



METROLINX

An agency of the Government of Ontario
Une agence du gouvernement de l'Ontario

Board Report

To: Metrolinx Board of Directors
From: Robert Siddall, Chief Financial Officer
Judy Pfeifer, Vice-President, Communications
Date: June 27, 2013
Re: **Metrolinx Annual Report 2012-2013**

Recommendations

RESOLVED:

THAT the Metrolinx Annual Report 2012/13 be approved; and

THAT the CEO submit the Annual Report to the Minister of Transportation in accordance with the *Metrolinx Act, 2006*.

Background

The Annual Report for 2012/13 will be printed in black and white and available at Metrolinx's head office.

In addition a colour version will be posted to Metrolinx's website at http://www.metrolinx.com/en/aboutus/publications/annual_reports.aspx

The Annual Report is consistent with the guideline provided by the Province for Annual Reports and is in accordance with the requirements of the *Metrolinx Act, 2006*.

The messaging in the Annual Report this year is consistent with the update of the 5 Year Strategic Plan and the content provided in last years' annual report.

Attachments

Metrolinx Annual Report 2012-2013

Respectfully submitted,

Robert Siddall and Judy Pfeifer



Annual Report

Transforming Transportation

2012-2013



DRAFT FOR REVIEW

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Message from the Chair

The 2012-13 fiscal year can best be described as one of tremendous progress. Metrolinx moved even further in achieving the vision set out in *The Big Move*, the plan that sees the Greater Toronto and Hamilton Area (GTHA) with an integrated transit and transportation system that enhances our quality of life, environment and prosperity over the next 25 years.



The three cornerstones we strategically focus our actions around are to plan, invest and deliver. Our work centres on planning for the future connectivity of the region, ensuring we're investing in the communities we serve and building infrastructure projects.

Sixteen billion dollars in investment has already started the building of *The Big Move*. Major projects are currently in construction that will transform how our region moves.

GO Transit is expanding, with major infrastructure projects like the Union Station Revitalization and the Georgetown South Project creating new capacity to meet rapidly growing customer demand, helping to make the GO Train an even more convenient travel option.

PRESTO continues to make its mark in achieving a significant milestone with more than 541,000 cards in use across the GTHA.

The Union Pearson Express division continues to grow with the project on time and on budget for service launch in 2015, in time for the Pan American Games.

These achievements took years of focus and hard work and we recognize this is just the beginning and there is still so much work to be done. The future of the region looks bright and I'm excited to see these projects come to fruition.

Sincerely,
Robert Prichard,
Chairman, Metrolinx

Message from the CEO

I'm proud to reflect on all our accomplishments over the past year. This has been a year of hard work with great results for the organization.

One of the proudest achievements was Metrolinx being recognized as an employer of choice by being selected as one of Canada's Top 10 Most Admired Corporate Cultures in the Broader Public Sector Category.

We couldn't have achieved this status without our employees' commitment, dedication and engagement to their work.

Over 2012-13, we worked hard on preparing the Investment Strategy and have consulted with GTHA residents to get their feedback on *The Big Move* and how to fund our plans for transit and transportation expansion. This feedback will be considered and incorporated into the Investment Strategy.

Another significant achievement was the signing of the Master Agreement between Metrolinx and the TTC defining the terms and conditions for the construction and operation of the Toronto transit lines.

On top of that work, some key achievements across our divisions include: announcing the name and brand for the Union Pearson Express division, formerly referred to as the Air Rail Link; an agreement was signed to implement PRESTO across the TTC; and launching the GO Train Service Guarantee.

We continue to deliver high-quality projects on time and on budget. We will continue to work together in a spirit of trust and respect to achieve our shared vision to change the face of transit and transportation in this world-class region.

Sincerely,
Bruce McCuaig
President & CEO, Metrolinx



Governance Structure

Metrolinx is a corporation established by the Province of Ontario under the Metrolinx Act, 2006. Metrolinx's Board of Directors and CEO are appointed by the Lieutenant Governor in Council on the recommendation of the Minister of Transportation.

The Board of Directors governs the Corporation and provides strategic direction and oversight for Metrolinx's activities and operations. The Board meets at least six times a year, including four meetings that have sessions open to the public.

Metrolinx Board of Directors

J. Robert S. Prichard, Chair; appointed May 14, 2009 with a term expiring September 3, 2013.

Stephen Smith, Vice-Chair; appointed May 14, 2009 with a term expiring on January 13, 2016.

Rahul Bhardwaj, appointed May 14, 2009 with a term expiring on January 12, 2014..

Janet Ecker, appointed October 31, 2012 with a term expiring on October 31, 2013.

Joseph A.G. Halstead, appointed May 14, 2009 with a term expiring on February 12, 2014.

Richard Koroscil, appointed May 14, 2009 with a term expiring on February 12, 2014.

Hon. Frances Lankin, P.C., C.M., appointed January 13, 2013 with a term expiring on January 13, 2014.

Marianne McKenna, appointed July 18, 2012 with a term expiring on July 18, 2015.

Nicholas Mutton, appointed May 14, 2009 with a term expiring on January 12, 2016.

Lee Parsons, appointed May 14, 2009 with a term expiring on February 12, 2014.

Rose M. Patten, appointed May 14, 2009 with a term expiring on January 12, 2016.

Bonnie Patterson, appointed July 18, 2012 with a term expiring on July 18, 2015.

Howard Shearer, appointed July 18, 2012 with a term expiring on July 18, 2015.

Douglas Turnbull, appointed May 14, 2009 with a term expiring on February 12, 2014.

Bruce McCuaig, President and CEO of Metrolinx is also a member of the Board, appointed September 4, 2010 with a term expiring on September 3, 2013.

We'd like to thank the contributions each board member has made in 2012-13.

In addition, we'd like to thank Peter Smith for his contributions to the Metrolinx Board as Vice Chair and his prior leadership as Chair of the former GO Transit Board.

Our Vision, Mission and Values

Vision

Working together to transform the way the region moves.

Mission

To champion and deliver mobility solutions for the Greater Toronto and Hamilton Area.

Values

Commitment – We will take action with high energy and commitment reflecting the importance of our work. We will hold ourselves accountable for our decisions and our commitments to the communities we serve. We will strive for an environment where we are fully engaged and take initiative.

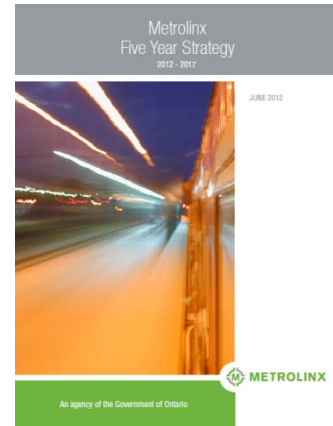
Service – We will consistently put our work in the context of the people and the public purpose we serve. We will anticipate, understand and continuously exceed our customers' expectations. We will place the needs of our customers, stakeholders and communities at the centre of decision-making throughout the organization.

Working Together – As a group of individuals, we will work together in a spirit of trust and respect to achieve our shared vision. We will actively seek opportunities to collaborate both internally and externally. Internally, we will work across organizational units to achieve our common goals. If our work supports internal customers, we will work to meet and exceed their expectations. Externally, we will be recognized by our stakeholders as strong partners.

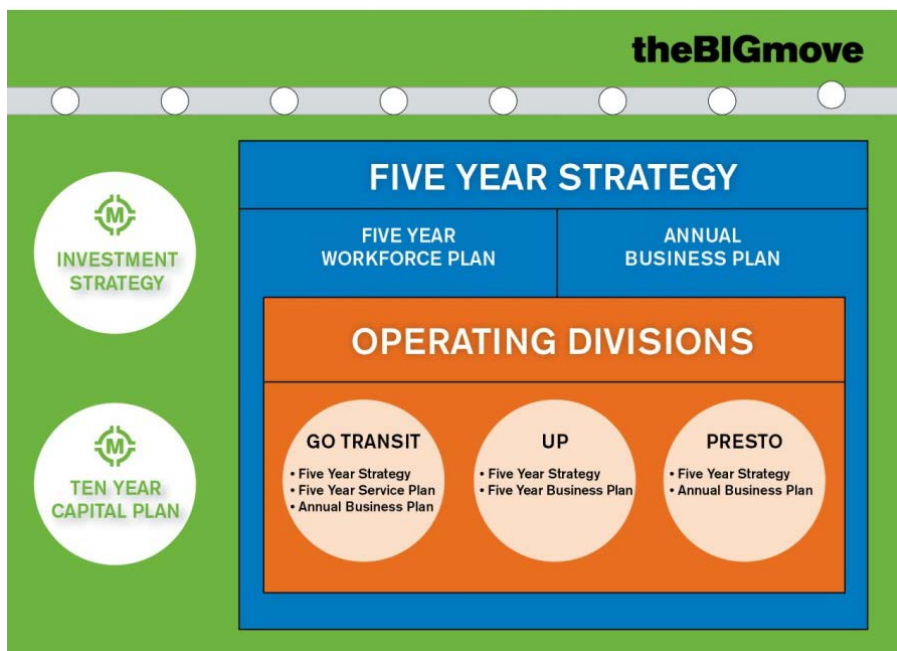
Innovation – We will encourage creativity, innovation and informed risk-taking to achieve personal growth and organizational success. We will create an environment that engages all employees and brings about our full potential. Through mentoring and training, we will develop the leadership capabilities in us all. We will resolve complexity to provide an 'easy' experience to customers, and embrace innovation to achieve our mission.

Metrolinx's Strategic Planning

In 2011, Metrolinx created its first ever Five Year Strategic Plan to guide the organization in delivering key projects on time and on budget. Metrolinx's Five Year Strategy guides our annual business planning; informs our advice to the Province of Ontario on capital investments for GTHA transit and transportation; shapes the policy and planning direction for everyday decision making; and clarifies, for our partners and stakeholders, our intent for the next five years.



The Metrolinx Five Year Strategy has become a pillar through the organization, in directing business planning, budgeting and project planning. It refines deliverables towards achieving the transformative goals of *The Big Move*, and supports alignment of the organization towards common objectives.



