enforce collection of FINs with more harsh alternatives. It would likely have negative impacts on revenue and the integrity of the fare system.

The remaining options include both preventative and responsive options which provide opportunities for intervention at different stages in the FIN process. A preventative option decreases the likelihood of a low-income person receiving a FIN. A responsive option provides support for low income individuals after a FIN is obtained. As such, supporting a package of options comprised of a preventative and responsive option may be preferred so that the responsive option can provide a backstop for low-income individuals who did not benefit from the preventative option.

Preventative option:

- **Option g: Expand TransLink's supports for low-income individuals**

While this option does not independently address the problem of the impact fines have on low-income individuals, it would decrease the likelihood that a low-income person would be in a position to receive a fare infraction. This option best preserves the existing fare enforcement system and could be implemented by increasing the distribution of free single-use Compass tickets by social service organizations, Transit Police and Transit Security officers.

Responsive options:

- **Option d: Establish a fine relief fund**

- **Option a: Allow fines to be reduced based on income**

Both Option D and Option A are strong options that provide a deep discount on FIN fines for low-income people. Though these two options perform similarly on most objectives, **Option d is the preferred option** because it is expected to be easier to implement, results in less ongoing administrative time and costs and preserves the existing fare enforcement system.

RECOMMENDATION

Management recommends that the Board endorses continued development of a package of options to address the disproportionate impact of fare infraction notice (FIN) fines on low-income individuals which include the following elements:

- Preventative: g) **Expand TransLink's existing supports for low-income individuals; and**
- Responsive: d) **Establish a fine relief fund;**

and requests that Management engage with stakeholders on the further development of these two recommendations, and report back to the Board with an update at a future meeting.

ATTACHMENTS

Attachment 1 – Evaluation of Options

ATTACHMENT 1 – Evaluation of Options

Option	Reduce disproportionate financial impact of fines on low income	Ensure fairness for all riders	Support fare evasion deterrence	Minimize program & admin costs	Maximize implementation feasibility
a) Allow fines to be reduced based on income	High Provides a deep discount to all low-income people	Moderate Provides a benefit only to low-income	Moderate May increase fare evasion by low-income	Low Cost ~\$0 – \$10,000 /year	Moderate Implementation requires changes by Province, Mayors’ Council & TL
b) Allow fines to be reduced based on age (<19)	Moderate Does not benefit low-income older than 18	Moderate Provides a benefit only to youth	Moderate May increase fare evasion in youth	Low Cost ~\$0 – \$10,000 /year	Moderate Implementation requires changes by Province, Mayors’ Council & TL
c) Allow fines to be reduced if paid early	Low Likely too expensive for low-income people to benefit	High Available to everyone	Low May increase fare evasion in all demographics	Low Cost ~\$0 – \$10,000 /year	Moderate Implementation requires changes by Province, Mayors’ Council & TL
d) Establish a fine relief fund	High Provides a deep discount to all low-income people	Moderate Provides a benefit only to low-income	Moderate May increase fare evasion by low-income	Low Cost Low admin costs; fine relief funds paid back to TL	Moderate Implementation requires coordination with partners
e) Develop a Warning system	Low Does not explicitly benefit low-income people or address the impact of fines if received	Moderate Could be available to anyone, pending officer discretion	Moderate May increase fare evasion in all demographics	Low Cost ~\$0 – \$10,000 /year	Moderate Implementation requires changes by Province, Mayors’ Council & TL
f) Replace RTI with alternate collection mechanisms	Moderate Provides a functional discount to all people, but replaces it with more punitive measures	Moderate Alternate collection mechanisms are more punitive and likely poorly perceived	Low Removes only fare payment enforcement mechanism	Moderate Cost Significant costs expected to pursue collection through court	Moderate Requires reversal of changes made by Province at request of TL within the last 10 years
g) Expand low-income supports	Moderate Helps prevent fines, but does not address their impact if received	Moderate Provides a benefit only to low-income	High Proactively promotes fare payment by low-income	Low Cost Could be administered by partners; TL funding TBD	High Expansion of existing program

Low = low ability to satisfy objective/criteria **Moderate** = moderate ability to satisfy objective/criteria **High** = high ability to satisfy objective/criteria

TO: Board of Directors

FROM: Sany Zein, Vice President, Infrastructure Management & Engineering

DATE: November 4, 2020

SUBJECT: Pattullo Bridge Condition Monitoring Report

EXECUTIVE SUMMARY

This report provides an update on condition monitoring activities on the Pattullo Bridge. TransLink continues to closely monitor and inspect the condition of the Bridge and take corrective action where appropriate. Recent and on-going activities include:

