

2019-20 Metrolinx Business Plan

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Executive Summary

Guided by the strategic framework of the 2019-20 Corporate Strategic Objectives and in alignment with the Province of Ontario's direction, the 2019-20 Business Plan outlines Metrolinx's strategic direction and upcoming priorities as we and our partners continue planning, building and operating an integrated transit network for the Greater Golden Horseshoe (GGH).

Metrolinx's annual Business Plan for 2019-20 was developed to align with the requirements of the *Metrolinx Act, 2006*, the government's *Agencies and Appointments Directive* and to reflect the regional transit priorities of the Government of Ontario. This Business Plan describes accomplishments from 2018-19 and outlines the momentum that will take Metrolinx through 2019-20, as we and our partners deliver the 2019-20 Corporate Strategic Objectives and government commitments.

With unprecedented investments in capital transit projects, Metrolinx is focusing on building and delivering key projects like the GO Rail Expansion program. Progress is being made in the advancement of enabling works, and construction approvals have been secured for the On-Corridor program component of the project, which will use a Design-Build-Finance-Operate-Maintain (DBFOM) Public-Private Partnership (P3) model to transform the GO rail network into a comprehensive, all-day rapid transit network.

Using a combination of traditional project delivery models and P3 models, Metrolinx continues to advance construction on key transit projects in the Greater Toronto and Hamilton Area (GTHA). Construction continues on the Eglinton Crosstown Light Rail Transit (LRT) and vivaNext bus rapid transit (BRT) projects. In 2019-20, construction work is expected to begin on several sections of the Finch West LRT corridor. Metrolinx is also making important progress on other key rapid transit projects including procurement of the Hurontario and Hamilton LRTs, as well as the expansion and optimization of GO Transit through various projects. In the coming year, Metrolinx will also be working in close collaboration with the Province, Infrastructure Ontario, the City of Toronto, and other municipalities to advance the projects identified in the Province's New Subway Transit Plan for the GTHA. To gain feedback from the communities and support the delivery of these new public transit infrastructure projects, Metrolinx created spaces for dialogue through Community Advisory Committees, Construction Liaison Committees, and town hall engagement.

Safety is Metrolinx's first priority, and is a key component of the 2019-20 Corporate Strategic Objectives and our organizational culture. This year, specific targets for construction safety and fatigue management are built into Metrolinx's Strategic Objectives.

On customer experience, 2018-19 proved to be challenging for us in meeting our customers' expectations and this was reflected in our customer satisfaction ratings throughout the year. We recognize that on-time performance is a key driver to satisfaction and it remains a top priority for us. Our teams continue their aggressive and systematic approach to remediation to ensure that our customers see a meaningful and sustained improvement to on-time performance. This year, we will be implementing infrastructure upgrades to improve the reliability of our signal network, sharing our technology with third

party rail dispatchers to give them better visibility to our network and increasing training time in key areas for our crews and making adjustments to our fleet maintenance program.

Alongside on-time performance, our customers have told us that communications, comfort and safety are very important to them. Communication related initiatives planned for the year include improved service delay messaging, improved messaging around service and platform changes, wayfinding signage at Union Station, and enhancements to the website to improve usability. Seating capacity onboard is critical to our customers comfort, increased service frequencies along with increasing the number of coaches on select trips will give more options and more seats. A number of initiatives are underway to both improve customer safety and to educate our customers on safe behaviours while travelling our system. We continue to improve pedestrian flow at Union Station, both on the concourse and at platform level. The opening of the new Bay Concourse is critical to this and we are working in close partnership with the City of Toronto to plan a phased approach to access.

Metrolinx has reached a major milestone with nearly 2 million unique PRESTO cards in use across the GTHA and Ottawa. PRESTO is undergoing a fundamental shift to move it from an IT implementation project to a leading payments organization that enables greater transit ridership, enhances customer experience and lowers the total cost of ownership. Going forward, PRESTO will continue to make fundamental improvements such as improved customer communications, adding functionalities and introducing new forms of payment such as single-use tickets.

Metrolinx continues its emphasis on increasing ridership and expanding services. Ridership for transit operations grew to 76.2 million in 2018-19 – 5.3% higher than actual ridership in 2017-18 – and is expected to see growth to 82.1 million, or 7.7%, in 2019-20. Over the last year, Metrolinx announced many improvements for GO customers, including:

- The introduction of weekday GO train service to Niagara and St. Catharines;
- More peak GO train service on the Lakeshore East and Kitchener corridors;
- More off-peak GO service on the Barrie, Stouffville, Lakeshore West and Lakeshore East corridors;
- Lowering short-distance GO fares to \$3.70 for customers using PRESTO;
- The introduction of the Kids GO Free Program;
- The launch of the PRESTO app which allows users to manage their accounts and load funds from wherever they are; and
- Enablement of the two-hour transfer for PRESTO users on the TTC, allowing customers to tap onto transit an unlimited number of times, in any direction, within a two-hour window.

Metrolinx will continue implementing important business improvements for its budgeting and financial reporting purposes. It will continue to monitor its performance against key performance indicators (KPIs) from financial to customer service measures to ensure successful outcomes and to better support strategic management decision making.

The successful implementation of this 2019-20 Business Plan can be achieved through the dedicated contributions of Metrolinx employees and Metrolinx's partners. With strong

resources to support the work ahead, Metrolinx will continue to advance its mission to "Connect our communities."

1.0 Introduction

1.1 Legislative Mandate

Metrolinx, an agency of the Government of Ontario established under the *Metrolinx Act, 2006* (the “Act”), was created to improve the coordination and integration of regional transit in the Greater Toronto and Hamilton Area (GTHA). The organization’s mission is to champion, develop and implement an integrated transit network for our region that enhances prosperity, sustainability and quality of life.

In December 2018, the Act, was amended to focus the agency on regional transit delivery and service excellence. These amendments also expanded Metrolinx’s regional transportation area to the Greater Golden Horseshoe (GGH), modified the scope and the development, review, amendment and approval process for the Regional Transportation Plan (RTP), and further clarified the agency’s objects, duties and accountabilities.

1.2 Organization Mandate and Profile

Metrolinx is an operational enterprise agency of the Crown and is accountable to the Crown through the Minister of Transportation. The agency’s responsibilities are described under the provisions of legislation and are further clarified through a Memorandum of Understanding (MOU) between the Minister of Transportation, on behalf of the Province, and the Chair, on behalf of Metrolinx.

The Act outlines the agency’s mandate and duties, which include operating GO Transit and UP Express and providing other advice and services to Government on transportation matters as directed by the Minister of Transportation. The Act requires Metrolinx to conform with the Minister’s transportation plans, policies and strategies for the province, and with any objectives for the regional transportation area as directed by order of the Lieutenant Governor in Council.

The MOU provides further clarity around accountability relationships, roles and responsibilities and ensures that Metrolinx’s transportation services and ancillary operations are consistent with provincial legislation and with the Government’s policies.

Metrolinx is overseen by a Board of Directors, which is responsible for setting Metrolinx’s strategic direction, identifying, managing and monitoring key risks, as well as providing oversight to operations. The Chair of the Board is accountable to the Minister of Transportation, through the MOU. The Board is supported by Metrolinx’s Senior Management Team, led by the President and Chief Executive Officer.

Guided by an organizational mission to “Connect our communities” and a vision to “getting you there better, faster, easier”, Metrolinx is responsible for a broad range of activities. In 2019-20, Metrolinx’s key priorities will include:

- Expanding and extending GO rail service;
- Modernizing and improving the customer experience throughout the GO Transit network;

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- Moving to the next stage of delivering the GO Rail Expansion Program;
 - Supporting the government in the design, development and construction of rapid transit and subway projects and extensions;
 - Operating and expanding the adoption and improving functionality of the PRESTO fare card; and
 - Moving forward with a Transit-Oriented Development Program.

GO train service has recently been expanded through the addition of more than 200 new weekday trips on the Lakeshore East and West lines each week. GO Transit rail service along the Kitchener line during peak periods was increased as a step towards two-way, all-day rail service for this corridor. Year-round weekday GO Transit rail service to St. Catharines and Niagara Falls was introduced – four years ahead of schedule. Metrolinx will continue to assess options for expanding and extending its services to improve connections between population and job centres while ensuring projects deliver value for the significant investment being made.

Metrolinx expects to transport 82.1 million passengers this year on GO Transit and UP Express. Metrolinx is working to modernize and improve the customer experience throughout the GO Transit network. Important enhancements to services are already underway. The Kids GO Free Program allows children age 12 and under to travel free of charge on all GO Transit trains and buses.

The GO Rail Expansion Program will transform the GO Transit rail network into a comprehensive, all-day rapid transit network. Infrastructure work to enable this expansion is already underway. Across the network, capital projects such as track work, rail maintenance, noise walls and grade separations are in progress. The next stage of delivering the GO Rail Expansion Program will take place throughout 2019. A Request for Proposals will be sent to the four pre-qualified teams who will be bidding to design, build, finance, operate and maintain the infrastructure for the largest capital project in the GO Expansion program, the On-Corridor Works project. Metrolinx will also move forward with other critical procurements, including additional infrastructure work along the corridors and at the stations.

The Transit Oriented Development Program will enable Metrolinx to leverage third-party investment to reduce public funding for transit expansion and offer new opportunities to deliver more transit services faster and at a lower cost to taxpayers. The new Mimico and Woodbine GO stations will be the first of many projects to be delivered using this strategy.

Metrolinx is also a key partner for the Province and municipalities in delivering on rapid transit projects. Metrolinx is supporting the delivery of several GTHA Light Rail Transit (LRT) projects, will be collaborating with the Province, Infrastructure Ontario, the City of Toronto, and other municipalities to deliver subway projects, and will continue to partner with municipalities in advancing the planning and design work of several other future projects.

Metrolinx will achieve these goals all while working towards its overall strategic objective of pursuing a more business-oriented and a commercial approach to the delivery of its mandate.

Through investments in GO Transit, Rapid Transit projects and PRESTO, Metrolinx oversees the largest transit capital expansion program in Canada. The approved Metrolinx 10-year Capital Plan beginning in 2019-20 is nearly \$25.8 billion.

The organization has built nearly \$24.3 billion in capital infrastructure since 2008-09, including projects that are currently underway. Growth continues, with a capital budget of approximately \$3.9 billion this year, in line with a capital investment of \$3.9 billion in 2018-19. To support the delivery of its capital projects, Metrolinx is implementing a comprehensive community engagement strategy, as well as developing strong stakeholder partnerships, as part of its communication focus.

Metrolinx values safety, customer service and innovation within its business practices, and strives to deliver high quality services to all clients and stakeholders. Metrolinx has broadened its expertise and has grown to 3,999 employees as of March 31, 2019.

Exhibit 1: Metrolinx Mission, Values, Capabilities and Success Factors

OUR VISION

Getting you there better, faster and easier.

OUR VALUES

Serve with passion
Think forward
Play as a team

OUR CAPABILITIES

We live and breathe safety and security.
We delight our customers.
We increase ridership and revenue.
We excel at operations.
We excel and planning and project management
We manage vendors and contracts well.
We manage assets well.