The Big Move provides an overarching 25-year plan to transform transportation and transit in the GTHA. The plan will help tackle gridlock and improve transportation access, integration and efficiency.

In order to prioritize and operationalize the elements contained within *The Big Move*, Metrolinx undertakes both long-term and short-term planning processes. The agency develops a Five Year Strategy, updated on an annual basis, which identifies organizational objectives and deliverables. The Metrolinx Five Year Strategy guides the annual business planning process, shapes policy and planning direction, provides

strategic decision-making, and clarifies our intent and strategic focus for the next five years to our partners and stakeholders.

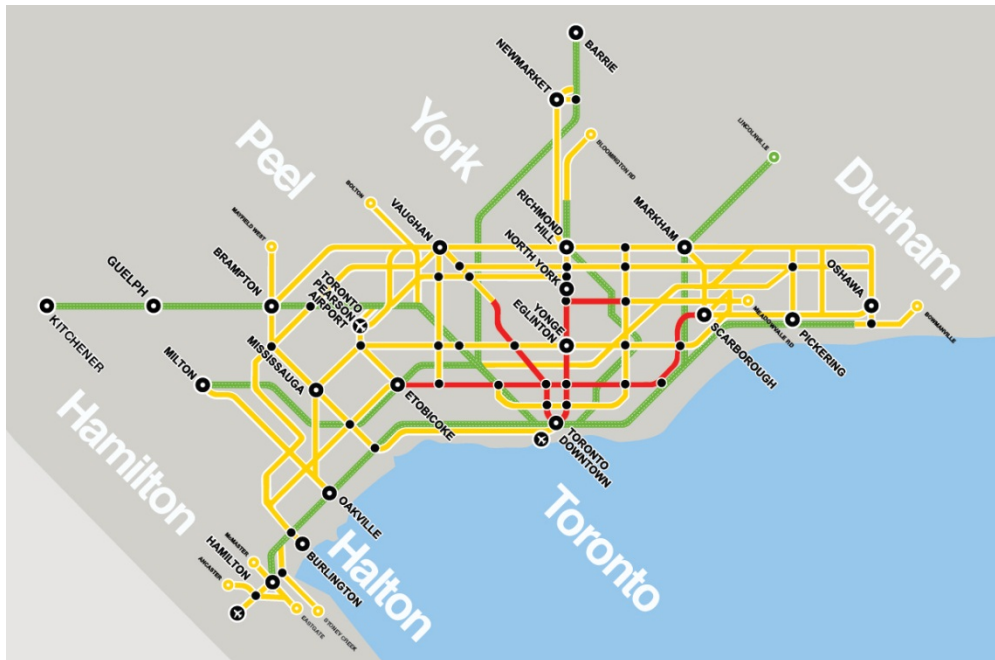
Awards and Recognition

In 2012-13:

- Metrolinx was recognized as one of Canada's Top 10 Admired Corporate Cultures by Waterstone Human Capital
- The Let GO Know online advisory panel won the 2012 Canadian Urban Transit Association Corporate Leadership Award for Marketing and Communications
- Metrolinx's Stepping It Up project was awarded the Hamilton Community in Motion Advocate of the Year and designated Landmark Case Study
- The Transit Inventory Management System (TIMS) of the Transit Procurement Initiative (TPI) won the Purchasing Management Associate of Canada award for Supply Chain Excellence (2012), and the Supply Chain and Logistics Association Canada President's Award, 2012
- The Mobility Hub Guidelines won Best Project Award for 2012 from the International Institute of Transportation Engineers
- The Canadian Institute of Planners gave the Mobility Hub Guidelines an Honourable Mention in their 2012 Awards of Planning Excellence, in the category of Sustainable Mobility, Transportation and Infrastructure
- Metrolinx won a Clean Air Commute award for highest participation rate in Clean Air Commute Week events by employee size category
- Zeidler Partnership Architects innovative design of the Union Station train shed won the Canadian Architect Award of Excellence



Transforming Transportation through *The Big Move*



Residents of the GTHA don't have to look far to see significant signs of our transit and transportation system under the strain of a growing population that has slowed the wheels of our buses, trucks and cars to all but a stop. In fact, across the GTHA this has become a daily ritual.

With some of the longest commute times in North America, our quality of life is suffering and our economy has already taken a hit for this growing congestion – and that is before the arrival of 3 million more people over the next 20 years who will join the GTHA grid. We already sense the very real daily frustration of commuters across our region, and if we fail to act now the problem will become significantly worse.

We love our cities, our communities and our neighbourhoods. We love the diversity, the sense of opportunity, the ever-changing fabric of this dynamic region. But we also know that something has been missing. That something is “more” – more service, more choices, more capacity and more frequency. The status quo, or doing nothing about congestion, is no longer a viable option.

The Big Move is the blueprint for more. It maps out a 25-year future to guide and direct our transit and transportation infrastructure. It sets out a vision in which transportation within the GTHA is seamless, coordinated and efficient; where all of our communities and neighbourhoods are served by more transportation choices; where 75% of the region's population lives within two kilometers of rapid transit and where transit's share of overall travel in the region doubles. It's a vision where the amount of rapid transit, including subways, trains, light rail transit lines and bus rapid transit in dedicated routes, is tripled. It's the kind of transportation system this region needs to get all those wheels moving again.

First Wave of Big Move Projects

Benefits to the GTHA

52 km
LIGHT
RAIL
TRANSIT



8.6 km
NEW
SUBWAY
EXTENSION



59 km
NEW BUS
RAPID
TRANSIT



We've taken the first steps. *The Big Move* is underway with \$16 billion invested in transit and transportation projects across the GTHA. In the next few years, these projects will demonstrate concrete results. They help to shape significant advances in the regional transit and transportation network. For the first time, a subway service will extend beyond the City of Toronto. Rail service will be available between Pearson International Airport and Union Station. The Eglinton Crosstown LRT will transport transit riders across the city up to 60 percent faster than current bus routes along Eglinton.

***The Big Move* Technical Update**

At the October 29, 2012 meeting of the Metrolinx Board, staff was directed to update *The Big Move*, on the basis that it is timely to refine certain elements of the plan and fully integrate the GO 2020 10-year plan within the longer term transportation goals and objectives of existing version of *The Big Move*. The purpose is to keep *The Big Move* up-to-date and relevant.

The Big Move Update incorporated the findings of recent studies, including the recommendations of *GO 2020* plan, the *GO Electrification Study*, project benefits case analyses and other technical studies since 2008. The integrity of *The Big Move*'s foundation – its vision, goals, objectives, projects, policies or priority actions - will remain intact.

Over the past year, Metrolinx staff consulted on the development of an updated version of *The Big Move* as part of a technical review and progress evaluation. In addition to public feedback there were external stakeholder working groups who provided feedback.

On February 14, 2013 the Metrolinx Board adopted amendments to *The Big Move* to incorporate the Technical Update into the original plan.

Investment Strategy

Metrolinx is tasked with providing advice to the Ontario Minister of Transportation and the heads of the councils of municipalities in the GTHA on an investment strategy, including proposals for revenue generating tools that may be used by the Province or the municipalities to support the implementation of *The Big Move*. This advice is due to be delivered by June 1, 2013.

Next Wave of Projects

The Big Move's proposed Next Wave of projects, to be funded by the proposed Investment Strategy, will continue Metrolinx's transformation of the region's transportation system by expanding the regional transit network and providing resources for local transit, roads, walking and cycling, and more.

The Next Wave is worth \$34 billion. It is a significant investment and the economic benefits will be enormous: By 2031, implementation of the Next Wave of projects would result in an estimated \$110 billion to \$130 billion in growth to Ontario's GDP, creating 800,000-900,000 person-years of construction and long term employment, and growing revenues for all three levels of government by \$25 to \$30 billion.

The Big Conversation

Public and broader stakeholder consultation on *The Big Move* Technical Update occurred from early December 2012 to early February 2013. Consultation included online public consultation, in addition to meetings with municipalities, transit agencies, and other key stakeholders in the GTHA.

Over January and February 2013, Metrolinx hosted The Big Conversation on *The Big Move*. The purpose of these meetings, and travelling kiosk, was to engage the public in discussions about *The Big Move*, current and future transportation projects, and potential investment tools to support the plan. Metrolinx will consider this



feedback and these four key principles as it develops its Investment Strategy:

- Dedication of revenue to transit and transportation priorities;
- Fairness in the distribution of costs and benefits to different population groups, and between individuals and businesses;
- Equity in collecting in collecting revenue across the region and the distribution of transit and transportation investments; and
- Accountability and transparency in the collection and management of revenue, the allocation of funds and the reporting on results.

Through 12 of these meetings, Metrolinx engaged more than 920 people in six different regions.

From the feedback delivered by participants through the meetings, four consistent, top-line themes were brought forward:

- Recognition of the problem of congestion and impatience for a solution;
- Willingness to pay for a solution;
- Preferences for revenue tools easy to implement, administer and track; and
- More information along the way about *The Big Move* and status of projects.

A summary of the roundtables can be found on bigmove.ca.

Metrolinx also hosted a Residents' Reference Panel made up of residents who broadly represent our region. In early January, we reached out to 10,000 randomly selected households across the GTHA to participate in the panel. Thirty-six people were randomly selected to become panel members. The random draw balanced age, gender and geography, so that the panel broadly represented GTHA residents.

The Residents' Reference Panel met over four Saturdays in February and March. During these sessions, panel members:

- Learned about *The Big Move*;
- Heard from transit and transportation experts; and
- Considered examples of transportation planning from other regions.



Rapid Transit Implementation

We have made significant progress on the delivery of regional rapid transit projects as part of the first wave projects of *The Big Move*.

Toronto Transit Projects

The Toronto Transit Projects feature a network of 52 km of light rail transit – running underground, on elevated guideways and on the street. This new transit will connect Toronto with comfort, convenience, reliability and speed. It will keep our economy strong, ease congestion, and provide an easy connection to subways, buses and GO Transit. Metrolinx will work with communities and local organizations to develop and implement strategies to take advantage of local jobs and training programs to provide community benefits for the areas that will be hosting this rapid transit infrastructure

Eglinton Crosstown LRT

The Eglinton Crosstown LRT is the cornerstone of this program. It will link to 54 local bus routes, three TTC interchange subway stations and GO Transit. It will create thousands of construction jobs and provide lasting economic benefits to Toronto and its surrounding region.