- *Condition Inspection* by Mott MacDonald Canada Limited;
- *Railing Inspection and Repairs* by Mott MacDonald Canada Ltd., and Mainroad Contracting Ltd;
- *Deck Condition Monitoring and Repairs* by Mainroad Contracting Ltd. and WSP;
- *Winter Monitoring and Survey* by Northwest Hydraulic Consultants; and
- *Coordination with Pattullo Bridge Replacement Project.*

PURPOSE

This Board Report is a recurring status report that provides an information update on condition monitoring activities on the Pattullo Bridge. The previous report was issued in September 2020.

BACKGROUND

The Pattullo Bridge is 82 years old. Most of the structural components have passed the predicted design life, and some are reaching the end of their useful life. Temperature fluctuation, rainfall, wind, river action, live traffic loads and the aging of the steel and concrete components all contribute to the condition of the bridge. The Province of British Columbia (Province) is leading the Pattullo Bridge Replacement Project, which will construct a new bridge as well as decommission the existing bridge.

With responsibility for the safety and operations of the existing bridge, TransLink monitors the condition of the structure closely through regular inspections, and regularly consults with experienced bridge engineers. Management then performs the necessary maintenance and repairs in response to the inspection findings.

DISCUSSION

Recent and on-going inspection activities are listed in Table 1.

Table 1: September 2020 to November 2020 Pattullo Bridge Ongoing Inspections and Monitoring

REFERENCE	ACTIVITY	CONSULTANTS / PARTNERS	STATUS
1	Condition Inspection	Mott MacDonald – design consultant	2020 Inspection completed in September 2020
2	Railing Inspection and Repairs	Mott MacDonald – design consultant Mainroad Contracting - bridge operations and maintenance contractor	Repairs scheduled for Q4 2020
3	Deck Condition Monitoring and Repairs	Mainroad Contracting WSP – deck consultant	Monthly deck monitoring - ongoing
4	Winter Monitoring Survey	Northwest Hydraulic Consultants	Monthly monitoring – ongoing Freshet Survey – completed in July 2020.
5	Pattullo Bridge Replacement Project	Province of British Columbia	In Service – Q4 2023

1. Condition Inspection

A visual inspection was conducted by Mott in September 2020 to identify rehabilitation/repair items for the remaining service life of the Bridge. The findings remain consistent with the 2019 inspection report prepared by the BC Ministry of Transportation and Infrastructure (BCMoTI); no new deterioration was identified. Given the scheduled bridge decommissioning by 2023, TransLink’s objective is to keep the bridge operational until replacement, rather than long-term asset preservation. A snoop truck inspection will be scheduled in Q1 2021 to conduct a close proximity inspection of structural elements under the bridge deck. Inspection will be completed at night to minimize traffic impacts.

2. Railing Inspection

An inspection of the Pattullo Bridge railings was performed by Mott in June 2020, and the new railing condition report identifies repair items to be addressed by Mainroad Contracting. Repairs will be performed in Q4 2020. As the railings will continue to deteriorate over the remaining service life of the Bridge, TransLink will continue to monitor and repair or replace the railing posts as needed.

3. Deck Condition Monitoring and Repairs

The reinforced concrete deck of the Pattullo Bridge is in an active and advanced state of deterioration, primarily due to corrosion of the reinforcing steel. While repairs to the north portion of the deck between Pier 0 and Pier 9 were completed in the summer of 2016, the risk of pothole formation still exists, particularly for the south approach of the Bridge (Pier 9 to Pier 29).

To ensure the deck remains functional and safe for operations, deck experts from WSP conduct monthly walk-through inspections from the deck, ground and catwalk levels. In the recent surveys, WSP has confirmed no concrete deck repairs are required at the moment, and therefore, no significant deck repairs requiring full closure of the Bridge are anticipated in Q4 2020 and Q1 2021. Additional targeted inspections are scheduled in 2021 to continually monitored the condition of the bridge deck.

Extensive corrosion-related damage is also occurring to the bottom surface (soffit). Debris netting is currently in place to protect the public and other infrastructure, including the railway tracks, from concrete falling from the deck soffit. WSP will continue to monitor the condition of the deck soffit. A close proximity visual inspection will be conducted on the Main Span using a snoop truck at night in Q1 2021 (see also Item 1).