OUR SUCCESS FACTORS

Everyone safe
Engaged people
Trusted business partner
Customer focused

1.3 Metrolinx Quick Facts & Service Highlights

Exhibit 2: Quick Facts & Service Highlights

	Actual March 31 2018	Actual March 31 2019	Target March 31 2020
GO Train Service:			
Lines	7	7	7
Stations	65	68	68
Route kilometres	458	522	522
Route kilometres on owned corridor	366	366	366
Weekly train trips	1,916	2,163	2,444
Active train sets (typical weekday)	63	65	70
Locomotives	75	80	91
Bi-Level passenger railcars	749	756	913
GO Bus Service:			
Route kilometers	2,825	2,765	2,626
Weekly bus trips	13,482	13,422	13,576
Single-level buses	312	255	205
Double-decker buses	200	277	327
Stations served by buses	51	51	51
Terminals served by buses	22	22	22
Park & Ride / carpool served by buses	26	26	27
Schools served by buses	12	12	12
GO Station Access:			
Rail parking spaces	70,556	75,000	N/A [1]
Bus Park & Ride lot spaces	3,418	4,538	4,600
Parking structures	10	9	10
Stations with carpool parking	51	51	52
Carpool parking spaces	600	928	940
Carpools to GO formed	2,492	2,642	3,350
Stations with carshare services	17	17	TBD [2]
Stations with electric vehicle charging	11	11	TBD [2]
Parking spaces with electric vehicle charging	22	22	TBD [2]
Bicycle stalls	3,948	N/A [1]	N/A [1]
UP Express:			
Stations	4	4	4
Route kilometres	25	25	25
Weekly train trips	1,106	1,120	1,120
Active train sets (typical weekday)	5	5	5
Diesel multiple unit railcars	18	18	18
PRESTO:			
Unique cards (in '000s)	1,274	1,964	2,100
Transit Service Providers using PRESTO	11	11	11
Number of devices (in '000s)	14	17	No Target
e-purse and period passes processed from PRESTO to service providers (in \$ millions)	924	1,262	No Target
Number of fare payments collected by PRESTO for service providers (in millions) [3]	229.2	316.7	No Target

	Actual March 31 2018	Actual March 31 2019	Target March 31 2020
Rapid Transit Implementation [4]:			
New Rapid Transit kilometers under construction:	41.7	40.3	69.5
· New BRT kilometres under construction	22.7	21.3	21.5
· New LRT kilometres under construction	19	19	48
New Rapid Transit kilometres brought into service:	4	0	15
· New BRT kilometres brought into service	4	0	15
· New LRT kilometres brought into service	0	0	0
Transit Procurement Initiatives:			
Participating transit service providers	45	48 [5]	51
Cumulative buses purchased [6]	1,559	1,769	1,990
Environmental:			
Leadership in Energy and Environmental Design (LEED) Certified Facilities:			
Gold	5	7	7 [7]
Silver	2	2	2 [7]
Registered but Pending Certification [8]	1 new (16 total)	2 new (16 total)	1 new (17 total) [8]
Electricity generated by solar panels (cumulative, MWh)	4282	5850	7,417 [9]
Sustainable power installations (renewable & cogeneration)	8	8	9
Hybrid and electric corporate fleet vehicles	37	41	49

Notes:

[1] Future vehicle parking, Park and Ride lot space and bicycle parking projections by station are included in the GO Rail Station Access Plan, 2016

[2] The 2019 transportation expression of interest led by Strategic Partnerships with support from Planning will determine the car-share and EV opportunities on-going. Previous programs have expired

[3] Includes tap-on and tap-off e-Purse Fare payments and excludes non-financially relevant fare payment transactions (Period Pass Fare Payments and Transfer Fare Payments)

[4] Values are year-to-date totals rather than project-to-date

[5] 2018-19 figures depend on transit agencies' budget and approvals

[6] Cumulative buses purchased is not considered the same as delivered

[7] No LEED certifications confirmed as anticipated by March 31, 2020. Certifications are pending since one of the mandatory credits requires one year of post occupancy data before the certification submission can be reviewed by the Canada Green Building Council

[8] Registrations anticipated in 2019-2020 are the East Rail Maintenance Facility

[9] Target is estimated based on 2018-19 electricity generated from solar Photovoltaic (PV) systems

2.0 Business Context 2019-20

2.1 Business Scan

In the coming years, Metrolinx will be faced with multiple challenges, stemming from increasing demand for our services, the requirement to take on new responsibilities and the drive to take a more commercial approach to our business. But with these challenges also come opportunities.

As outlined in the 2041 Regional Transportation Plan (RTP), Metrolinx has an ambitious plan to improve regional transit. The increase in capacity to move people around the GTHA will support the continued population and employment growth in the region. The expansion of the GO Transit rail network into a frequent all-day, two-way service will transform the existing network and service offering into one of the most advanced and modern regional commuter rail systems in North America. This expansion, however, will pose many new challenges for the organization.

Enhanced service levels will entail increased utilization of Metrolinx's assets, such as tracks and vehicles, increasing future maintenance costs. This will also require the management of a significant construction effort in the context of both an operating network with less idle track time and the expectation of seamless implementation of new services to our customers. Throughout this transition, careful work block planning will be needed to enable safe access to the corridor for construction. Customer communication for service changes will be vital to ensuring customer satisfaction. The readiness of our all of our assets to deliver enhanced service levels will also have a significant impact on-time performance, another key driver of customer satisfaction. Increased service levels will also mean shorter timeframes for everyday activities, such as the maintenance and cleaning of our fleet.

Our ability to rise to these challenges will also create opportunities to increase ridership and revenue, improve our cost-recovery ratios and customer satisfaction, and ultimately prepare the organization to transition to 15-minute, two-way, all-day service over core portions of the GO rail network.

Metrolinx is also taking on new services that reduce track availability while adding new responsibilities. These include an expanded planning area resulting from recent amendments to the *Metrolinx Act, 2006*, the adoption of a market-driven approach to transit oriented development, as well as a role in advancing the delivery of new subway projects. These will provide Metrolinx with opportunity to leverage our strengths in planning and project delivery, and to engage in these activities in collaboration with key partners, such as Infrastructure Ontario and municipalities.

Metrolinx is also transforming its approach to be more commercial and to act more like a business. Metrolinx is focusing on its goals of increasing service and generating revenue while being cost efficient and reducing the reliance on the provincial operating subsidy. This year, Metrolinx is budgeting to reduce its planned subsidy requirement by \$149 million, a 32% decrease. To achieve these efficiencies, the 2019-20 Business Plan includes aggressive yet achievable initiatives to realize costs savings and reduce operational costs.

Going forward, Metrolinx is committed into looking at more transformation initiatives to lower expense and increase revenue in the outer years.

2.2 Strategic Objectives

Exhibit 3: Metrolinx 2019-20 Strategic Objectives



Metrolinx's annual Business Plan for 2019-20 presents our strategic direction, business context, financial profile, priority initiatives and planned deliverables from every aspect of our organization. Our mission – we connect our communities – is realized in how Metrolinx chooses to plan, build, operate and connect the region. The annual Business Plan articulates how Metrolinx will do this through 2019-20, guided by the mandate to deliver on government rapid transit priorities and strategic objectives for the region, the agency's Strategic Objectives and Metrolinx strategic planning documents such as the 25-year 2041 Regional Transportation Plan (RTP).

Those strategic objectives, each with their own measurable results and timelines, align with our four priority pillars:

- **Everyone Safe** – At Metrolinx, safety is our top priority. Our number-one goal, at all times, is the wellbeing of our employees, customers and the public.
- **Engaged People** – It's about engaging and developing our employees, and focusing on creating an inclusive work environment with greater gender balance.
- **Trusted Business Partner** – We will deliver on operational and capital budget goals, establish effective capital program management cost and schedule controls, keep on track for GO Rail Expansion as well as for our rapid transit projects across the region, continue to implement an enterprise-wide transformation plan that prepares us for the future state expanded service, and improve engagement our communities and stakeholders.
- **Customer Focused** – We're 100% committed to strengthening our relationship with our customers.

3.0 Transit Operations

3.1 Transit Operations Service Highlights

As we increase service across our network, customers are top of mind to ensure that there is, and will be, demand for the growth. Ridership grew 5.3% from 2017-18 to 2018-19 (72.4 million to 76.2 million), 3.1% over our 2018-19 target of 74.0 million. We are expecting this growth to continue into 2019-20 by putting the customer first.

We are putting the customer first by building our understanding of our customers. This understanding comes from insights that are input into the decision-making process. Insights are helping us predict the impact of service changes, understand where there's demand for services, and build targeted marketing and communications to grow ridership. This customer-centric approach is research and data-driven, and is an integral part of the Customer Readiness process now in place for all service changes.

New service priorities include:

- Expanding off-peak services offered throughout the network
- Expanding AM and PM rush hour service on some of the busiest parts of the network
- Adjustments to bus services, as required, to match demand

3.2 Rail Service Extension/Additional GO Rail Service

Implementing year-round GO rail services between Niagara Falls and Toronto has been a long standing goal of the region and local municipalities looking to grow and improve existing population and job centres through sustainable transportation modes.

In January 2019, Metrolinx took the first step toward this service expansion with the initiation of weekday Lakeshore West commuter service between Niagara Falls and Toronto. Metrolinx is developing an updated Initial Business Case (IBC) looking at several options for service improvements to Niagara Falls. Using Metrolinx's business case methodology, it considers the benefits generated by new riders and through transit travel time savings as well as the added operating costs. It also considers operational issues like potential delays at the Welland Canal.

Likewise, the extension of GO rail services east of Oshawa into Bowmanville is a long standing goal of the Durham Region and the local municipalities. The IBC has been underway to consider station locations and service options. Analysis through the business case weighs the benefits of increased ridership and travel time savings with the capital costs of new infrastructure required for the extension and the operating costs of running that new service. It also looks at how different service frequencies impact ridership and considers the operational challenges, including required negotiations with the freight railways.

Today, Metrolinx operates all-day two-way rail service between Union Station and Oshawa GO Station with GO bus services offered from Oshawa to Bowmanville. The bus services

operate between Oshawa and Bowmanville every 60 minutes, with increased frequency during peak hours. As of 2019, Park & Ride lots were opened in Ritson and Courtice, which has allowed bus routes to start servicing these future station locations and build ridership.

Metrolinx is also undertaking business case assessments on extending two-way, all-day service between Union Station and Kitchener. A better transit connection between Toronto and Kitchener-Waterloo and Guelph fulfills important strategic and economic development objectives, in particular better connecting employment and higher education tech industry hubs. Metrolinx is focusing on less costly solutions to achieve target service levels on the Kitchener GO corridor.

Similar to the Niagara and Bowmanville business cases, the Kitchener two-way, all-day business case will assess the strategic benefits of improving connections between Kitchener and Toronto as well as increased ridership and travel time savings for people making that trip. It will also consider the capital and operating costs of providing the service as well as construction and operational challenges. The business case seeks to optimize the service frequency by looking at ridership forecasting and costs.

In January 2019, Metrolinx extended existing trips from Georgetown to Kitchener as a another step to incrementally build up the Kitchener to Toronto connection. In 2019, Metrolinx hired a technical advisor to undertake work necessary to complete an options analysis, design and environmental assessment for the Kitchener Expansion.

3.3 GO Bus Strategy

GO Bus Services currently serve about 54,000 customers per day on 39 routes. Services include:

- Train-meets, which transport customers between GO stations and exurban communities with high volume ridership potential;
- Train-bus services that mimic train service during the off peak periods when there is no train service; and
- Regional Express buses that primarily transport customers east-west across the GGH serving major destinations such as universities, Pearson Airport, major employment nodes, park & ride lots and frequent rapid transit corridors.