Construction activity continued on the west site launch area at Eglinton Avenue West and Black Creek Drive.

In early 2013, the first tunnel boring machine pieces began to arrive on site for assembly. Two of the four tunnel boring machines are being assembled at this launch location. Following in spring 2013, the tunnel boring machines will begin tunnelling east to connect with the subway at Eglinton West Station at Allen Road.



Master Agreement

A Master Agreement between Metrolinx and the TTC was signed in 2012 to define the terms and conditions for the construction and operation of the transit lines. Metrolinx will acquire, own and control the assets of the Toronto Transit Projects and use the Alternative Financing and Procurement (AFP) framework managed by Infrastructure Ontario to deliver the transit projects. Within the Master Agreement, the TTC and Metrolinx also agreed to the principles of an operating arrangement for the TTC to operate the light rail transit (LRT) lines.

Procurement

Metrolinx and Infrastructure Ontario (IO) will apply a Design Build Finance Maintain (DBFM) model to deliver the transit projects. The City of Toronto will retain authority over its infrastructure, and City staff continues to be included in the procurement, design and construction phases for the projects as they relate to their infrastructure, as well as be afforded opportunities for upgrade and enhancements to City infrastructure and the public realm.

Community Consultation

Station design consultation meetings were held for the Dufferin, Eglinton West, Keele, Chaplin and Caledonia Stations - all of which will be underground. These meetings provided an important opportunity for the public to ask questions about the project and to share their views and perspectives on:

- safety and accessibility;
- integration with the local neighbourhood;
- controlling construction impacts;
- connections with surface routes;
- shelter for transferring riders; and
- design and landscaping (art, benches, bike racks etc.).

All of the public feedback is available on the Eglinton Crosstown LRT website and will be taken into account when design and construction is taken over by the private sector partner.

The consultations in 2012 took place in person and online – giving residents different ways to provide their input into the project. The Crosstown team is working hard to build awareness and understanding of the project, and part of this success comes from delivering both communications and community relations effectively online.

There were also a number of other projects underway that support the Crosstown including:

- Mobility Hub Workshops – Providing an opportunity to bring the community together to shape the future vision for the area around major stations.

- Eglinton Connects Planning Study – Working with and supporting the City of Toronto planning study for the future Eglinton Avenue. The results of the study will identify options for leveraging investment in rapid transit for the benefit of communities and the City.
- Business support – Working with local businesses, leaders and Business Improvement Associations (BIAs) to build a program to support economic activity during design and construction.

Future Benefits

The Crosstown will cut travel time significantly and conveniently link to 54 local bus routes, three [TTC](#) interchange subway station and [GO Transit](#). Travel along The Crosstown from Kennedy to Black Creek Drive will be significantly faster and more comfortable than current bus travel. It's modern, fast, reliable, comfortable and environmentally friendly.

Raising Awareness of Light Rail Transit

A mock-up of the future light rail vehicle (LRV) that will operate on the LRT lines was on display at the Canadian National Exhibition (CNE) in August and September of 2012. Visitors to the display were able to learn more about the project, ask questions and get a photo in the driver's cab of the mock-up, with an automatic upload of the photo to the project Facebook page.



The mock-up then travelled to the Evergreen Brick Works, from early September to mid-November. The mock-up arrived to coincide with the MOVE Transportation Expo, an exhibition that explored transportation issues and potential solutions.

York Region vivaNext Rapidways

Quick facts

34 km of rapid transit in York Region in three sections: Highway 7 from Helen Street to Unionville GO Station; Yonge Street from Highway 7 to Davis Drive; and Davis Drive from Yonge Street to the Southlake Regional Health Centre

- Construction is underway. Segments will open as they are completed, with the first planned for 2013. The full project is expected to be complete by 2018

The Project

Currently, York Region operates bus service along Highway 7 and Yonge Street in mixed traffic. Rapid transit in York Region will help shape communities and provide people with more transportation options. The new vivaNext Rapidways will be a BRT system where vivaNext vehicles will travel in dedicated bus lanes in the centre of the road for the majority of the route. The routes will also connect with other regional rapid transit, including GO Transit, Brampton's Züm service and the TTC's Spadina subway extension.

New bus rapid transit (BRT) services will be available on two significant corridors: east-west along Highway 7, and a north-south along Yonge Street, with a small east-west route along Davis Drive in Newmarket. The rapidways will connect residents to important destinations in York Region, including the Southlake Regional Health Centre in Newmarket, the Vaughan Metropolitan Centre and a proposed transit-pedestrian mall in Markham.

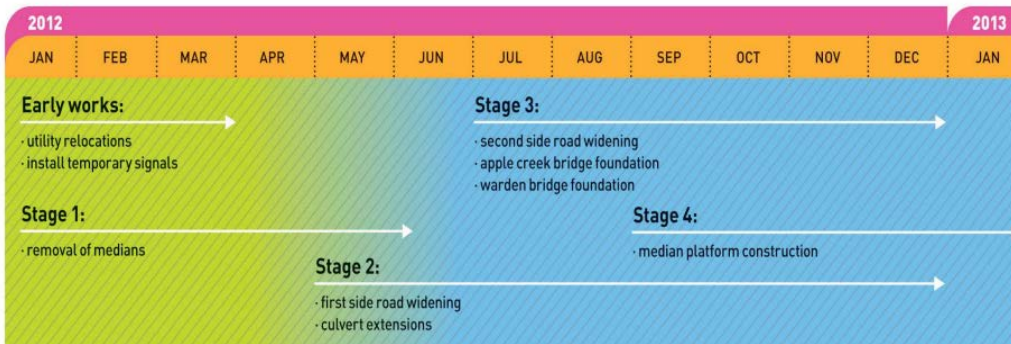
The total cost of the vivaNext rapidway projects is \$1.4 billion (\$ 2008). The federal and municipal governments have each contributed \$85 million; the balance is funded by the Province. Metrolinx will own the rapidway infrastructure and YRT will own and operate the buses that use the corridor.

Achieved in 2012-13

- Highway 7 East - Completion of the design of the rapidway along Highway 7 between Yonge St and Warden Ave; majority of the utility relocations underway; section from Bayview Ave to Warden Ave under heavy construction;
- Davis Drive – from Yonge Street to Highway 404 – design completed and construction began in 2012; and



- Highway 7 West – Vaughan Metropolitan Centre to Bowes Road section Design-Build Contract was awarded to Kiewitt-EllisDon under cost confidence process.



Future Benefits

In Richmond Hill, the Highway 7 rapidway will include Richmond Hill Centre, a strategically located transit hub that will connect with Viva, GO Transit, YRT and other transit systems to move people to and from this busy, vibrant area.

Getting from work to play to home will become easier with the Highway 7 rapidway, which will eventually extend east from Yonge Street to Reesor Road.

PRESTO

The PRESTO card, a region-wide integrated transit farecard system, allows users a seamless travel experience with an easy tap on at each part of the transit journey. PRESTO uses state-of-the-art technology and is a critical part of The Big Move.

2012-13 marked a year of unprecedented growth for PRESTO with more than 541,000 cards in use across the GTHA in March 2013 compared with 140,000 in March 2012.

PRESTO is now available at nine transit systems across the GTHA including 14 TTC subway stations. A Master Agreement with the TTC was signed in November 2012 to deploy PRESTO across the entire TTC system by 2016.

By March 2013, 75% of GO customers used PRESTO. All other transit agencies at least doubled their usage rate over the past year.

Metrolinx and the TTC achieved a landmark milestone in November 2012 with a formal agreement for the implementation of the PRESTO fare system across the TTC. The agreement with the TTC specifies that PRESTO will be the e-fare solution throughout Canada's largest transportation system. Under this agreement, Metrolinx will be responsible for acquiring, owning and controlling the assets of PRESTO on TTC. The term of the agreement is a base 15 year term with one automatic renewal of an additional 5 years. The capital investment for this project will be up to \$255 million and will serve 1.6 million daily TTC customers with 10,000 devices on subways, streetcars and buses.

541,000+ cards in GTHA	<ul style="list-style-type: none">• Available at 9 systems across GTHA
14 TTC subway stations	<ul style="list-style-type: none">• Over 4 million annual taps
Master Agreement with TTC	<ul style="list-style-type: none">• Finalized in November 2012, work underway for first wave of TTC devices
OC Transpo	<ul style="list-style-type: none">• Work underway to deploy PRESTO across the OC Transpo system

As PRESTO evolves and embraces rapidly developing new technologies, the system will be further enhanced to incorporate open payments. This means that in addition to the familiar PRESTO card, customers will also be able to use their credit or debit cards and eventually their mobile device to make payments.

To test for the future of open payment, PRESTO conducted a trial at TTC's College and Dundas Stations for six months. The trial introduced contactless credit card payment, Visa, Mastercard and AMEX options at select PRESTO devices at these stations.

Outside of the GTHA, PRESTO is being rolled out across OC Transpo in Ottawa. Technical issues that emerged last summer during a limited public trial required additional time to resolve before the system was fully certified for deployment. Metrolinx and OC Transpo have worked together on a staged plan to bring PRESTO to riders throughout Ottawa and distribution will begin in April 2013. There are currently over 40,000 cards in distribution.

Future Benefits

Today, PRESTO is used as a fare card to make it easier for commuters to pay their fare with the simple tap of a card while travelling within and between participating transit systems.

In the future, PRESTO will be delivered with additional choices (beyond the familiar green card), such as contactless credit and debit cards, mobile applications and NFC-enabled devices, to offer customers even more convenience, flexibility and personalization.

Toronto-area transit riders will be able to use PRESTO in all subway stations and surface vehicles by 2016.

Union Pearson Express

Identified a critical part of *The Big Move*, Union Pearson Express (UP Express) is one of the first wave of projects currently under construction and will connect Canada's two busiest transportation hubs by 2015.