4. Winter Monitoring and Survey

The Pattullo Bridge is situated in the narrowest part of the river, which experiences large tidal fluctuations. This elevates scour and erosion risks. Changing river hydraulics are monitored through bi-annual surveys conducted by Northwest Hydraulic Consultants Ltd (NHC). The recent freshet monitoring survey was conducted in July 2020.

Due to upcoming in-river works required for the Pattullo Bridge Replacement Project and improvements to the CN Rail Bridge, NHC has been conducting monthly bathymetric surveys since February 2019 in the area of the existing bridge. Any substantive changes to riverbed conditions at the bridge piers are reported to TransLink. Based on results of the freshet survey, NHC considers the pier protection currently in place to be effective and recommends on-going monitoring. During in river work of the Pattullo Bridge Replacement Project, frequency of monitoring will increase to biweekly; the frequency of data collection will be revisited and updated if required through out the construction period.

5. Coordination with Pattullo Bridge Replacement Project

The Province is delivering the Pattullo Bridge Replacement Project, and the new bridge remains on schedule for opening in Q4 2023.

In Q1 2020, the Fraser Crossing Partners (FCP) consortium was selected to design and construct the new Pattullo Bridge. TransLink staff meet regularly with FCP and the Province to provide support and coordination. FCP are conducting geotechnical and bridge foundations investigations in both New Westminster and Surrey near the existing bridge to gather subsurface soil information. Work to date has had minimal impacts on TransLink's customers. Upcoming work will have various interfaces with Skytrain infrastructure and the existing Pattullo Bridge. TransLink and BCRTC will continue to work with FCP as required to ensure impacts on assets, infrastructure and customers are proactively managed.

Customer Impact

To minimize impacts on the public, all activities requiring lane and bridge closures are generally scheduled between 10:00 pm and 5:00 am, when volumes on the bridge are lowest. A robust communications plan has been developed to utilize all available channels in support of any closures that impact the public. Inquiries related to the Pattullo Bridge Replacement Project are directed to the Province's 24hr project information line and the Province's project website.

Financial Impact

All monitoring, inspection, and repair work is being performed under existing approved operating and capital funds.

TO: Board of Directors

FROM: Sany Zein, Vice President, Infrastructure Management and Engineering
Geoff Cross, Vice President, Transportation Planning and Policy

DATE: November 12, 2020

SUBJECT: Surrey Langley SkyTrain Project Update

EXECUTIVE SUMMARY

In December 2018, the Mayors' Council and TransLink Board directed Management to proceed with development work for a SkyTrain on Fraser Highway project and to initiate a planning process to refresh the South of Fraser Rapid Transit Plan. The available budget for this work is \$30 million.

In January 2020 the Mayors' Council and the TransLink Board endorsed the final draft Business Case and directed it to be submitted to senior government for their approval. The draft Business Case describes the full Surrey to Langley project, and recommends construction in stages consistent with available funding. Management is working with the Province to assess next steps related to project delivery, staging and funding, further to campaign promises made by the new Provincial government during the October 2020 provincial election.

PURPOSE

This report is provided for information and provides an update on the Surrey Langley SkyTrain (SLS) Project.

BACKGROUND

In December 2018, the Mayors' Council and Board directed Management to proceed with development work for the Surrey Langley SkyTrain project, and to initiate a planning process to refresh the overall South of Fraser Rapid Transit Plan. A budget of \$30 million was approved for this purpose in January 2019.

The outcomes of the project development phase have been documented in the project draft Business Case. In January 2020, the Board and the Mayors' Council endorsed the final draft Business Case and directed Management to submit it to senior government for approval. The draft Business Case describes the full Surrey to Langley project, and recommends construction in stages consistent with available funding. Stage 1 extends SkyTrain approximately 7 kilometers from King George to Fleetwood with four new stations at a cost of \$1.63 billion to be delivered using a Design Build Finance (DBF) procurement model.