The 2041 Regional Transportation Plan (RTP) identifies GO bus service as a major component of the Rapid Transit Network providing frequent regional services. Frequent Regional Express Bus is a new type of service proposed for core areas of the region not well-served by 15-minute GO Rail Expansion. With 15-minute service intervals or better all day, these longer distance routes are also part of the Frequent Rapid Transit Network. Different types of investments are needed to ensure these buses provide superior service and reliability compared to today's GO bus routes. This includes taking advantage of an expanded managed lanes network on 400-series and other major highways, or by using Highway 407 which has a high level of service due to its tolling structure. Other opportunities include dedicated bus access ramps to minimize delay for buses entering and exiting highways and convenient, high-quality stations directly on or adjacent to the

highway that minimize delays for through-service passengers while providing good connections to other frequent rapid transit and local transit routes.

To achieve the goals of the 2041 RTP, a strategy is required to transition services while continuing to meet the needs of present customers and ensuring resources are deployed efficiently and effectively. Performance standards and service evaluation tools are also required to ensure existing and proposed services meet the needs and propel the development of GO bus forward in line with the goals of the RTP.

The Initial Business Case (IBC) for the strategy will be completed in the spring and summer of 2019 followed by the detailed development of the roll out strategy and a Full Business Case (FBC) analysis completed during the 2019-20 fiscal period.

3.4 Safety and Security

Business Continuity Management Program

In 2018-19 the organization established Business Continuity Management (BCM) which is comprised of a policy, delivery framework and methodology, tools, templates, and reporting KPIs. In following business continuity planning best practices, we identified our time sensitive work specifically associated with operational priorities:

- public, passenger and employee safety and security
- integrity of transit services
- customer care
- protection of intellectual property and security of assets

For 2019-20 and beyond, the BCM Program is working towards the required maturity state. We will continue to review all existing Business Continuity Plans (BCPs) to ensure assumptions and responses support the capability of Metrolinx to continue delivery of transit products and services at acceptable predefined levels following a disruptive incident. We will also explore new BCPs needed based on inaugural BCM Program learnings and include planning for unique/specific situations not part of standard business operations which may impact or interrupt Transit services. Operational resiliency is the destination and business continuity planning can get you there.

Key Deliverables in 2019-20

Safety Delivery

The System Safety department significantly improved its level of operational and occupational safety improvement over the past year. Metrolinx staff across the organization was surveyed to determine a level of safety culture and safety involvement. Continuous efforts were made to both set up action plans and ensure sufficient communication and follow up of the results. Following this study, a number of changes were implemented to enhance the way that our employees think and behave in relation to safety. Some of these key changes include restructuring our Joint Health Safety committees, rolling out a new

Safety Recognition Program, strengthening safety training delivered at employee orientation and introducing a Safety Observation Reporting process. In addition:

- System Safety had a significant impact on the quality and amount of safety training received by the employees within the organization. For example, to date, 1624 employees have been trained in First Aid.
- In order to facilitate better interaction with front line staff, all members of the Safety department are completing a safety walk per month, with an approximate 215 safety walkabouts completed to date since beginning the program last summer. In February this initiative was also expanded to include operational directors, managers and supervisors to have them completing safety walk and talks with employees on a regular basis as well.
- Rolled out a Safety Culture Survey to measure overall level of employee engagement in safety. The survey encompassed close to 600 Metrolinx employees.
- Over the course of the year we developed a Metrolinx-wide monthly safety report that covers safety trends across all levels of organization. As a result, we were able to drive significant improvement in terms of reduction of lost time accidents as well as rail rule violations. For example, we have restructured the Joint Health and Safety Committee within Metrolinx, a training vendor has been procured, and the first training sessions began in early March.
- Safety department conducted a number of audits on various contractors and continues to investigate all serious incidents with subsequent root cause analysis to strengthen the overall safety culture within Metrolinx.
- The Safety department has assisted our partners to facilitate a total of 44 Risk Assessments since last year. The Risk Assessment topics range from Service Changes, Construction Projects, Passenger Safety and Implementation of Safety Improvements.
- We have also stepped up the level of competence within the department with 48 members of the Safety team completing ISO45001 Auditor training on Occupational Health and Safety Management systems. This training will help the department protect our workforce, promote safe work practices, meet and exceed legal requirements, and support continual improvement.

As the organization expanded, fatigue management in the workplace became a potential risk to Metrolinx employees. The system group has conducted a study of rail scheduling practices as well as a comprehensive study of best practices within the industry. In addition, we examined nineteen different authorities within Europe, Australia and North America to come up with a cross section of best practices based on standards across the world. As a result, we have updated the existing Fatigue Management Plan and introduced a structured framework to prepare for a Metrolinx-wide Fatigue Management Plan roll out in 2019.

There has been a significant level of engagement based on various operational groups and committees being stood up across the organization:

- Executive Safety Security Health and Environment Committee was set to provide guidance and oversight on safety. The committee meets on a monthly basis and is headed by the President of Metrolinx.

- Safety Leadership Council working group of approximately 70 front line employees across Metrolinx to champion safety and actively participate in promoting safety initiatives throughout the organization.
- Contractor Safety Coordination Committee is comprised of safety professionals from the major operational contractors to foster better alignment among stakeholders that directly impact safety of our operation.
- Construction Safety Coordination Committee is comprised of top 20 construction vendors to foster better alignment among stakeholders that directly impact safety of our construction operation.
- Safety Culture focus group is a small cohorts of employees engaged to advise on recent safety programs and to measure changes and progress of action items resulting from the Safety Culture Survey.

With all the initiatives, the main focus for 2019-20 will be on:

- Fatigue Management Plan implementation
- implementation of the Enterprise SMS
- roll out of the Orientation Safety Training for all new employees
- continuous provision of the First Aid training to all Metrolinx employees
- implementation of the Near Miss Reporting Program
- implementation of the Safety Reporting Program
- continuous restructuring of the Joint Health and Safety Committees
- enhanced Safety Communications across all levels of organization
- Metrolinx-wide Safety Summit
- implementation of a Safety Leadership Program

Front Line Effectiveness

In depth analysis has taken place this year regarding Transit Safety Officer and Revenue Protection Officer deployment times and locations. This year will aim to take action on these plans by leveraging technology to create predictive analysis allowing deployment of security staff on a risk based approach. This will allow for the use of resources more efficiently by sending Officers to areas of heightened concern, rather than systematic patrol.

Revenue Protection

Based on the transformational nature of GO Rail Expansion, Safety and Security has performed a comprehensive review of its current strategies and have developed a new Revenue Protection Strategy.

Innovation is required to keep pace with an expanded service area and increased service frequency. The main pillar of our new strategy will be focusing on full train inspections with frequency targets that align with the percentage of found evasion on specific trips.

Fare evasion, if not managed in a fair and consistent manner, will become a chronic problem that negatively affects not only Metrolinx but ultimately costs more for those customers who ride with a proper fare.

Four key areas to focus on:

- new strategy needs to be inclusive of weekends and late night train inspections
- zero tolerance for fare evaders (no warnings)
- customer communication strategy required to support the new approach
- review the impact of supporting functions (currently the compliance support team)

Canine Program

With the Canine Program approved to move forward, this fiscal year will be spent developing the program and implementing it in late 2019.

Ontario Police Technology Information Cooperative (OPTIC)

The purpose of OPTIC is to provide state-of-the-art information technology and data management systems, including Records Management (RMS) and Computer Aided Dispatch (CAD) systems through a shared data, this will allow for easy access to vital information.

Investigations

Transit Safety and Security Investigations and Intelligence Unit have been operating in its current structure since November 2018. The Unit is tasked with following up criminal activity that occurs on or in relation to Metrolinx property. Our priority is crimes against customers and the overall customer safety. The Unit also contributes to the investigative process related to fatalities or incidents of serious bodily harm by working with involved business units and System Safety to conduct the initial investigation and contribute to root cause and corrective action plans.

The Unit liaises with 15 Jurisdictional Law Enforcement agencies acting as a conduit for requests and information for mutual benefit. The Unit has a large intelligence component dedicated to keeping staff informed of trends and alerts related to counter terrorism issues and is tied to the RCMP Integrated National Security Team as well as the Provincial Anti-terrorism Unit.

Emergency Management

The emergency management plan, guided by the Emergency Management Program, will enable Metrolinx to effectively and efficiently meet the challenges of our ever-changing operational reality. It is the lens through which the many stakeholder operational views are brought to focus in a response. From high-frequency/low-consequence incidents to low-frequency/high-consequence incidents; the structure provided by the Emergency Management Program and plan will enable our staffs to solution the severity+/-complexity / capability = response equation.

- Ensure the safety of Metrolinx employees, customers, contractors, and the public.
- Provide the framework for prevention, mitigation, preparedness, response, and recovery to incidents impacting Metrolinx operations, including support to our stakeholders, utilizing the Incident Management System (IMS).

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- Provide a scalable framework to engage enterprise wide support through the activation of the Bronze, Silver or Gold Communication and Notification Protocol.
 - The Emergency Management Plan provides guidance from best practices which is applied to the Provincial Incident Management System for Command, Control & Communication at the Tactical Level as well as utilizing the Bronze, Silver & Gold Protocol for communication and notification internally to the Metrolinx hierarchy.
 - Coordinate critical operations by all Metrolinx departments, and coordinate operations with municipal, provincial, and federal levels of government and external stakeholder responses, when applicable.

Automated External Defibrillator (AED)

Today there are a total of 190 AEDs installed and available for use in rail stations, onboard GO and UP Express trains, at Bus and Rail Maintenance facilities and in many Employee office workplaces. It is proposed to deploy an AED to all rail stations, a single unit to all floors of Metrolinx office workplaces. In addition to the current gap of AED availability, the initial AED assets launched under the Public Access Defibrillator Program are now passing their tenth year of service and are no longer under warranty. The Safety department shall develop a standard for AEDs with measures to ensure the continuity of the future AED deployments, engage affected stakeholders to maintain AED monitoring and maintenance requirements and plan for the annual AED operating cost forecasting.

Environmental Projects

Recognizing the need to support other teams and facilitate the completion of tasks that are vital to ensure an environmentally friendly operation, the Environmental Management team has multiple projects set for the year including the certification of boiler units throughout the network to maintain safety, the refurbishment of chemical protection drip mats in layover yards and an extensive waste audit and diversion program.

Construction Safety

We will hold our contractors and ourselves responsible for keeping employees and the public safe while we achieve our goals. The Construction Safety Leadership Program focuses on actions that will build a strong safety culture and the following supporting actions are in progress:

- Contractor Safety Committee - Meeting with the top 20 contractors to foster a stronger safety culture through discussions about safety concerns, sharing best practices and creating open dialogue
- SHEL - Safety Health and Environment Leadership Team. Quarterly meetings starting in March with senior executives from the construction sector with the aim of coordinating safety efforts and resolving issues escalated from departments.
- Boots on Ballast - program has been developed to identify and manage the risks and liabilities associated with activities performed by Capital Projects Group (CPG) employees and contractors while on Metrolinx property. This will involve prescribed numbers of site visits for safety observations

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- **Safety Stand Downs** - The safety stand down was an initiative where all contractors on Metrolinx projects stopped working and had an interactive safety oriented session with members of the Metrolinx Project Delivery Teams and the contractor's own staff. The primary objectives are to share lessons learned from incidents & current best practices, identify areas where Metrolinx and Contractors can better support one another and identify areas where contractors can enhance safety.

Construction Safety: Organizational Capability

We will improve the technical capability of Metrolinx Construction Safety staff both in safety and risk management. We will introduce a competence framework as part of a strategy to improve organizational capability.

Construction Safety: Standards

The development of more robust construction safety standards and guidance will assist with the objective to increase safety performance by contractors. Increasing requirements for contractor competence and safety performance will help to reduce risk.

Construction Safety: Business Processes

Improving business processes for risk management, planning, and safe systems of work will support development of tools and systems to improve data collection and reporting.