Connecting Toronto Pearson International Airport with Union Station in downtown Toronto in 25 minutes, UP Express is set to expand the range of transportation options to residents and visitors of the GTHA. When complete, Union Pearson Express will transform the way people travel to and from downtown Toronto to Toronto Pearson and elevate the way they experience our City.

UP Express will serve four key stations: Terminal 1 at Toronto Pearson, Union Station in downtown Toronto, and the Bloor and Weston GO Stations. At Bloor, Weston and Union, travellers can connect to other regional destinations easily and quickly. The stations are being designed to create a relaxing atmosphere with convenient amenities to serve guests during their brief wait for the next train.

UP Express will connect directly to Terminal 1 at Toronto Pearson. A new rail connection will branch off from the GO Kitchener railway corridor and travel three kilometres to the airport. The new connecting line, or "spur," is currently under construction by AirLINX Transit Partners Inc. and is scheduled to be completed in the summer of 2014.

After a year of significant strategic planning and design, impressive strides have been made on important elements of the project. 2012-13 marked a key milestone: the launch of the Union Pearson Express brand, replacing the placeholder name for the project and division, "Air Rail Link". A new website was launched upexpress.com to keep the public informed as we work to deliver on numerous projects and initiative related to the successful launch of the service in 2015.

Achievements in 2012-13

- Spur Construction: caissons complete
- Pearson Airport Station at Terminal 1 station detail design complete and construction started in March 2013
- Weston and Bloor Stations: construction has started and the detail design is nearly complete
- Union Station: detail design nearing completion with construction expected to start in Summer 2013
- Design on the UP Express shuttle vehicle has been completed and manufacturing has started
- Design was completed and construction began on 3 of the 4 stations
- Work on other projects related to an elevated guest experience, marketing, technology and fare systems are all underway.

The project is progressing on budget and will be delivered on time for the 2015 Pan/Parapan American Games.

Future Benefits

Connecting Toronto Pearson International Airport with Union Station in downtown Toronto in 25 minutes, UP Express is set to expand the range of transportation options to residents and visitors of the GTHA. With stops at Bloor and Weston GO station, UP Express will deliver customers efficiently and conveniently. When complete, Union Pearson Express will transform the way people travel to and from downtown Toronto to Toronto Pearson and elevate the way they experience our City.

GO Transit

GO Transit continues to see strong ridership growth on both its bus and rail services. In 2012-13, GO carried over 65 million passengers, up approximately 5 percent from 2011-12. GO Transit is planning multiple service expansions and improvements to both its bus and rail corridors, including continued progress towards two-way, all day rail service on all rail lines to accommodate expected ridership growth over the next few years.

In an effort to encourage customers to use the PRESTO card and reduce a reliance on paper tickets, 2-ride, 10-ride and monthly passes were discontinued in 2012-13 in favour of PRESTO. Usage of PRESTO on GO is at an all-time high with more than 225,000 cards being used.

As part of our commitment to customer service, GO Transit listened to our customers who told us they would like a quiet area on the train. In February 2013, the Quiet Zone was piloted on the Barrie line, and is located on the top level of every coach on most trains. In December 2012, GO Transit launched a web application called GO Tracker that displays real-time active GO Train trip information accessible from a desktop or mobile device.

In an ongoing effort to expand GO Train service beyond the commuter market, GO Transit piloted weekend GO Train service on the Barrie line in the summer of 2012.

As part of GO Transit's Customer Charter, GO promises to do its best to be on time; however, sometimes delays happen. The GO Train Service Guarantee, launched in November 2012, provides customers who experience a delayed arrival of 15 minutes or more, if the cause of the delay is within the control of GO, with the option to request a credit for the fare paid for the trip.

GO Transit's Passenger Charter: After two years

GO Transit's Passenger Charter is a set of five promises we've made to our customers. GO Transit reports on these promises at gotransit.com.

As of March 2013:

Passenger Charter Key Performance Measures

Measure		Target	2012/2013 Fiscal Year		2011/2012 Fiscal Year
On time	We will run more than 92% of rush hour trains within five minutes of the scheduled time.	92%	✓	94%	95%
	We will have less than 1% of our scheduled trips cancelled or delayed over 20 minutes.	1.0%	✓	0.9%	0.6%
Safety	We will increase year over year, the percent of customers who are satisfied with GO Transit's safety as measured by our customer satisfaction survey.	80%	✓	83%	73%
Keeping you in the know	We will increase year over year, the percent of customers who are satisfied with GO Transit's communication as measured by our communication survey.	77%	Not yet met	71%	74%
Comfortable experience	We will strive to have seats available for every passenger on 80% of weekday rush hour train trips.	80%	Not yet met	65%	66%
	We will increase year over year, the percent of customers who are satisfied with the cleanliness of GO Transit managed stations as measured by our customer satisfaction survey.	82%	Not yet met	80%	81%
Helpfulness	We will reduce the average time to address customer concerns to within 2 days.	2 Days	✓	1.8 Days	1 Day
	We will answer 80% of telephone calls within 20 seconds or less.	80%	✓	87%	83%

GO expands

New Acton GO Station

Opened in January 2013, the Acton GO Station on the Kitchener line raises the total number of GO Train stations to 63 across the network.

Oakville GO Station's new parking structure

In October 2012, a new parking structure opened at the Oakville GO Station. Completion of this project means more than 1,000 new parking spaces were added to the Oakville GO Station to provide better access to public transit for the more than 5,500 commuters who use the station each day.

More GO Service

In 2012 GO broadened its special event service offering to serve all lines. Extra service ran for events such as Caribbean Carnival, CNE, Nuit Blanche, and Toronto's Santa Claus Parade. GO's special event service helps move cars off the road and gives back by supporting local community events.

Union Station Revitalization

One of the most anticipated transformation projects in the city of Toronto, the revitalization of Union Station continues, with some of the visible work now well underway.

Track, signal and switch upgrades continue to be carried out alongside platform work and the installation of the glass roof atrium, perhaps the most visible and transformative piece of the train shed restoration. While GO Transit continues its refurbishment work above ground, the City of Toronto is rebuilding Union Station below.

Construction has to progress carefully to avoid customer disruption, and is scheduled to have major components complete in time for the Pan American Games in 2015, and fully complete by the end of 2016.

When the two new concourses are complete, the concourse area will be triple what it is today. There will be improved platform access, as the concourses will correspond with the full length of a 10-12 car GO train, not just the 4 east end cars. The concourses will also extend to the south end of the station, not just the 5 north end tracks. Each concourse will connect to the Union Station Great Hall and the new retail level below. There will also be an improved connection to the PATH system through the TTC Union subway station, and a new PATH connection from the north-west corner of Union Station at York St. The retail level, TTC station entrance, and PATH system will all be at the same level, with no stairs.



Zeidler Partnership Architects innovative design of the Union Station train shed won the Canadian Architect Award of Excellence. The new train shed will bring in natural light and improve passenger mobility and accessibility, all in design harmony with the station's unique architecture.

Switch Replacement Program

In December 2012, GO Transit completed the replacements of over 100 switches throughout the Union Station Rail Corridor to move trains more quickly and efficiently in and out of Union Station and further strengthen its commitment to on-time performance.

The new switches will improve the reliability of service by allowing trains to move from one track to another at faster speeds, providing a more seamless passage through Canada's busiest rail corridor. They were installed over a period of six years, representing an \$87 million investment to improve the reliability of GO service. The replacement of switches at Union Station will help keep GO Trains running on time and work towards the goal to bring two-way, all-day GO Train service to commuters in the GTHA.

Sustainability



The environment is a key consideration for all future transit development. Metrolinx is undertaking initiatives through the design stage of new and refurbished GO stations with the aim of achieving LEED Silver certification. 2012-13 achievements include the addition of more GO stations with carpool parking and the opening of the Oshawa Bus Maintenance Facility (on target for LEED gold certification).

Smart Commute

Smart Commute is a program of Metrolinx and the municipalities in the GTHA. Smart Commute helps employers and commuters explore different commute choices such as carpooling, cycling and transit. The goal aligns with *The Big Move*, to ease gridlock, improve air quality and reduce greenhouse gas emissions while making commutes less expensive and more enjoyable.

- The number of workplaces in the Smart Commute network grew 22% to a total of 305 participating workplaces;
- The number of commuters served in the Smart Commute network grew 11% to a total of 669,294 commuters; and
- The number of active users in Carpool Zone increased by 48% percent to a total of 15,081 active users.

Carpool to GO

The Carpool to GO program offers designated carpool parking at select stations. This program recently launched an electronic permit system allowing GO customers to apply online for a free carpool parking permit, giving them access to Carpool to GO parking spaces at their station. Customers can find other carpool partners through Smart Commute's CarpoolZone.ca ride matching service.



Customers can take advantage of the designated carpool parking spots if they display

the unique carpool parking tag, share their ride with another GO customer, and arrive before 9:30 a.m. After 9:30 a.m., the spaces become available for any GO customer to use.

Carpool parking is an important part of our commitment to provide customers with a wide variety of ways to travel to and from GO stations. Encouraging carpool use generates efficiency in the parking system meaning more GO customers can access stations using the same number of parking spaces. The benefit for drivers is saved driving costs by sharing a ride and easier parking in designated spaces.

This successful program has over 330 registered carpools and nearly 200 Carpool to GO parking spaces at ten stations.

- Long Branch
- Mimico
- Oshawa
- Port Credit
- Rouge Hill

The new sustainable Oshawa Bus Maintenance Facility



The Oshawa Bus Maintenance Facility officially opened in December 2012, storing 68 buses and housing 185 employees. It is one of Metrolinx's largest bus storage centres and will accommodate future growth and fulfill our promise to meet the changing needs of our customers. The 160,000 square foot facility is on target to become LEED Gold certified.

The innovative environmental features include:

- Solar panels to produce green energy;
- Green roof to reduce stormwater runoff, energy consumption and urban heat island effect;
- Rain water harvesting to help irrigate the property;
- Recycling of bus wash water to reduce consumption; and

- Tri-gen technology that produces some of the heat and electricity for the building, and serves as a back-up hydro source.