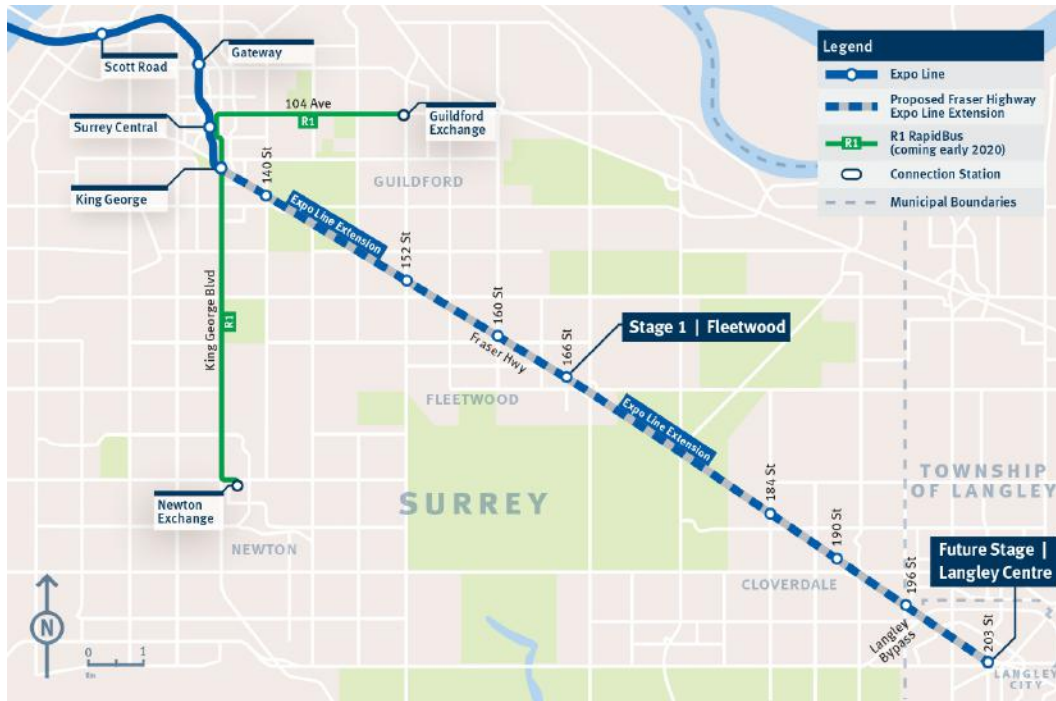


Figure 1 – Proposed extensions with stages and station locations

Stage 1 is proposed to be funded through the Investing in Canada Infrastructure Program (ICIP) with up to 40% of eligible costs funded by Canada. This requires approval of the Business Case by the Federal and Provincial governments. Stage 1 requires TransLink Board and Mayors' Council approval through the adoption of an enabling Investment Plan.

DISCUSSION

Project development work to prepare for project procurement is generally complete. Ongoing activities include:

- Continued procurement preparation and coordination including drafting of the Request for Qualifications, Request for Proposal and Project Agreement;
- Refining the reference design concept;
- Negotiating a Municipal Access Agreement with the City of Surrey;
- Coordinating with BC Hydro on the design of transmission tower relocations at two locations;
- Finalizing the project environmental screening review; and
- Coordinating with parallel projects including those being delivered in the Expo and Millennium Line Upgrade Program (EMUP) and the Broadway Subway Project.

Approval Status

The *South Coast British Columbia Transportation Authority Act* (SCBCTA Act) requires that major capital projects over \$50 million be included in a fully-funded Investment Plan. At the outset of the project development phase, it was anticipated that the SLS Stage 1 could be approved under an "Phase Two Update" Investment Plan to, amongst other items, replace the suspended Surrey Newton Guildford LRT project with SLS. This update, targeted for approval in July 2020, was interrupted by financial, ridership

and other uncertainties associated with the COVID-10 pandemic. The next opportunity for an enabling investment plan is anticipated for June 2021.

Further to promises made during the October 2020 provincial election, management is working with the Province to assess next steps related to project delivery, staging and funding. Initial meetings with Provincial colleagues will focus on technical knowledge transfer related to the status of Stage 1, Stage 2, and procurement readiness, with a focus on scope definition, project agreements and risks. Management has allocated up to \$6m in the 2021 capital program budget to sustain project team resources. TransLink's expenditures will be calibrated consistent with ownership and delivery status.

Communications

On September 18, 2020 the project launched its third round of public engagement, which focused on:

- Updates to the guideway alignment and associated property requirements, and station design;
- Public art opportunities at the new SkyTrain stations;
- Preliminary results of the Environmental Screening Review; and
- Minimizing impacts on residents, businesses, and commuters during construction.

Engagement efforts included a media briefing, stakeholder engagement, and a robust marketing campaign to promote the survey, telephone town hall, and webinar engagement opportunities (that comply with provincial health directives) to provide feedback into project planning. The engagement process was paused on September 24, 2020 due to the provincial election being called. The project team is assessing opportunities for restarting engagement in consultation with the Province.