Construction Safety: Safety Culture

Continuing the good work around safety culture, engagement at all levels of the business in prevention initiatives will increase as construction increases. Weekly site engagement will work to drive attitudes, behaviours, values and safety critical thinking.

3.5 Customer Service Strategy

After safety, customer satisfaction is our highest priority. By listening to our customers to better understand their needs and delivering to meet their expectations, we ensure our customers are the central focus of everything we do at Metrolinx. We are committed to the improvement of the services we offer as we grow our options to help our customers travel across this region. As we continue to expand our network, we recognize the challenges our customers will face with the unparalleled construction and we are dedicated to effectively communicate with our customers through enhancing our website and digital communications and providing improved signage and wayfinding. We will make the journey more convenient and comfortable as we renovate our stations, improve our amenities and expand our retail experience.

Highlights of our customer service achievements and future enhancements include:

Exhibit 4: Operations Strategic Priorities and Initiatives Overview

Strategic Priority	We have	We will
Continued attention to safety by being guardians of the journey	<ul style="list-style-type: none"> • Engaged customers in safety through a comprehensive communications program • Rolled out a new Customer and Safety Charter • Enhanced safety training for front line staff • Expanded use of CCTV across the network 	<ul style="list-style-type: none"> • Enable remote monitoring of the Audio/Video System on buses • Continue installation of tactile edging along platforms • Evolve our fare inspection program
Enhancing the customer journey and increasing customer satisfaction while considering sustainability, social impact, accessibility, and affordability	<ul style="list-style-type: none"> • Developed a Customer Satisfaction action plan using LEAN principles • Improved signage standards for ease of use and accessibility • Opened state of the art Network Operations Centre • Installed environmentally friendly water treatment system in stations 	<ul style="list-style-type: none"> • Open Confederation and Bloomington stations • Move downtown bus services to our new Union Station Bus Terminal • Add heated shelters, snow melt systems to a number of stations • Install charging stations on rail bi-level coaches
Communicating better and improving signage and wayfinding to make the journey easier	<ul style="list-style-type: none"> • Implemented a new mobile friendly website • Improved station signage and wayfinding 	<ul style="list-style-type: none"> • Implement a new public address (PA) system to improve audibility of announcements
Leveraging technology to delight customers by improving access and convenience including through alternate channels	<ul style="list-style-type: none"> • Implemented real time digital departure boards at 15 bus stations • Implemented Where's My Bus service • Introduced new webchat and Virtual Assistant • Rolled out PRESTO mobile app • Installed new generation of PRESTO enabled ticket vending machines and added PRESTO load capabilities to existing machines 	<ul style="list-style-type: none"> • Continue to implement digital signage • Provide Wi-Fi on our trains and buses • Develop a single-use ticket that customers can use with PRESTO • Upgrade the PRESTO website with new functionality • Expand placement of PRESTO load machines at key stations/locations

3.6 Enhancing the Customer Experience, Driven by Customer Insights

Customer experience is becoming an integral component of the decision-making process. Data, research and experience-driven customer insights are the basis of our ridership and revenue growth decisions. Building our understanding of current and future customers leads to more targeted acquisition and retention strategies, and the identification and removal of barriers, increasing ridership and revenue, and improving the customer experience.

Customer marketing strategies, communication and plans support each of our brands: GO, UP Express, PRESTO and Metrolinx. These plans drive ridership and fare revenue growth, providing value-add benefits, event promotions and incentives to encourage travel at all times of the day and days of the week, for customer journey purposes (why and where people travel). Marketing plans continue to bias to digital communication channels to more effectively deliver messages and efficiently contribute to a 3:1 return on investment goal. Marketing campaigns include:

- Revitalization of the GO brand through Find Your GO Time;
- Promotion of a stress free 25-minute service to and from the airport;
- PRESTO adoption and app customer support; and
- Awareness and progress of Metrolinx builds across the GGH.

Since June 2018, we have been uncovering drivers of ridership and revenue on a monthly basis, compiling customer insights that inform corporate decision-making. We continue to build on our customer research to identify pain points and barriers to choosing transit, and then developing mitigation measures. An example of this is proactive communication related to our construction program to minimize short-term impacts to current customers.

INSIGHT: INFREQUENT WEEKEND CUSTOMERS FIND ALTERNATIVES TO GO TRANSIT

- In the fall, Lakeshore West (LSW) Service was hourly on select weekends, and didn't stop at Mimico and Exhibition Station, increasing some trip times by 15 minutes for customers passing through that section of the corridor.
- LSW customers wanting to take the cancelled trip, didn't take GO and found alternatives (such as the car).
- On reduced service weekends in September, LSW ridership on each of the hourly train trips remained constant, with total corridor ridership decreasing 30% to 50%. This seems to show that customers found other alternatives rather than waiting to take hourly service.

INSIGHT TO ACTION: We are planning more construction in the coming years as we expand our services. Customer insights are used to inform when construction is happening, minimizing customer impact, while allowing for ongoing construction progress. This has resulted in the following modifications:

- Determine construction weekends so that work productivity is balanced with minimizing the impact on customers

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- Maintain weekend service to large events, in particular with Metrolinx partner events
 - Target construction communications to potential and infrequent GO customers

Customer insights turn customer research (analytic data, market research, best practices and customer experience) into tangible recommendations for the business to act on. Through research, pricing, service delivery and experience design, recommendations are made to meet existing needs, promote future demand and ultimately exceed customer expectations.

Going forward, Metrolinx is focussed on delivering GO Rail Expansion with customer experience as a differentiator - making public transit the first choice for travel across the Greater Golden Horseshoe region. This will be achieved with a deliberate focus on the customer in the design, build and operation of service.

3.7 Station Access and Ridership Growth

Metrolinx will continue to use the 2016 GO Rail Station Access Plan to ensure GO station access is planned and delivered in an integrated, sustainable and financially efficient manner. The Plan identifies a variety of infrastructure and service/programming improvements that support the mode shift required to grow ridership while providing our customers with varied access options (transit, on-demand transit, pick-up/drop-off, walking, cycling, and various parking programs).

By using the Connectivity Assessment Tool, we will be able to identify which GO stations have the greatest need for improvements (infrastructure or service connectivity), investigate why the highest achieving stations perform so well and identify key opportunities for focused improvement.

Working with our transit and municipal partners is vital to the success of the Station Access Plan. By assessing connectivity, providing supportive infrastructure on Metrolinx station sites, and engaging partners in the station area planning process, Metrolinx will be able to consider the entire customer journey, with a specific focus on first and last mile. In 2019, Metrolinx will continue the station area planning process at priority stations.

Metrolinx will focus on:

- implementing a variety of new station designs and updated design standards for parking, pick-up/drop-off, cycling, pedestrian access and universal design. These approaches will provide a variety of station specific improvements for customers while also considering their safety and security;
- working with our transit partners to continue to align connecting transit services and provide fast, seamless and comfortable connections;
- enhancing shared mobility through a testing program and partnerships for on-demand transit and autonomous vehicles; and
- leading a series of pilots to modernize parking options over the next year. These pilots will test innovative technologies with the goal of providing a variety of parking options with real-time parking availability and booking.

3.8 Network Operation Control

In October 2018, Metrolinx successfully migrated its Control Centre from downtown Toronto to the new state-of-the-art Network Operation Centre (NOC). The NOC allowed the integration of additional business activities to the centre, adding Transit Safety and Stations Operations to the existing Customer Communication, GO and UP Express Rail Operations, and Bus Operations functions.

Leveraging the latest communication and visualization tools, the Customer Journey Control Room within the NOC offers a dynamic, collaborative environment supporting 24/7 transit operations, customer communication and event and incident management.

With the physical relocation of staff complete and the new tools integrated into operations, the focus of the NOC is to grow capacity, and at the same time, drive integrated performance. Management and staff will be reinforcing the use of metrics and reporting, refining our command and control, and enabling a more integrated approach to operations and incident management.

The NOC team has also been driving the effort to renumber GO train trips. The previous 3-digit system was confusing as it was not intuitive and did not allow for the growth of service we will experience. Our new system will aid front line staff to quickly identify the disposition of a train by its unique trip number. This systematic and logical numbering is a vital tool we need to be able to effectively manage such a complex daily operation, and delivery superior On Time Performance. Through our work with CN to implement the new numbering system, we also took over the drafting of Rail Traffic Control (RTC) routing grids allowing for a more consistent preparation to our service changes.

The second phase of the NOC development will start in late 2019 and continue through 2021 as the RTC will transfer from CN to Metrolinx. This will occur alongside the implementation of the new Transit Control System (TCS) for signals and switches along our corridor. The NOC will also host the coordination of day-to-day rail track, signals, switching and communication first line help desk.

In order to smoothly transition the takeover of the RTC, we have established a program team that monitors related capital projects and ensures that staffing, training and compliance are ready for the transition in 2020. Our intent is to improve our rail service performance to a level that will help maximize the value of the operating services provided by GO Expansion partners.

4.0 Capital Projects

4.1 GO Rail Expansion

As outlined in the 2019 Ontario Budget, the Province is committed to transforming the existing GO Transit rail network and service offering into one of the most advanced and modern regional commuter rail systems in North America. GO Rail Expansion is a plan to provide frequent all-day, two-way service on core segments of the rail network. It will transform the existing GO Transit rail network and service offering into one of the most advanced and modern regional commuter rail systems in North America. Capital costs associated with the GO Rail Expansion are estimated to be \$13.5 billion (2014\$). This funding supplements previously announced investments of approximately \$7.5 billion for State of Good Repair (SOGR), Optimization and Expansion for existing assets and expansion of the rail network and passenger facilities.

In the 2019-20 fiscal year alone, Metrolinx will be investing approximately \$2.1 billion in GO Expansion funding to advance numerous projects, including, but not limited to:

- Construction contract for the Davenport Diamond Grade Separation will be awarded and early works construction will begin;
- Lakeshore East Expansions;
- Lakeshore West;
- Milton Station & Stations Operations West facility;
- Existing Station Improvements;
- New GO Stations: Caledonia and Bloomington;
- Lincolnville Layover Expansion;
- Barrie Corridor Expansion;
- Kitchener Corridor improvements such as Weston Station; and
- Union Station and Union Station Rail Corridor Improvements.

The implementation of the GO Rail Expansion Program is divided into different packages of work, based on when and how the infrastructure is required, as described below.

GO Rail Expansion Enabling Works

The Enabling Works Program includes projects that will prepare the rail network for the implementation of the GO Rail Expansion Program. These works include utility relocations, grade separations, track work and modifications, grading, retaining structures, noise mitigation measures, and upgrades to bridges, stations, and signalling and communications infrastructure.

Eleven of the GO Rail Expansion Enabling Works projects will be delivered through public-private partnerships contracts. Infrastructure Ontario (IO) is the procurement lead for these contracts and is working with Metrolinx as part of an integrated team to manage the work. Five Enabling Works contracts have already been awarded and are in the implementation phase (design and construction). These contracts include Cooksville GO Station, Highway

401/409 Tunnel, Kipling Station Bus Terminal, Stouffville Stations and Grade Separations, and Rutherford Station and Grade Separation. The remaining six are in various stages of development and procurement. Metrolinx will continue to make progress on these projects over the next fiscal year.

Other Enabling Works will be delivered through traditional procurement methods such as Design-Build (DB) and Design-Bid-Build (DBB) contracts. Ongoing work will also incorporate routine annual maintenance investments of fixed assets, like surface parking, stations, and operating facilities.