Management Discussion and Analysis

Corporate Performance

As a result of recent changes to the accounting frameworks, Metrolinx reviewed its mandate, operations and governance structure. This review concluded that Metrolinx met the definition of a not-for-profit government organization. Accordingly, Metrolinx has adopted Canadian public sector account standards (PSAB) including the related sections for government not-for-profit organizations effective April 1, 2012 as the basis for preparing financial statements and has restated the fiscal 2010-11 comparative results.

The following table summarizes the consolidated revenues, operating costs, and ridership for all Metrolinx operating divisions (GO Transit Services, PRESTO, Airport Rail Link) for fiscal year 2012-13, the two prior fiscal years (2010-11 and 2011-12) and the 2013-14 budget. The forward looking targets and budget reflect management's expectations and current internal projections and are based on information currently available to management. Certain assumptions have been formulated based on market conditions, consultation with external consultants, and factors such as planned new services, ridership trends, diesel fuel prices, utilities prices, labour costs, property tax, and maintenance contracts. Although management believes that the forward looking targets and budget are based on assumptions that are reasonable, changing factors and market conditions could cause actual results to differ materially from the forward looking targets and budget presented herein.

Summary	2009-10	2010-11	2011/12	2012/13	2012/13	2013-14
<i>(rounded to '000)</i>	Actual	Actual	Actual	Actual	Target	Budget
Operating Costs	384,689,000	434,953,000	475,261,000	524,271,000	520,608,000	590,000,000
Commuter Revenue	283,232,000	313,085,000	338,075,000	357,333,000	366,064,000	410,000,000
Non-fare Revenue	11,527,000	15,167,000	25,201,000	26,499,000	21,616,000	29,100,000
PRESTO Revenue	-	16,000	832,000	7,927,000	2,450,000	6,000,000
Ridership	55,574,000	57,863,000	62,429,000	65,581,850	64,998,000	68,800,000

Note:

1) Fare integration expense has been reclassified as a revenue offset to commuter revenue.

As a result, commuter revenue and rail and bus operations have been adjusted accordingly for fiscal years 2009-10, 2010-11, 2011-12, and 2012-13.

2) Non-fare revenue for 2010-11 and 2011-12 has been restated to include interest income received in 2012-13 relating to these prior periods.

Financial Report

The following discussion and analysis of the financial condition and results for Metrolinx should be read in conjunction with the audited financial statements and related notes for the fiscal years ended March 31, 2011 (fiscal 2010-11), March 31, 2012 (fiscal 2011-12) and March 31, 2013 (fiscal 2012-13).

Financial Report <i>(rounded to '000)</i>	2010-11 Actual	2011/12 Actual	2012/13 Actual	2012/13 Target	Variance
Revenue					
Commuter revenue*	313,085,000	338,075,000	357,333,000	366,064,000	(8,731,000)
Non-fare revenue***	15,167,000	25,201,000	26,499,000	21,616,000	4,883,000
PRESTO revenue	16,000	832,000	7,927,000	2,450,000	5,477,000
Provincial contributions***	96,612,000	92,110,000	120,538,000	130,518,000	(9,980,000)
Federal contributions	177,000	151,000	-	-	-
Amortization of deferred capital contributions	220,607,000	245,770,000	251,679,000	251,679,000	-
Gain (loss) on disposal of capital assets	(781,000)	1,130,000	417,000	-	417,000
Total Revenues	644,883,000	703,269,000	764,393,000	772,327,000	(7,934,000)
Expenditures					
Supplies and services	33,153,000	25,568,970	24,127,515	25,977,000	1,849,485
Equipment and maintenance	55,043,000	60,511,000	60,625,389	60,778,000	152,611
Facilities and track	58,475,000	69,196,442	77,053,107	76,884,000	(169,107)
Labour and benefits**	149,576,000	170,623,248	194,231,144	186,380,000	(7,851,144)
Rail and bus operations	125,717,000	129,387,646	138,346,053	139,141,000	794,947
PRESTO operating division	12,989,000	19,588,043	29,435,743	31,497,000	2,061,257
Airport Rail Link operating division	-	385,651	452,049	991,000	538,951
Amortization of capital assets	220,823,000	253,024,000	257,022,000	279,600,000	22,578,000
Amortization of long term leases	327,000	327,000	327,000	327,000	-
Total Expenditures	656,103,000	728,612,000	781,620,000	801,575,000	19,955,000
Net Income (Loss)	(11,220,000)	(25,343,000)	(17,227,000)	(29,248,000)	3,905,000

Note:

* Fare integration expense has been reclassified as a revenue offset to commuter revenue. As a result, commuter revenue and rail and bus operations have been adjusted accordingly for fiscal years 2010-11, 2011-12.

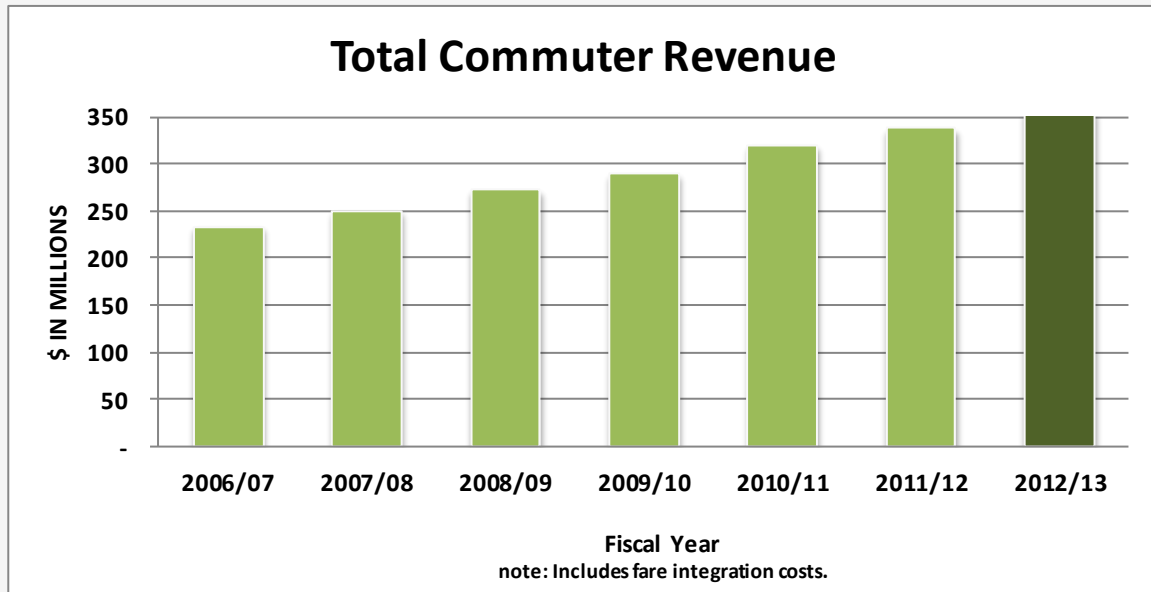
** Labour and Benefits Actual figures include long-term accruals for post employment benefits which are not funded.

*** Non-fare revenue has been restated to include interest income received in 2012-13 relating to these prior periods.

Revenues

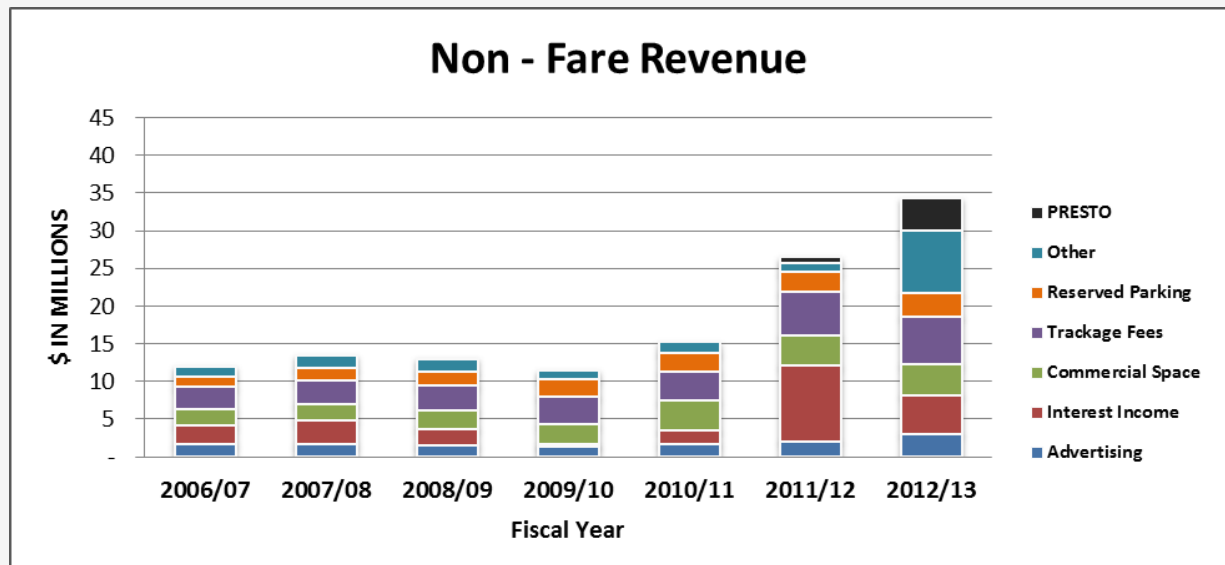
Commuter revenues

Metrolinx commuter revenue continued making strong gains in 2012-13, increasing to \$357M compared to prior year's \$338M. The 5.6% increase in commuter revenue was driven by a fare increase and higher ridership levels. In the six year period from fiscal 2006-07 to 2012-13, commuter revenue has increased at a compounded annual growth rate of 7.3%.