The Union Station Rail Corridor and Signalling Enabling Works is focused on the network-wide infrastructure and fleet required to deliver the GO Rail Expansion committed train service and the major work required at the network hub: Union Station.

The majority of the projects within this program are being delivered through the traditional Design-Bid-Build (DBB) contracts. However, the Union Station Expansion Project, which includes a new platform and concourse, will be delivered using a Design-Build-Finance (DBF) contract which is expected to be awarded by the end of the year.

GO Expansion New Stations and Off-Corridor Works

Modernization and improvement of passenger facilities at more than 29 existing stations will be undertaken through a design-build contract for Early Stations Improvements. The Design-Build Construction contract with Grascan was executed in January 2019.

Throughout 2019, procurement planning of the Off-Corridor Works Program will continue for renovations at existing stations on the GO network, including upgrades to station buildings, platforms, signage, bus loops, parking, accessibility, and passenger pick-up and drop-off facilities.

The GO Station Capital Delivery also includes the new Caledonia GO Station on the Barrie Corridor to accommodate two tracks with a pedestrian connection into the Eglinton Crosstown LRT station.

4.2 Expansion and Optimization

In 2019-20, investments of approximately \$816 million will be directed towards GO Transit expansion and optimization projects, including:

- Confederation Station;
- Cooksville GO Station and parking garage;
- downtown bus terminal at Union Station;
- East Gwillimbury parking expansion;
- Stouffville Stations Improvements;
- on-corridor work necessary to deliver GO Expansion service levels including upgrades to existing signalling infrastructure;

- GO Transit Train Control System;
- Kennedy GO Station renovation;
- Kipling Station Bus Terminal; and
- Streetsville parking expansion.

4.3 On-Corridor Design-Build-Finance-Operate-Maintain

As outlined in the 2019 Ontario Budget, the Province is committed to moving forward with the next stages of delivering the GO Rail Expansion Program. A key component of the delivery of the GO Rail Expansion Program are the on-corridor works required to deliver the enhanced service levels outlined in the Full Business Case for GO Expansion. Procurement of on-corridor works was initiated in spring 2018 through the release of a Request for Qualifications (RFQ). The scope of the RFQ included:

- operation of train services;
- timetable planning, train control and dispatch for all operators across the GO-owned network;
- servicing and cleaning, refurbishment, maintenance, and lifecycle renewals of all rolling stock and procurement of new rolling stock;
- design, build, finance, integration and maintenance of the railway corridor (civil infrastructure, tracks, electrification, signalling);
- construction of new maintenance and train storage and/or layover facilities;
- reconstruction of Union Station track and platforms; and
- compliance with Metrolinx safety, security and emergency management policies.

The project is being delivered as a Design-Build-Finance-Operate-Maintain (DBFOM) contract using the P3 model, which transfers risk associated with the design, construction, maintenance, operations and financing of the project to the private sector. Utilizing a DBFOM contracting mechanism creates a situation where the contractor has accountability for the successful implementation of the capital work and the ongoing maintenance and operation of the rail network. This delivery approach was selected based on a qualitative analysis considering feedback from the market, capacity, program interfaces, project size, flexibility for future change and experience on local and international projects.

Through this concession, Metrolinx, on behalf of the Government of Ontario, is delivering a GO Rail Expansion Program that will transform the GO rail network into a comprehensive, all-day rapid transit network. Upon delivery, the program will enable 15-minute, two-way, all-day service over core portions of the GO rail network. These improvements will provide greater access to the GO Rail network, which will enable seamless GO rail travel across the GTHA.

The GO Rail Expansion Program is anticipated to shift the existing GO rail network from a largely commuter service to a new rapid transit experience that will provide more options for residents and commuters. The transition to GO Expansion is anticipated to result in substantial ridership growth and changes to the patterns of station usage, including an increase in off peak users and reverse commuters. Through the program, it is anticipated

that by 2031 weekly train trips will increase from 1,500 trains a week to more than 6,000 trains per week.

4.4 State Of Good Repair (SOGR)

To ensure GO Transit assets remain in a reliable condition, Metrolinx continues to invest in infrastructure rehabilitation. Approximately \$701 million will be dedicated to SOGR projects, including GO Transit and enterprise IT initiatives. In 2019-20, Metrolinx is aiming to deliver its SOGR Program within 2% of its approved capital budget, as part of achieving Strategic Objective #6. Metrolinx will be focusing on projects such as:

- Willowbrook shop lighting;
- Willowbrook firemain replacement;
- maintenance and rehabilitation work to GO owned structures, track and signals;
- Train Control System Program - Union Station Rail Corridor;
- Union Station enhancement work;
- bus replacements;
- fare systems program;
- bi-level vehicle refurbishment; and
- train shed restoration at Union Station.

5.0 Rapid Transit Implementation (RTI)

5.1 Rapid Transit Projects

The Eglinton Crosstown LRT project is being delivered through a Design-Build-Finance-Maintain (DBFM) contract, which was awarded to Crosslinx Transit Solutions (Crosslinx) in July 2015. Construction has been underway since March 2016. In 2019-20 and beyond, Crosslinx will continue making progress on the surface alignment stations as well as completion of many of the underground stations. Work will continue on track installation and vehicle testing to prepare for integrated systems testing and revenue service demonstrations in 2021.

The Finch West LRT project is being delivered through a DBFM contract, which was awarded to Mosaic Transit Group in May 2018. Design of the project is well underway and preparatory works have been ongoing since mid-2018, including onsite designs surveys and geotechnical investigations. Under a separate contract, Metrolinx has also been relocating gas lines and completing property negotiations.

In 2019-20, there will be further preparatory work and construction work is expected to begin on several sections of the corridor including:

- Maintenance and Storage Facility: excavation and foundation work commences at August 2019; and main building work commences in November 2019
- Humber College Station: a Humber College parking lot temporarily closed and fenced for a laydown area (completion date of May 2019); lane/traffic and utility diversions in fall 2019
- Toronto Hydro Electric System pole line relocation and duct bank construction commencing fall 2019 (Signet to Jane) and Hwy #27; start of SOE station box, secants (September 2019) dry and wet utility diversions (completion by March 2020); Finch Ave. West widening (fall 2019)
- Highway 400 bridge work: staging areas (summer/winter 2019); rapid bridge replacement temporary supports (summer 2019)
- Watermains and storm sewer replacements: watermain replacement crossing Finch Ave. West just east of Highway 27 (fall 2019); watermain and storm sewer replacement along Finch Ave. West from Black Creek to Keele St. (fall 2019)

The Hurontario LRT project is currently in the procurement stage and is to be delivered as a Design-Build-Finance-Operate-Maintain (DBFOM) contract. The RFP was released in August 2017 and technical and financial submissions are currently undergoing evaluation. A preferred proponent will likely be announced this summer with financial close scheduled for late summer. Preparatory works have been ongoing since 2017 and are expected to be completed by the end of 2020. The project completion date will be finalized at financial close.

The Hamilton LRT project is also in the procurement stage and will be delivered as a DBFOM contract. An RFP was issued in April 2018. Three pre-qualified teams are preparing bids that detail how they will deliver the project. Bid submissions are expected in spring

2020 and a preferred proponent will be selected with contract award occurring later that year.

Three segments of the vivaNext BRT Program are currently in service: Davis Drive, Highway 7 from Richmond Hill Centre to Warden Avenue, and Highway 7 - Vaughan Metropolitan Centre. The Highway 7 - Vaughan to Richmond Hill segment is expected to go into service in December 2019.

Total utility relocation works on the three Yonge Street sections are expected to be completed by June 2019. Yonge Street from Mulock to Davis Drive is expected to be placed into service in December 2019.

5.2 Subways

Metrolinx, in partnership with the Province and Infrastructure Ontario, and in collaboration with the City of Toronto and other municipalities, will advance the delivery of new subway projects. The projects identified in the Province's New Subway Transit Plan for the GTHA, for which Metrolinx will play a key role are:

- Ontario Line - Business case work, environmental assessment and preparation for delivery for a new 15km subway from Ontario Science Centre to Ontario Place/Exhibition;
- Yonge Subway Extension - Preliminary Design Business Case for a 7.4km extension from Finch Station to Richmond Hill/Langstaff Gateway Urban Growth Centre;
- Eglinton West LRT - Advancing business case and preliminary design work for a 14km extension of the Eglinton Crosstown LRT from the future Mount Dennis Station to Pearson International Airport;
- Line 2 three-stop east extension to Scarborough; and
- Exploratory work on the Sheppard subway to McCowan.

5.3 Funding for Other Future Projects

In addition to the rapid transit projects already underway, Metrolinx continues to partner with municipalities in advancing the planning and design work of several other future projects, including:

- Durham-Scarborough Bus Rapid Transit - Preliminary Design Business Case for 36km of Bus Rapid Transit linking Scarborough Centre with Pickering, Whitby, Ajax and Downtown Oshawa;
- Dundas Street Bus Rapid Transit and Priority Bus - Initial Business Case for 45km of enhanced bus infrastructure linking Toronto, Mississauga, Oakville and Burlington; and
- Brampton Queen Street/Highway 7 West Extension Bus Rapid Transit - Initial Business Case for 20km of Bus Rapid Transit linking Downtown Brampton and Vaughan Metropolitan Centre.

6.0 Regional Transportation Planning

6.1 Regional Transportation Plan

The 2041 Regional Transportation Plan (RTP) was published in March 2018 following a review and update of *The Big Move*, as required by the *Metrolinx Act, 2006*. In December 2018, the *Metrolinx Act, 2006* was amended by the Province to expand Metrolinx's planning area to the Greater Golden Horseshoe, and prescribe a new focus on an "integrated transit network." The transit-supportive elements of the RTP are the organization-wide plan for Metrolinx to implement its mandate of providing leadership in the coordination, planning, financing, development and implementation of the region's integrated transit system to 2041 (see www.Metrolinx.com/theplan for the RTP and technical reports).

The RTP presents five Strategies that are intended to be realized by Metrolinx, together with municipalities, the Ministry of Transportation, transit agencies, the public and other stakeholders, in order to achieve the vision and goals of the plan.

RTP Strategies
1. Complete delivery of current rapid transit projects
2. Connect more of the region with a frequent rapid transit
3. Optimize the transportation system
4. Integrate transportation and land use
5. Prepare for an uncertain future

While many of the RTP's Priority Actions are underway, Metrolinx is developing an implementation framework to advance and track the progress of the transit-related Priority Actions from the RTP.

Since March 2018, Metrolinx has been advancing the RTP by:

- Establishing a Regional Roundtable of Chief Administrative Officers and City Managers to assist with advancing Priority Actions (e.g. fare and service integration)
- Advancing analysis of the Frequent Rapid Transit Network (RTP Strategy 2)
- Improving connectivity to Pearson Airport (RTP Strategy 2)
- Expanding first mile/last mile options at transit stations (RTP Strategy 3)
- Advancing a market-driven transit-oriented development strategy (RTP Strategy 4)
- Developing a program of regional performance indicators and monitoring on the progress of the plan's implementation.

Through 2019-20, Metrolinx will:

- Continue to lead and support implementation of the RTP by Metrolinx and stakeholders (identifying early opportunities and assigning internal champions to advance specific Priority Actions);
- Lead the strategic coordination required to advance the RTP by inviting and convening stakeholders and partners through various forums: the Regional Roundtable, the Municipal Planning Leaders Forum, the Municipal Technical Advisory Committee and project-specific working groups and committees, as needed;
- Finalize a fact-based approach to support decision-making for the delivery of the Frequent Rapid Transit Network;
- Support municipalities in developing business cases for priority projects;
- Develop a work program to analyze the transit priority measures that would be a part of the RTP's Priority Bus network;
- Continue to advance regional-scale policy that supports transit, such as fare and service integration, station access, transit service and technology guidelines, and Mobility Hub Guidelines; and
- Support MTO in the development of the multi-modal Greater Golden Horseshoe transportation plan and the assessment of long-term transit needs in the expanded Metrolinx planning area.

6.2 Fare & Service Integration

As Metrolinx continues toward two-way all-day rail service as part of GO Expansion, our focus will remain on building a network that's customer-focused, built on strong transit agency partnerships across the region. The focus is on fare and service integration as an enabler for trips that are accessible, frequent, reliable, safe, comfortable and convenient.

Integration Status and Opportunities

There are a variety of Fare and Service Integration initiatives underway.

Metrolinx and our partners currently have two very exciting fare integration programs. The first is the GO/UP Express-TTC Discount Double Fare where customers received a fare discount when transferring between GO Transit and the TTC, and on UP Express and the TTC when trips start or end at the airport. Discount Double Fare went into effect in January 2018. Between 2017 and 2018, transfers between GO and TTC increased by 27% and have continued to show strong growth in 2019. In addition to the GO/TTC fare program, GO Transit also has a co-fare program in place with Greater Toronto and Hamilton Area (GTHA) transit agencies. In addition to GTHA transit agencies, this also includes Grand River Transit, Bradford West Gwillumbury Transit, Guelph Transit and Barrie Transit. Customers transferring between GO and municipal transit agencies can save approximately 75% off of their local transit fare.

For Service Integration, Metrolinx is focused on two very specific outcomes. The first is coordinating services, including aligning train and bus schedules across the network. This,

coupled with the trip planner, Triplinx, allows customers to plan fully integrated trips across the region, and consider time, cost and experience. Additionally, GO Transit continues to seek co-promotion opportunities with partners.

Metrolinx is supporting the newly established Fare Integration Forum (FIF) (see below) to address further barriers to fare integration. The FIF is developing a two-year work plan to facilitate cross-boundary travel through better connectivity and fare payment experience, and improve fare policy consistency throughout the region.

Preparing GO Transit for Integration

Integration with partners also requires changes to how GO Transit provides services and fare.

At the direction of MTO, Metrolinx made changes to better align GO fares with local transit for short-distance trips. On April 20, 2019, fares for trips up to approximately 10km were reduced to \$3.70 when using PRESTO, a fare reduction of as much as 40% for some trips. Additionally, Metrolinx has begun to review its fare structure to ensure that it provides value for customers, is transparent, and grows ridership. An example of this was the March 9 implementation of the Kids GO Free Program across the network for kids 12 and under. This followed a successful pilot which saw 63,000 incremental adult boardings from April 28 to October 31, 2018 as a result of allowing kids to ride for free on the Barrie Corridor.

Additionally, Metrolinx continues to focus on the customers' door-to-door journey. This includes an increased focus on the integration of services, and ensuring customers have a positive experience while transferring between trains, buses and across agencies. This work also includes the testing and provision of new services, with the planned On-Demand Transit Testing Program which will deliver pilots across the region this year. These pilots, delivered in partnership with transit agency partners, will test a variety of technology, vehicle and delivery methods to provide flexible transit solutions that can use dynamic routing to deliver quick and convenient customer journeys.

Partnership for Success

Ensuring that municipal and transit partners are included in the regional planning and delivery process is vital to the success of the regional network. To achieve this, Metrolinx works with a variety of partners. At the direction of the Regional Round Table (composed of Chief Administrative Officers and City Managers), Metrolinx has established, or continues to work with The Municipal Planning Leaders Forum (MPLF), the Transit Leaders Forum (TLF) and the Fare Integration Forum (FIF). Each of these groups has a specific focus and membership, and is committed to advancing priorities in their area.

- The MPLF is focused on long-term land-use and infrastructure planning, and is supporting the planning and delivery of transit projects across the region.
- The TLF has a long standing record of success in integration, works to ensure that services are coordinated, and that new services are delivered in an integrated fashion (i.e., the On-Demand Transit Testing Program).

- The newly established FIF will champion the case for fare and service integration, and provide strategic direction to regional transit/transportation leaders.

Over 2019-20, Metrolinx will work with its municipal partners to examine how to best expand or adapt the above noted forums to include stakeholders from the expanded GGH planning area. This will be informed by the structure of forums that already include partner membership from the broader GO service area in the GGH (e.g. Region of Waterloo and City of Guelph are members of the Regional Roundtable).

As mentioned, we are continuing to focus on delivering an integrated door-to-door customer experience. This is built on: pricing that incents trial and ongoing use of our network, integrated services, and strong partnerships. Fare and service integration allows us to continue growing in way that connects the region with services that drive ridership growth by putting the customer first.

6.3 Metrolinx Sustainability Strategy

Metrolinx is working to transform transit in the Greater Golden Horseshoe (GGH). In order to deliver on our commitments towards improving customer experience and safety, and ensuring the efficient use of resources and financial sustainability over the long-term, we must continue to focus on ensuring that sustainability is anchored across Metrolinx and in everything we do.

The Metrolinx Board of Directors' approved Sustainability Strategy identifies actions and measures of success through to 2020 (www.metrolinx.com/sustainability), focusing on five priority sustainability goals (Exhibit 5). The five goals presented in the table below represent areas that are of the highest importance to Metrolinx and its stakeholders, and support our strategic objectives to demonstrate leadership in safety and to operate using LEAN principles to eliminate waste and ensure continuous improvement.

Exhibit 5: Five Key Goals of Metrolinx's Sustainability Strategy 2015-2020

Sustainability Strategy Goals	
Goal 1	Become climate resilient
Goal 2	Reduce energy use and emissions
Goal 3	Integrate sustainability in our supply chain
Goal 4	Minimize impact on ecosystems
Goal 5	Enhance community responsibility

Sustainability has been integrated as a key pillar in Metrolinx's Enterprise Asset Management Program, and climate change resilience and emissions reductions are recognized as key risks. Through the 2019-20 year, Metrolinx will continue to support the Sustainability Strategy by:

- leading with design excellence through the development of sustainable design standards and requirements for capital projects to ensure capital projects are climate resilient, energy efficient and sustainably constructed

- continuing to lead and support the implementation of Metrolinx's Climate Adaptation Strategy (published in May 2018 - see www.metrolinx.com/sustainability) to ensure safety, minimize risk to business continuity, and protect assets over the long-term
 - continuing to report on progress of implementing 46 key actions outlined in the Climate Adaptation Strategy, through the Climate Adaptation Working Group, which was formed in January 2019, and working with multiple Business Units across the organization to ensure the delivery of those 46 key actions
- continuing to implement our Energy and Emissions Management Program and publish an assured energy and emissions consumption report to generate insights on consumption patterns and drive the reduction of energy use in Operations
- demonstrating transparency and accountability through the integration of the annual Sustainability Report in Metrolinx's Annual Report using the Global Reporting Initiative (GRI) sustainability framework
- continuing to implement outstanding action items in the 2015-2020 Sustainability Strategy and completing a post-strategy evaluation and archival process to launch the development of the 2020-2025 Sustainability Strategy

Over 2019-20, Metrolinx will be developing the 2020-2025 Sustainability Strategy to continue our commitment to improving our social, environmental and economic performance, thereby mitigating, at minimum, operational, reputational, legal, financial, infrastructure and climate risk, and continuously improving customer experience and safety.

6.4 Airport Access

Metrolinx's Regional Transportation Plan (RTP) recognizes the Pearson Airport area as a significant employment area, primarily accessed by auto. In response to this, the RTP sets out Priority Action 2.5 to "improve access to airports, and prioritize transit use by airport passengers and workers".

The Greater Toronto Airports Authority's (GTAA's) Toronto Pearson Airport Master Plan (2017-2037) includes plans to build a "Regional Transit Centre" to the north of the existing terminals. The Regional Transit Centre (RTC) would be served by improved transit services and act as the gateway to the airport for all modes of travel. The Master Plan recognized the need to improve transit access to the airport, and targeted a 30% transit mode share by 2037.

Recognizing the regional nature of this new transit hub, Metrolinx and GTAA are working together to study transit connections to the RTC, specifically:

- A potential connection of the Kitchener rail corridor to Toronto Pearson's planned RTC;
- Potential connections from Eglinton Crosstown West LRT, following the Province's commitment to establishing connectivity with Pearson International Airport;
- Potential connections from Finch West LRT, Mississauga Bus Rapid Transit, and various local and regional bus services to the RTC;

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- Improvements to ground transportation to and from the airport and airport employment area; and
 - Phasing considerations related to the above.

A joint work program is now underway. Metrolinx and GTAA are together undertaking planning studies to further understand the RTC's role as a regional transit hub and the immediate transit network surrounding the Pearson Airport Area so that the RTC can be planned in a way which complements overall transit needs. This work builds off the transit network established in the RTP as well as in municipal service providers' future service plans. This work will also include collaboration with MTO to consider the role of highways in improved transit service to and from Pearson Airport.

Metrolinx and GTAA have engaged many technical stakeholders already, and will continue to engage a broader range of stakeholders as projects progress.

7.0 PRESTO

7.1 PRESTO Highlights

PRESTO is Metrolinx's fare payment system with a mandate to support integrated mobility by unifying Ontario's fare systems. Currently 11 transit clients utilize the PRESTO system across the Greater Toronto and Hamilton Area and in Ottawa.

In 2018-19, PRESTO focused on six Business Plan Objectives, a combination of PRESTO's four long-term strategic priorities and Metrolinx 2018-19 Strategic Objectives.

2018-19 PRESTO Business Plan Objectives:

- increase Adoption
- enhance the Customer & Client Experience
- continue Evolving the Business Model
- extend the System's Footprint
- deliver New Forms of Payment
- reduce Operational Costs by 25%

In 2019-20, PRESTO will continue to make progress on these six objectives, with new targets to increase adoption to 75%, increase customer satisfaction to 81% and to maintain a payment equipment availability rate of 99.5%.

PRESTO will also continue its work on the ambitious objectives of delivering new forms of payment (PRESTO Tickets) and reducing its operational costs by 25%. These will remain focus areas heading into the new fiscal year with significant progress having been made on these objectives to date. In 2018-19, twelve cost savings initiatives were identified and savings targets for the year were achieved with the largest contributor being vendor consolidation and maintenance optimization. Moving forward, PRESTO's 2019-20 operating budget is already reduced by the 25% cost savings and PRESTO will include the execution and realization of savings from many of the remaining opportunities. PRESTO is also in the midst of launching a new form of payment, PRESTO Tickets, which completed field trials in December and began a staged rollout in Toronto beginning in April. PRESTO tickets will be available at all TTC subway stations by this summer and at additional Shoppers Drug Mart locations in Toronto later this year.

In 2018-19, PRESTO adoption continued to grow with over 1.9 million unique PRESTO cards used in the month of March 2019, an increase of almost 700 thousand since that time last year. The overall PRESTO adoption rate has now reached 67.0% (at March 2019) led by GO Transit (90.7%). PRESTO adoption on the TTC increased significantly over the past year, reaching 66.8% by March, following the retirement of legacy monthly pass products. TTC adoption has now surpassed the level of the combined 905 Transit Agencies (65.3% at March). Monthly PRESTO card boardings have steadily increased to a high of almost 61 million in March. PRESTO also continued to increase the availability of PRESTO cards through further rollout of its Retail Partnership Program, now available at all Shoppers Drug Mart outlets throughout the GTHA and Ottawa, as well as at some Loblaws, Superstores and Fortinos locations.