Non-fare revenues

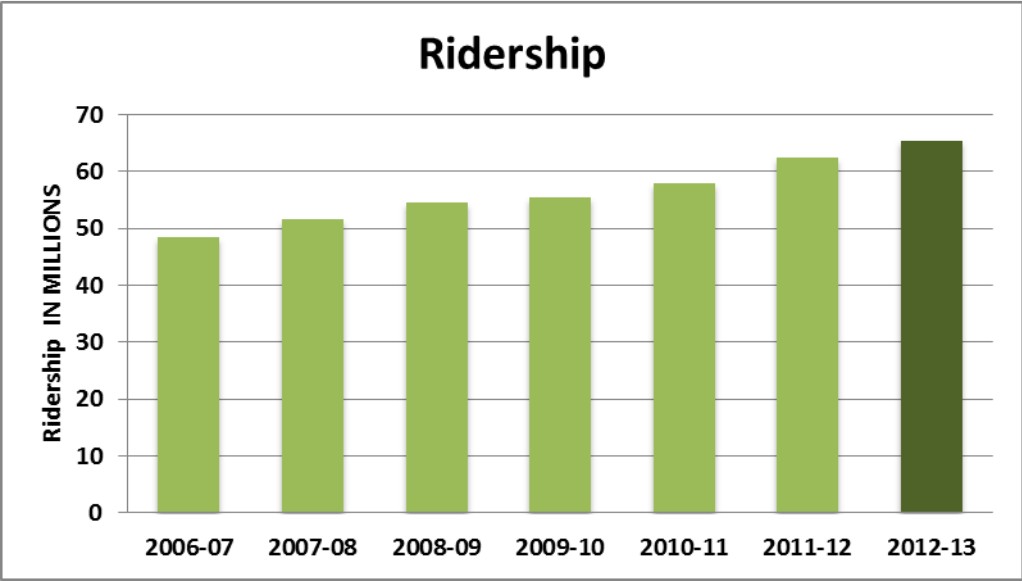
Non-fare revenues increased to \$34.4M in 2012-13 from the \$26.0M (excluding gain/loss on sale of capital assets) reported in 2011-12. PRESTO contributed approximately \$7.9M in revenue from the PRESTO fare card system coming into service on most of the participating municipal transit systems and the sale of IP rights. Non-fare revenue is projected to increase significantly as Metrolinx continues to leverage its assets to realize non-fare revenue opportunities.



Ridership

Ridership

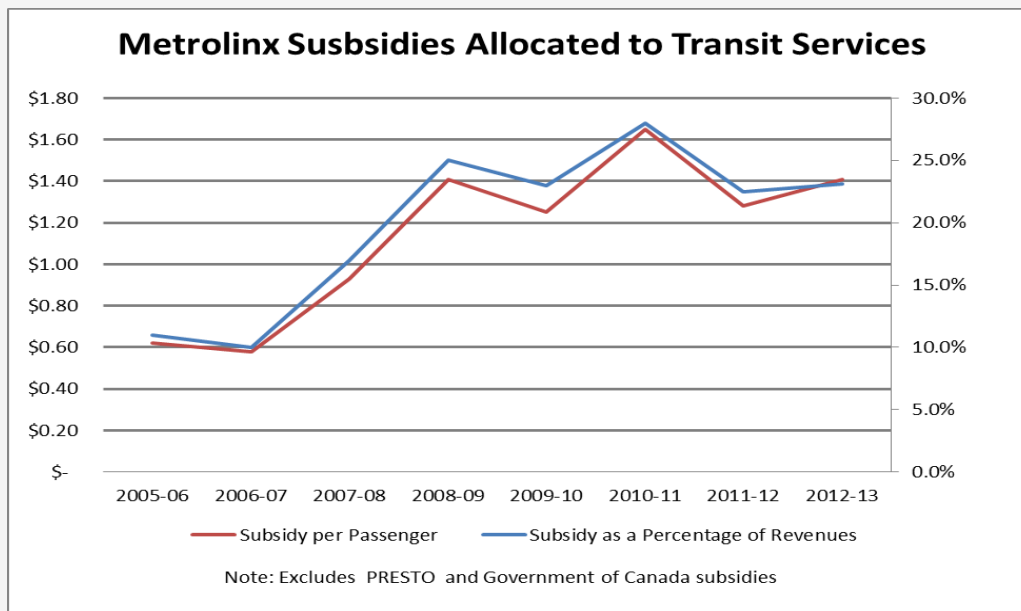
Metrolinx ridership increased to 65.6M or 5.1% in 2012-13 from the 62.4M reported in 2011-12. In the six year period from fiscal 2006-07 to 2012-13, ridership increased at a compounded annual growth rate of 5.1%.



Government Funding

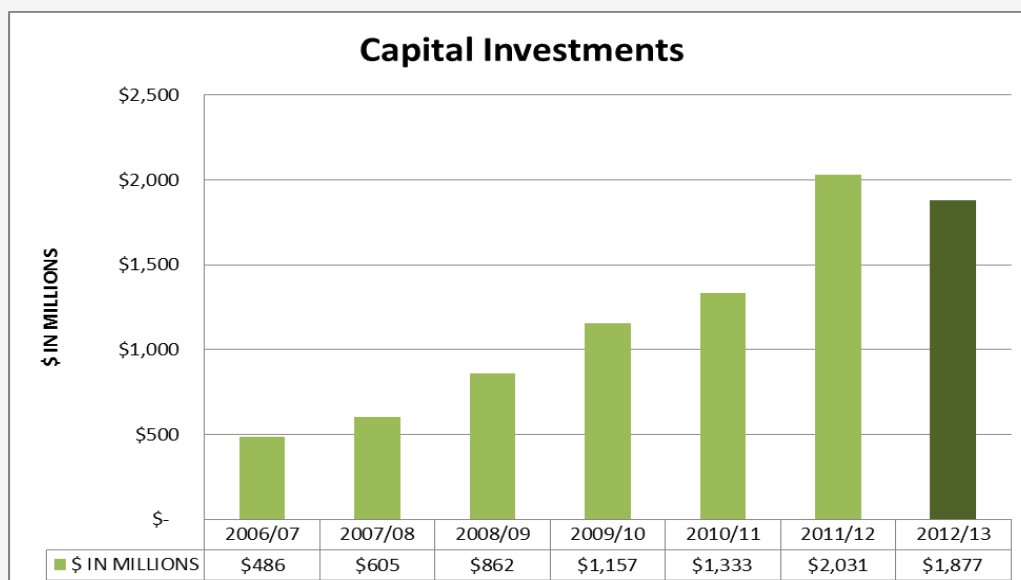
Operating Subsidy

Metrolinx received approximately \$120.54M in operating subsidies from the Province of Ontario (after adjusting for revenues related to prior year but remained in the current year), of which \$20.1M was allocated to PRESTO operations. 2012-13 subsidy requirements dedicated to delivering transit services (excludes PRESTO subsidies) was \$1.53 per passenger. This is an increase of 17% from 2011-12 subsidies per passenger of \$1.28. Subsidies (excluding PRESTO), measured as a percentage of revenues, increased to 25.6% compared to 22.5% in 2011-12.



Capital Investments & Grants

Capital Investments decreased to \$1.877B in 2012-13 vs. \$2.031B in 2011-12. Grants from the Province of Ontario totaled \$1.84B for 2012-13. Metrolinx also received capital grants from the Federal Government (\$4.7M) and from Municipal Governments (\$27.9M).



Operating Costs

Supplies & Services

Supplies and services were approximately \$1.8M under budget (favourable) due primarily to fewer consulting assignments being awarded and lower office supplies. This is offset with increases in software costs, use of temp agencies, printing costs and licenses and certificates.

Equipment & Maintenance

Equipment and maintenance costs were approximately \$150,000 under budget (favourable) driven by lower costs in repairs, maintenance, and inventory.

Facilities & Track

Facilities and track costs were approximately \$170,000 over budget (unfavourable) due to higher than expected additional one time maintenance requirements with the purchase of portions of the Oakville and Richmond Hill corridors. An offset is made from lower natural gas costs, and larger than budgeted recoveries on realty and business taxes.

Labour & Benefits

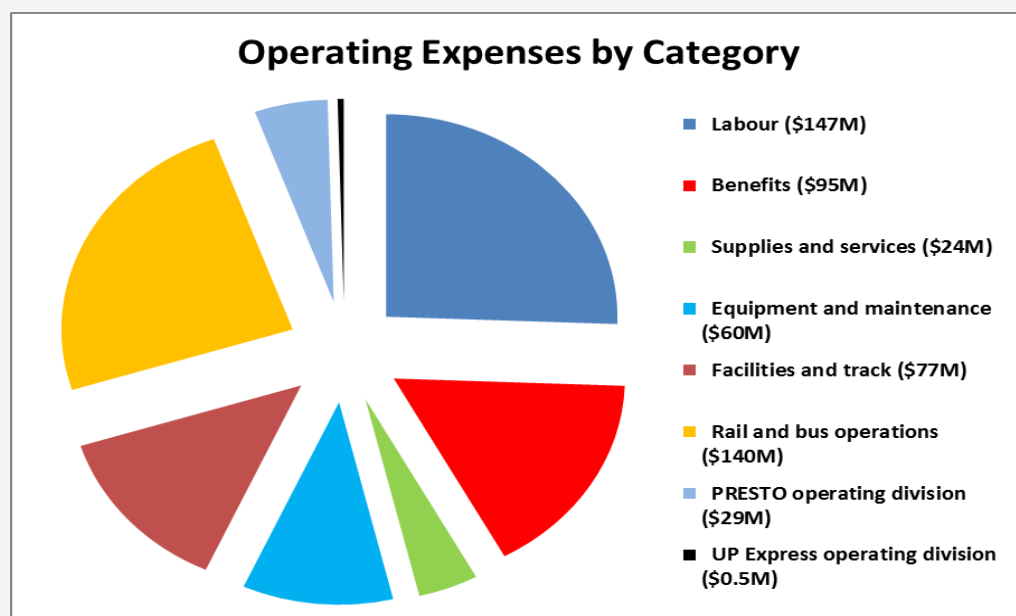
Labour and benefits were approximately \$3M (excludes unfunded accruals) under budget (favourable) due primarily to staff vacancies and delays in hiring new staff. This was partially offset by increased overtime.

PRESTO Operations

PRESTO operations were approximately \$2M under budget (favourable) as a result of extending the pilot phase of the PRESTO system in Ottawa.