For TTC customers, efforts over the past year have been focused on supporting the retirement of legacy fare media, most significantly the retirement of the Metropass and transition to the PRESTO Monthly Pass. As well, PRESTO enabled new benefits for the TTC traveller by way of a two-hour transfer window and a discounted fare both exclusively for PRESTO customers who use the TTC in combination with GO Transit. These customers paid \$1.50 throughout 2018-19 for the TTC portion of their journey, rather than the standard \$3.00 fare when transferring within the eligible transfer time windows. With the implementation of this new program on TTC, all local transit agencies in the Greater Toronto and Hamilton Area (GTHA) now have a discount program in place for customers who transfer to GO Transit using PRESTO.

Finally, throughout 2018-19 PRESTO continued to make significant progress on organizational improvements as well as device and product improvements across the PRESTO network.

7.2 PRESTO Customer Experience Strategy

Metrolinx is committed to ensuring an excellent PRESTO customer experience and has continued to prioritize improvements to customer products and services. The organization has started measuring customer satisfaction bi-annually for PRESTO to gain more insights such as seasonality factors. PRESTO has also started to measure a new satisfaction metric; Customer Effort Score (CES), which helps understand how easy or difficult it is for a customer to use PRESTO.

During the 2018-19 fiscal year, Metrolinx completed a number of improvements to customer experience. Key accomplishments include:

- Launched the iOS and Android PRESTO Mobile App, which allows customers to manage and load their PRESTO card on the go. For most Android phones with NFC capabilities, the app will allow customers to load funds and passes instantly to their PRESTO card. Users can also check their balance, review their trip history, or set up autoload or autorenew. To date, the app has been downloaded more than 450,000 times.
- Increased PRESTO card availability channels by expanding the Loblaw retail partnership, now available at all Shoppers Drug Mart outlets in the GTHA and Ottawa, as well as some Loblaws, Superstores and Fortinos locations in select areas.
- Introduced PRESTO Perks, a program that allows customers with a PRESTO card to receive discounts at select attractions (including the ROM, Ripley's, Bike Share, LEGOLAND, AGO, Hockey Hall of Fame, Aga Khan Museum, Toronto Rock Lacrosse Club and International AutoShow). Cardholders receive a discount just by showing their PRESTO card. Perks will be promoted on a more ongoing basis in 2019-20 and the program is intended to provide customers with additional value from purchasing a \$6 PRESTO card. New partners and offers will continue to be added to the program throughout the year.

In addition, Metrolinx continues to launch new initiatives to improve PRESTO customer experience in this fiscal year. Key initiatives include:

- Working to implement a solution for TTC's contracted sedan taxis to help service Wheel-Trans customers and implementing cross boundary and premium service.
- Exploring ways to further increase access to PRESTO.

7.3 PRESTO Business Model

Last year, PRESTO began exploring the modernization of the existing transit fare payment system. In the year ahead, PRESTO will define its strategic choices while ensuring alignment with the existing strategy and its mandate from Metrolinx and the Province of Ontario. The new direction will provide a system that ensures ease, flexibility, resiliency, and value for money.

EASY:	Paying for mobility is effortless; customers will pay for transit fare using their preferred approach.
FLEXIBLE:	Transit agencies can deploy a range of sophisticated structures to meet their ridership and revenue goals.
RESILIENT:	PRESTO will be able to adapt to an uncertain future by leveraging innovative technologies and managing disruption.
VALUE:	Lower total cost of collection by reducing capital and operating costs and capturing value.

PRESTO's role in enabling this vision defines the new PRESTO operating model and includes a scheme management group and three lines of business (payment equipment, payment processing and customer channels) which each require different approaches:

Scheme Management: PRESTO is the regulator of the integrated payment scheme, ensuring adherence to security, privacy, interoperability and brand rules

Payment Equipment: Over time, reduce PRESTO's role in managing equipment, focusing on facilitating transit agencies to directly purchase fare equipment and associated services

Payment Processing: PRESTO provides continuous, secure, reliable payment processing for all transit agencies while offering new payment methods (described below) and value-added features like loyalty rewards and time-of-day pricing as an example

Customer Channels: PRESTO will continuously identify and develop new methods to reach customers and ensure barrier free access to transit.

7.4 Implementing New Forms of Payment

PRESTO Tickets are non-reloadable paper fare media designed for infrequent travelers on the TTC. PRESTO Tickets utilize near-field communication (NFC) technology and can be used anywhere PRESTO cards are accepted for fare payment on the TTC.

Transit riders are able to purchase ride, two-ride and day pass Tickets, and they will be available at all Fare Vending Machine kiosks in all TTC subway stations by this summer and at Shoppers Drug Mart locations in Toronto later this year. In addition, the TTC will be supporting a bulk purchasing program for distribution of Tickets to agencies, school board and other community groups.

8.0 Metrolinx Internal

8.1 Business Planning and Performance Improvement

The Annual Business Planning Process for 2019-20 has been enhanced this year through the implementation of multiple process improvements for its budgeting and financial reporting purposes.

In 2019-20, the Budget Planning Process required business units to directly link their requests to the Strategic Objectives using budget submissions. Budget submissions are mini-business cases outlining the need for the budget request, justification and an explanation of how these are linked to the Strategic Objectives and identified risks.

Over the last two years, budget submissions were subjected to a challenge function process. The challenge function team is composed of the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Chief Human Resources Officer (CHRO). Business units' budget submissions are discussed at this forum where their viability is assessed. This challenge function has ensured stricter control over the budget process and has clearly pushed accountability on business units in terms of their operating plan. The 2019-20 Budget Planning Process has also introduced a requirement to regularly track, report on and manage the savings targets identified in the budget.

To ensure that Divisions follow through on their Strategic Objectives and plans, Metrolinx follows a comprehensive Business Performance Review process each month where Senior Management are required to report on the progress against their Strategic Objectives through their Divisional KPI results vs target and their financial results vs budget. The reporting also includes an assessment of risks for the Division along with action plans to mitigate these risks. This integrated reporting process ensures that the organization is on top of its financial and business performance and that emerging risks are addressed in a timely manner.

To support the financial planning and performance reporting process, a new release of the Hyperion Planning System will be implemented in 2019-20. This new release introduces labour tracking at a position level, monthly Full Time Employee (FTE) reporting vs budget and vacancy reporting. The new labour reporting will provide business unit managers with the position management information they need to better plan and manage their workforce. The new Hyperion release will also introduce more comprehensive forecasting functionality which will allow business units to prepare forecasts at a monthly level and thereby be able to compare forecast, budget and actual information at an annual, year-to-date and monthly level.

Stricter controls over workforce planning processes have been introduced to manage the agency's increasing headcount that is taking place to ready the organization for GO Rail Expansion both on the Operating and Capital sides of the business. This means that each position that is requested by a business unit is individually discussed and approved at the Workforce Planning Committee. The introduction of position management within the HR

system along with the integrated labour reporting from Hyperion will further support and enhance the workforce planning process.

8.2 Metrolinx Internal Audit Update: Coordination of Auditor General of Ontario Activities

Metrolinx Internal Audit leads the management and coordination of all Office of the Auditor General of Ontario (OAGO) activities. As the agency's primary liaison with the OAGO, Internal Audit supports Metrolinx's management in timely closeout of outstanding recommendations. Internal Audit also supports Metrolinx in preparation for Standing Committee on Public Accounts (SCOPA) appearances and following-up on Committee reports.

Starting this year, Internal Audit will also support the new Treasury Board Follow Up Process to monitor progress on the implementation of OAGO recommended actions across Ontario Public Service (OPS).

Office of the Auditor General of Ontario

The OAGO will continue to have a significant presence at Metrolinx due to the nature and scale of Metrolinx's mandate. In accordance with its continuous follow-up audit process, OAGO will follow up on historic recommendations and track Metrolinx's progress in achieving full implementation. In 2019-20, the OAGO will be following-up on all open recommendations from the following past reports:

- 2016 OAGO Report: Public Transit Construction Contract Awarding and Oversight
- 2018 SCOPA Report: Public Transit Construction Contract Awarding and Oversight
- 2012 OAGO Report: Regional Transportation Planning
- 2016 SCOPA Report: Regional Transportation Planning

Internal Audit will support management to continue working towards full implementation of the outstanding action items. The final follow up audit results will be presented in the Auditor General's 2019 Annual Report, expected to be released in December 2019.

Standing Committee on Public Accounts Hearing

On May 1, 2019, Metrolinx appeared before the Standing Committee on Public Accounts (SCOPA) jointly with Infrastructure Ontario (IO) and the Ministry of Transportation to provide an update on the work that Metrolinx has completed in implementing the recommendations made in the Auditor General's 2018 LRT Construction and Infrastructure Planning Report.

Metrolinx has undertaken a number of initiatives to address the Report's findings, including:

- Stronger Business Case and Capital Project Governance and Approval Gating
- Employing Market Driven Approaches to Unlock Asset Potential
- Working to Optimize Claim Outcomes and Reduce Delay Risks
- Improved consultation and approval of 2041 Regional Transportation Plan

It is expected that the Committee will publish a public report and potentially provide recommendations to Metrolinx in relation to the Committee appearance. Action plan updates to any recommendations will be provided to the OAGO team and validated as part of their continuous recommendation follow-up process.

New Provincial Treasury Board OAGO Action Plan Follow Up Requirements

As part of ongoing realignment of governance activities within the Province, Treasury Board is establishing an Audit and Accountability Sub-Committee (AAC) responsible for overseeing and directing Provincial Internal Audit activities within the Province. The AAC has requested that management action plans from the Auditor General's 2017 and 2018 Value for Money reports be tracked with progress reported at the Committee. This new process is meant to raise awareness of the action plan status, provide an early indication of action plans that are behind schedule, and enable the communication of progress being made.

The proposed approach will be undertaken 8 times per year with reporting to the AAC starting June 2019. Metrolinx Internal Audit is working with the provincial Ontario Internal Audit Division to coordinate status updates and track progress on Metrolinx's action plans for OAGO recommendations on the OAGO 2018 value for money reports listed below:

- LRT Construction and Infrastructure Planning
- GO Station Selection

Metrolinx Internal Audit will act as liaison to support the CFO and CEO's office with coordination of these new follow up activities.

8.3 Human Resources Profile

Metrolinx has been recognized for our commitment to delivering the workplace, workforce and people infrastructure that enables our organization to move forward. We continue to create a culture that reflects our core values – Serve with Passion, Think Forward, Play as a Team – through people leadership practices and how we organize work and teams. We are pursuing our corporate vision of "Getting you there, better, faster, easier" by focusing on our employee and customer experience. We were selected as one of Greater Toronto's Top Employers for 2018 for the sixth consecutive year, one of Canada's Top Employers for Young People for 2018 for the seventh consecutive year, and one of Canada's Greenest

Employers for 2018 for a third consecutive year. We continue to invest in having the right people, in the right roles, delivering on our four success factors: **Everyone Safe, Engaged People, Trusted Business Partner, Customer Focused.**

Specific to Engaged People, we strive to be an employer of choice for a diverse workforce reflective of the communities we work with, and to also create interesting work and growth opportunities for our people. Inclusion became a strategic focus for the enterprise with the objective to improve gender balance for senior managers up to 32% resulting in robust actions to achieve this goal in 2018-19. We are starting the 2019-20 fiscal year at 33% for our Senior Managers and above and have put new plans in place to achieve our 2019-20 target to improve gender balance for senior managers up to 35% and 33% overall across Metrolinx.