UP Express Operations

The UP Express program was formally initiated in fiscal 2011-12 as it began its business and capital planning to be in-service for the 2015 Pan Am Games. Operating expenses incurred during the fiscal year were approximately \$500,000 primarily for in-year staffing up of positions and for engaging consulting firms.



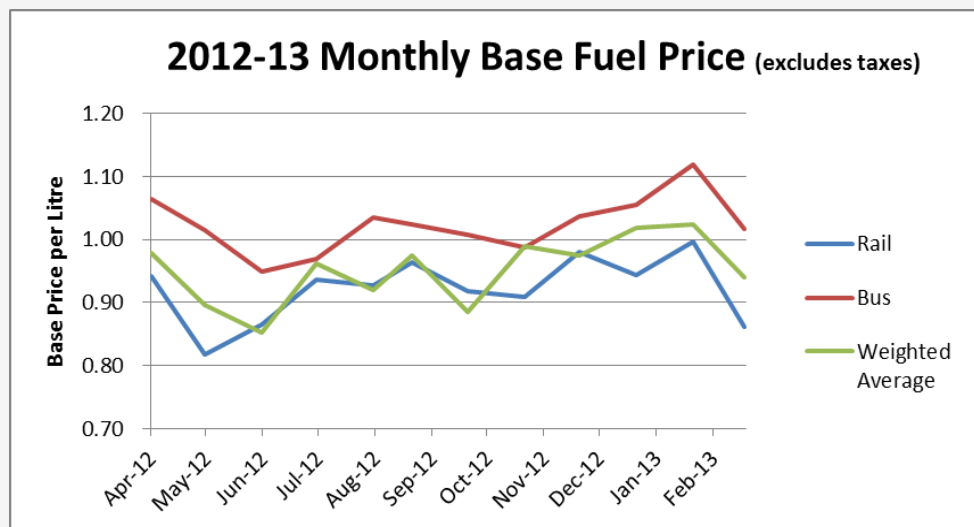
Operating Costs

Rail & Bus Operations

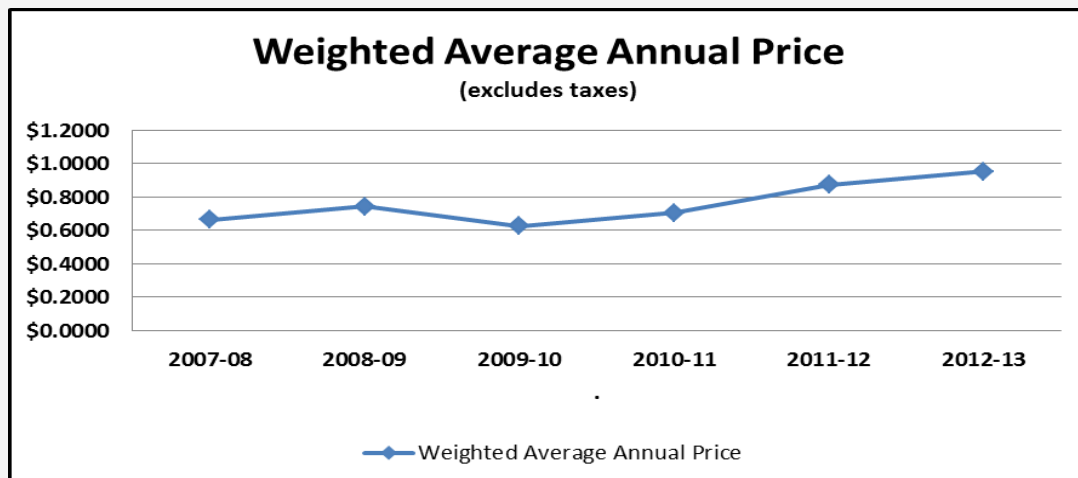
Rail and bus operations' actual operating expenses were approximately \$620,000 over budget attributed primarily to wayside power costs and liability claims. These were offset by savings in operations such as diesel fuel costs, operation management costs, farecard stock and insurance.

Diesel Fuel

Metrolinx's 2012-13 diesel fuel costs increased by \$4.2M over 2011-12, of which approximately \$1.9M was due to increased fuel prices and \$2.3M was due to increased fuel consumption. In 2012-13, diesel fuel costs totaled \$58.7M, representing 11.2% of total operating costs.

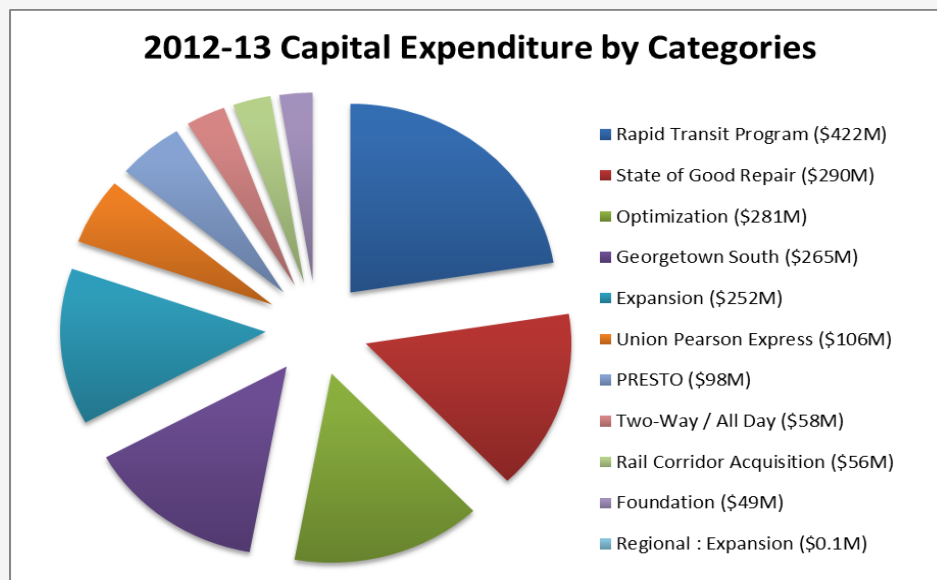


Diesel fuel price has increased steadily since 2009-10 but is expected to stabilize in fiscal 2013-14. Geopolitical factors will play a key role in determining whether fuel prices will actually stabilize. Metrolinx uses diesel fuel consultants, fixed-price contracts and is planning to implement financial hedging instruments to help increase greater price certainty in its diesel fuel costs.



Capital Investments

In 2012-13, Metrolinx continued working towards the Province's mandate to significantly increase its investment in public transit infrastructure. Major capital projects such as the Georgetown South corridor, UP Express, Union Station revitalization, implementation of PRESTO fare system on TTC and OC Transpo, upgrading PRESTO software to next generation, VIVA Bus Rapid Transit and Toronto Light Rail Transit projects were either commenced, had achieved key milestones, or were completed during the fiscal year. Significant investments were also made towards the state of good repair of existing infrastructure in order to maintain and improve safety and reliability. Capital expenditure in 2012-13 was \$1.877B.



Service Levels and Infrastructure as at March 2013

	Totals
Train Service:	
Lines	7
Stations	63
Route kilometres	450
Weekday train trips	203
Fleet size (number of trainsets)	47
Locomotives	65
Bi-level passenger railcars	563
Bus Service:	
Terminals (plus numerous stops & ticket agencies)	16
Route kilometres	2,869
Weekday Union Station bus trips	586
Weekday bus trips, total systems	2,184
Single-level buses	414
Double decker buses	47
Across our system	
Parking spaces	64,150
Parking structures	6
Wind turbines	1
Stations/terminals with bike shelters	59
Stations with bike lockers (or reserved bike parking)	5 2

Major 2012-13 Capital Expenditures

Major projects that moved forward or were completed during the year included:

- \$316 million was invested in the Georgetown South, West Toronto Grade Separation and other projects required to accommodate more train service for GO Transit and Union Pearson Express. An additional \$106 million was invested on infrastructure specific to the UP Express.
- \$99 million was invested towards work in progress of the revitalization of Union Station including signals, replacement of the train shed, and the building of a new concourse.
- \$191 million was invested in maintaining the state of good repair for existing infrastructure, including stations, bus & rail fleets, rail corridors, fleet maintenance facilities and parking facilities.
- \$117 million was invested in new parking facilities that were either completed or that were under construction. New parking structures at the Oakville, Clarkson, Pickering, Ajax, and Erindale rail stations will add an additional 5,400 parking spaces.
- \$45 million was invested in railway corridors for tracks, signals, and bridges. (excludes the Georgetown South corridor).
- \$56 million was invested in the acquisition of a portion of the Oakville subdivision (Lakeshore West line) which will allow for greater control of rail routes and traffic, as well as decrease trackage fee costs while increasing trackage fee revenue.
- \$125 million in progress payments for the purchase of additional rail coaches.
- \$98 million was invested in development of PRESTO Next Generation, which will include increased functionality and system wide implementation on the TTC.
- \$349 million was invested in the York VIVA BRT and Toronto LRT projects including;
 - initiating the tunnel construction and station design for the Eglinton Crosstown project
 - Agincourt grade separation at Sheppard Avenue and GO Stouffville rail line
 - making progress payments toward construction of the York VIVA BRT.
- \$72 million in progress payments for the purchase of Light Rail Vehicles for the Toronto LRT projects.

Enterprise Risk Management

Risk Assessment and Management

Under the direction of the President and Chief Executive Officer and the Chief Financial Officer, Metrolinx continues to implement a robust Enterprise Risk Management (ERM) program and ensures that Metrolinx complies with the Government of Ontario requirement for all classified agencies to use a risk-based approach in managing our business. The Metrolinx ERM program is adapted from international risk management standards and frameworks such as the ISO 31000 Standard and COSO ERM Framework.

The ERM Office sets its objectives to advocate the importance of taking risks into consideration in day-to-day business operations and decision-making within each business unit, and to support Senior Management and the Board in reviewing significant risks for responsiveness, prioritization and resources allocation. To achieve that end, the ERM Office focused on the following in 2012/2013:

- developing a road map to enhance the risk management capability at all levels over the next 24 months,
- implementing risk management and reporting processes in business units and capital projects, and
- providing continuous ERM training to management and employees.

Throughout the year, the ERM Office enhanced the ERM program with a comprehensive framework as well as risk management processes and tools. It also worked with different business units and project teams in risk reviews and risk assessments to integrate risk management discipline into day-to-day business activities.

In our annual ERM Program Health Check, Price Waterhouse Coopers (PwC) assessed the progress of Metrolinx' ERM program and recommended areas for improvement. PwC concluded that the ERM program is at the systematic level as a result of Metrolinx' successful ERM program implementation over the last 12 months. Management objective is to achieve one higher maturity level by further integrating risk analyses and assessments into day-to-day business operations over the next 18 months.

Enterprise Risk Management

During the 2012-2013 year:

- The ERM Office developed an ERM roadmap to increase risk management capability at all organizational levels.
- The business unit risk management and reporting processes were established and fully implemented to regularly identify and assess risks.
- Risk-based status reports for specific key projects were included in quarterly reporting to the Board.
- An online ERM training program was successfully launched for all employees in addition to the in-class training completed by all management levels.
- The effectiveness of communications on risks was significantly increased through risk reviews and risk reporting across the business units and up to the Board level

In 2013-2014, we are committed to the following:

- The established ERM program, framework and policy will be fully implemented across the corporation.
- A Corporate Project Risk Management Policy will be issued to provide core standards and principles for project risk management and reporting across the corporation.
- A Risk Appetite/Tolerances Framework will be developed to determine how much risk is acceptable in different major risk areas for achieving corporate objectives.
- An ERM website will be launched as a portal for the ERM program that includes program updates, processes, templates, tools and references.

Enterprise Risk Management

Senior Management has identified the following key risks that may impact Metrolinx' corporate objectives and values (see Exhibit xx). On a quarterly basis, Metrolinx reports to the Board on these key risks, including mitigation actions.

Risk	Description
Regional Leadership and Relevance of the Big Move	The credibility of the regional transportation plan is maintained only if the evidence that supports the plan is well received by stakeholders and all aspects of the plan are progressing well
Sustained Funding	Metrolinx requires continued and adequate funding to support its operations and future capital programs.
Stakeholder Management and Governance	Corporate governance oversight with clearly defined stakeholder roles and accountabilities are required to meet Metrolinx' objectives.
Management of Stakeholder Requirements	Clear understanding and communication of all program objectives is needed to meet stakeholder requirements on project budget and schedule
PRESTO Implementation	Fare card system rollouts for integration with different transit providers need to be managed well for success in achieving committed schedule
UP Express Infrastructure Readiness	Managing numerous interdependent projects on the Georgetown South rail corridor is critical to the success of UP Express readiness
Rapid Transit Implementation	Effectively managing project stakeholders to successfully implement the program, including the use of Alternative Finance Procurement Process
IT Project Prioritization	Execution strategies are required for IT governance process which has been established for effective prioritization of IT systems projects.
Customer Satisfaction	Reliable rail services and timely & quality communication are critical for maintaining Metrolinx' commitment to passenger charter
Corporate Privacy	Privacy exposure needs to be mitigated and privacy compliance judiciously addressed within business activities and projects
Project Management	Project volume and complexity as well as stakeholder requirements necessitate effective project management to deliver projects on time, budget, scope and quality
Corporate Safety and Security	The safety and security of passengers and the public is critical as expressed in Metrolinx' commitment to passenger charter

Performance Management and KPIs

Metrolinx measures the effectiveness of its programs from a number of different perspectives.

- At a region-wide scale, Metrolinx measures the effectiveness of its programs through patterns of travel and transit mode share, and economic and transportation benefits of transit investments in the GTHA.
- Metrolinx measures its corporate effectiveness against its vision, mandate and key objectives through a series of performance measures and targets against stated goals.

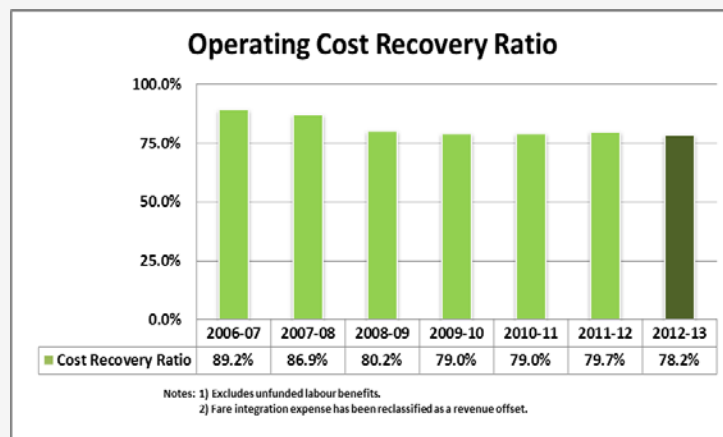
At the operational level, bus, rail, and customer services each have a robust set of performance metrics used to measure four dimensions.

- Customer satisfaction/service
- Cost effectiveness
- Service efficiency
- Service effectiveness

These measures are tracked against Metrolinx's historic results as well as are compared to industry peers in both Canada and the USA. Beginning in 2011-12, Metrolinx partnered with its Canadian peers, Agence Metropolitaine de Transport (AMT) and Translink (British Columbia), to share information on performance measures and KPIs, and to develop a working relationship in which strategies would be developed to meet industry challenges.

Recovery Ratios

Metrolinx uses the **operating cost recovery ratio** and **farebox recovery ratio** (excludes PRESTO operations) as two key indicators of financial performance. Operating cost recovery ratio, measured as the ratio of total revenues (excluding operating subsidies, grants, sale of assets, and extraordinary revenues) to total operating costs provides an indicative measure of how efficient and how effective a transit agency operates. Metrolinx compares its recovery ratios to its historic results as well as compares it to industry benchmarks. Historically, Metrolinx has always had one of the best recovery ratios among North American peers. The operating cost recovery ratio in 2012-13 was 78.2%.



Performance Management and KPIs

Overhead Ratio: The overhead ratio is the percentage of operating expenses that support services of non-bus and non-rail business units. For fiscal 2011-12, support services account for 7.8 percent of the overall operating expense. For fiscal 2012-13, Metrolinx is budgeting 8.4 percent of the operating budget for corporate services to support organizational initiatives, such as the Investment Strategy, and procurement of the capital plan

GO Transit Competitiveness: Travelling with GO Transit remains an economically preferred choice for commuters in the GTHA. Travelling with GO Transit costs approximately 48 percent of the total cost of fuel and parking if you are driving. Further, the average cost for driving \$0.37/km, whereas the cost for transit is \$0.18/km (reflects fuel and parking only, in downtown Toronto). These statistics are based on the average trip length from the Fall 2011 rail cordon count program. This does not consider the additional vehicle maintenance and vehicle ownership costs that would result from the increase in vehicle mileage. GO Transit continues to offer a comfortable experience and cost competitive mode of travel for passengers.

Cost per Ride: The cost per ride is the average operating cost required to provide service on a per-ride basis. For fiscal 2012-13, the cost per ride (excluding PRESTO and UP Express) was \$7.40. For fiscal 2013-14, Metrolinx's budget reflects a cost per ride of approximately \$8.03. The key drivers leading to an increase in cost per ride are the introduction of new service as well as maintaining reliability and customer service initiatives. In comparison, the average GO Transit one-way fare is estimated to be \$6.00 for fiscal 2013-14.

In 2012-13, Metrolinx expanded its core set of key indicators for financial performance to include the following:

Total Revenues per Employee (FTE)

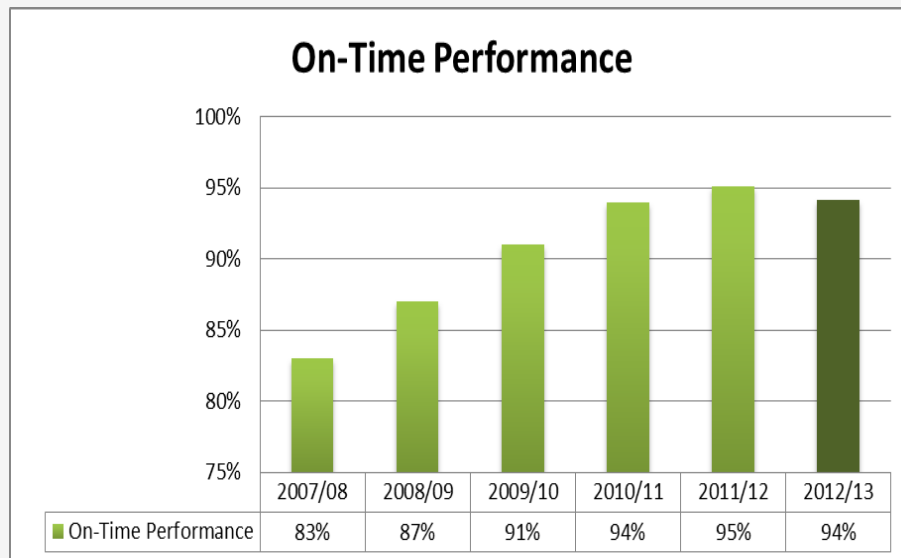
Metrolinx uses ***total revenues per employee*** as one of its performance indicators to measure how effective the organization is in creating more value. A productivity measure, this indicator is measured as the ratio of total revenue to total number of FTE. An FTE is counted as 1 full time employee or .5 part-time employees and excludes contracts workers and vacancies. In 2012-13, total revenues per employee (FTE) were \$163,000 vs. \$162,000 in 2011-12. FTE count was based on count at March 31, 2013.

Customer Satisfaction

Metrolinx understands the importance of customer service and customer satisfaction, and the impact that they have on ridership levels and on financial performance. Metrolinx's Customer Service business unit implements a vast set of metrics to measure Metrolinx's performance in delivering customer service. Key performance indicators used by Customer Service include on-time performance, safety, keeping you in the know, comfortable experience, and helpfulness. These are posted on the GO website and are updated on a regular basis.

On-time Performance

Metrolinx uses ***on-time performance*** as one of its key indicators to measure service reliability and to measure its delivery of customer satisfaction.



The financial statements will be added to the Metrolinx Annual Report 2012-13 and posted on Metolinx.com shortly after the board's approval.