Inclusion is also a Human Resources division led program with executive sponsorship in our CEO and Chief Human Resource Officer/Chief Inclusion Officer and an advisory Inclusion Council with enterprise representation. There are multiple priority initiatives illustrated below that are currently underway and will continue into 2019-20:

Metrolinx's Inclusion Journey



We've started our journey...

...and it continues

In alignment with the newly formed Indigenous Relations Office within the Communications & Public Affairs division, we will have interns who self-identify as Indigenous in every division for a one year term. The rollout of Unconscious Bias training for our People Leaders is rolling out with cultural sensitivity training and a revised and expanded Days of Significance calendar will recognize a collection of events and occasions of importance to our diverse workforce. Our Employee Resource Groups continue to make an impact as some reinvigorate, other continue to thrive and new ones are starting, such as the CSI Employee resource group for Co-op, students and interns, to meet the needs of our employees. The expansion of employee friendly programs continues, providing employees increased flexibility in when and where they work, promoting a positive, inclusive work environment where Employees are supported in balancing the demands of work with personal, family and other responsibilities outside of work.

Overall, these initiatives are meant to raise awareness, acceptance and understanding of one another to help us all reach our fullest potential at work. Metrolinx recognizes that each employee brings their own unique capabilities, experiences and perspectives to the organization, and it is this diversity that adds value to our corporate teams and to the experiences of the customers, clients and stakeholders we serve. A diverse and inclusive workforce is necessary to drive innovation, foster creativity and guide business strategy. Human Resource (HR) division objectives for 2019-20 are fully integrated into our Strategic Objectives, all of which have people implications. Delivering on these Strategic Objectives requires agility in talent acquisition, development and retention along with a flatter, more responsive structure.

The HR division enables the enterprise to deliver by providing the programs and services that support, develop and engage our people through business transformation, reorganization, and growth. HR partners with leaders across the organization to forecast annual base labour resource needs. The workforce plan provides structure to Metrolinx's hiring priorities and helps balance business requirements with fiscal accountabilities. The Human Resource and Finance divisions partner to manage headcount and positions according to the labour plan.

As of March 31, 2019, total headcount of active unionized and non-unionized employees on payroll was 3,999; consisting of 3,467 regular full-time (FT), 374 regular part-time (RPT), 80 long-term contract (CLT) and 78 short-term contract (CST) employees. In addition, there are 174 employees on leaves of absence (including medical, parental, maternity, WSIB, and other leaves) and 67 students (comprised of co-op students, summer students, interns, research fellows and articling students).

For 2019-20, Metrolinx approved an increase of 89 positions, including permanent full-time and contract positions. This growth supports the delivery of 15 Strategic Objectives, rapidly evolving business complexities and the enterprise shift from a plan to build organization.

The Metrolinx workforce consists of the following position types:

- Non-union management (M-PLAN)
- Non-union full-time (includes Supervisory, Professional Technical and Office roles),
- Non-union contract (CST, CLT), and unionized employees (includes FT, RPT, CLT, and CST)
- Amalgamated Transit Union, Local 1587 ("ATU")
- International Association of Machinists and Aerospace Workers, Local 235 ("IAMAW")

Approximately 55% of Metrolinx's current employees are represented by one of two bargaining agents: the Amalgamated Transit Union, Local 1587 (ATU), representing the large majority of unionized staff, and the International Association of Machinists & Aerospace Workers, Local 235 (IAMAW). The Metrolinx collective agreement with the ATU is in place until June 1, 2022, and the collective agreement with the IAMAW until April 12, 2020. Metrolinx respects the role of these bargaining agents as representatives of its employees and meets frequently with its officers to share information and proactively

resolve potential disputes. Collective agreements have been negotiated freely and without any history of work stoppages and with a view to ensuring that employees are compensated fairly. Only a small minority of disputes, or less than one per cent of all grievances filed since January 1, 2015, have required formal resolution by a third-party.

The Government of Ontario has implemented a framework for broader public sector executive compensation, which applies to all designated employees under the Broader Public Sector Executive Compensation Act, 2014 ("BPSECA") and establishes requirements that designated employees must meet when setting executive compensation.

- Metrolinx posted an approved Executive Compensation Program Framework in March 2017.
- On August 13, 2018, the Ontario government implemented a new Compensation Framework ("New Framework") under the Broader Public Sector Executive Compensation Act, 2014 (BPSECA) that imposed an immediate freeze on compensation for designated executives.
- Metrolinx continues to administer Executive Compensation within this New Framework.

Executive roles are evaluated for salary range using the Hay Group Guide-Chart Profile Method, which considers the required skills, knowledge, and responsibility and working conditions of the role. Executive performance is evaluated through the Performance Management Program and compensation increases are based on merit and awarded on a lump sum basis, not additive to base salary, as per the New Framework.

The current total rewards offering for non-union employees at all levels includes: salary, pay for performance compensation, benefits and wellness. Human Resources regularly monitors effectiveness and competitiveness of these offerings with external benchmarks to attract, retain and motivate top talent. Informal benchmarking surveys are conducted regularly on specific benefit elements and recent results indicate Metrolinx is competitive among the participating comparator groups.

Recently our comparator group of 34 organizations was further refined to a group of 24 organizations in order to better reflect the comparable broader public sector organizations (including more commercially-oriented public sector enterprises) and to ensure that we have all reference jobs covered by our comparator group of organizations. For example, our salary range structure is reviewed on an annual basis against our approved comparator group and compensation philosophy, which is at the 50th percentile. Of our comparator group of 24 organizations, 17 of the 24 were in the 2016 approved group of 34 and 7 organizations are new. All 24 organizations now provide comparable compensation data for all Metrolinx salary ranges, other than for Grades E2 and E1. Non-union employees at all levels progress through the salary range structure based on the outcomes of our Performance Management and Pay for Performance Programs.

For the first time, Metrolinx is linking the 2019-20 Strategic Objectives to the pay-for-performance (PFP) of each non-union employee's annual pay increase to how the organization performs on the following select Key Performance Indicators (KPIs):

- keeping everyone safe (lost time injury frequent rate);
- delivering customer satisfaction (customer satisfaction); and
- engaging our people (applied leadership actions).

This type of pay-for-performance program is common practice across many industries, as it helps to translate strategy into performance measures that employees can understand and influence. This will enable Metrolinx employees to more closely align organizational and personal performance, provide us with a management tool to drive organizational success, underscore the shared accountability for our Strategic Objectives by all employees and result in a more balanced approach to how we assess performance.

A healthy workforce enables the productivity required to support the organization's goal of building an engaged and a diverse workforce. Metrolinx continues to offer a comprehensive and competitive benefits package to its full-time, part-time and long-term contract employees and their families. Participation is mandatory for full-time employees and most benefit costs are paid 100% by the corporation. Part-time employees can choose to participate in benefits through a cost-sharing arrangement. Premiums and coverage varies slightly between the various employee groups.

Health, Dental and Vision benefit premiums are paid 100% by Metrolinx for full-time permanent employees and part-time employees have the option to participate in health benefits plans through a cost sharing arrangement with Metrolinx. Human Resources employees review our health and pension benefit plans on a regular basis, both to remain legislatively compliant and to ensure they meet the emerging needs of our current and future employees.

The Health and Wellness Program covers occupational and non-occupational management of absenteeism and ensures return to work and accommodations are effectively managed and proactive measures such as wellness programs are established & communicated.

8.4 I&IT Profile

I&IT provides advice and leadership to Metrolinx business units in response to increasing demands for technology solutions. I&IT supports business unit growth through the delivery and integration of business solutions, products, and services while managing, operating and supporting customer-facing, enterprise-wide and business unit IT solutions. The scale of I&IT's support covers 380 applications and services across 164 offices and 3 data centres.

I&IT is transforming its delivery model to better align with Metrolinx business capabilities and adapt to changes in the marketplace. Technological breakthroughs (e.g. cloud computing, automation) mean I&IT must change to keep pace and reap the benefits of industry trends and opportunities. The Accelerate I&IT Program will equip the organization for the future, enabling significant improvements in level of service excellence, speed to market and value for money.

I&IT's business model transformation is focused on:

- New multi-staged procurement model to enable collaboration with three strategic vendors;

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- Organizing the I&IT delivery model to better align with Metrolinx business capabilities; and
 - Restructure the organization to support the target vision.

Integrate Metrolinx

In 2015, a multi-year ERP Program named Integrate Metrolinx was conceived with the goal of providing Metrolinx with best-in-class business processes and enabling technologies. Oracle Enterprise Resource Planning (ERP) software is a suite of integrated applications that an organization implements to improve the way it enters, saves, shares, manages and analyzes data to support successful business operations. Integrate Metrolinx is an organizational transformation focused on realizing business benefits that ultimately improve corporate performance and public image.

The three key objectives of Integrate Metrolinx are to:

Enabling transparency of information by improving access to real-time reporting and auditing capability to enhance transparency across Metrolinx and all its stakeholders

Enabling better and more well-informed decision making by supporting the integration of Metrolinx into a single, inter-connected organization with a common source of data and information. Moreover, provide Metrolinx Leaders the ability to better connect operational and strategic priorities

Enabling increased operational efficiency for Metrolinx by streamlining processes, policies, and technology to support the Metrolinx business units of the future. In addition, reduce the time and energy spent on administrative tasks to refocus our efforts on providing better value for customers and stakeholders

The following projects will be delivered in fiscal 2019-20:

- Human Resources, Payroll and Learning Management
 - In 2019, Integrate Metrolinx will deliver new processes and technology in the areas of Human Resource, Payroll and Learning Management. The goal is to increase self-service enabling Human Resources to hire and support the influx of new talent that will be needed as Metrolinx continues to grow.
- WorkBrain Technical Upgrade
 - Metrolinx utilizes the WorkBrain software to capture employee payroll hours and absence records. To support the transition to a new payroll system, there is a need to upgrade the existing software to the latest version. This upgrade will result in faster and more efficient access to employee information, improved look and feel for timesheets, and improved security.
- Hyperion Enhancements
 - Hyperion is the software used by Metrolinx for the planning and budgeting of operating expense costs. In 2019, Integrate Metrolinx will deliver technical improvements to the foundational budgeting, reporting and analytical

capabilities. These enhancements will include new standardized processes for managing, budgeting, tracking and reporting of labour costs.

- Organizational Charting Tool
 - This new organizational charting tool will provide a modern user experience with a new look and feel, enhanced reporting capabilities and provide greater functionality including organizational chart modelling.

ProLinx

The ProLinx project is moving our organization towards delivering an enterprise-wide portfolio, program and project management solution in alignment with the Metrolinx strategic vision and objectives. This project is mandated to build standardized processes and system capabilities for managing portfolio, program and project lifecycles, including resources and contracts. Implementation of this solution will increase transparency, accountability, productivity, and collaboration in the way Metrolinx plans, operates and reports while enabling timely data-based decision making.

The following projects will be delivered in 2019-20:

- Facilities and Real Estate Management
 - The ProLinx Program will deliver a new facilities management solution on the Oracle Unifier platform that will enable Corporate Real Estate to manage their owned and leased properties throughout their entire property lifecycle.
- ProLinx
 - Deployment of Oracle Unifier, a project lifecycle management solution, including planning and delivery, contract management, budgeting and cost management, and task and resource scheduling across the following business units: CPG, I&IT, PRESTO, Customer Service Delivery, Operations, Finance and Procurement.

Cybersecurity and Risk Management

As a transit organization, Metrolinx envisions to transform the way the region moves. Cyber threats are evolving rapidly, and if not addressed strategically, they have the potential to significantly damage Metrolinx's brand, reputation, customer safety and trust. The Cybersecurity Risk Management Program is a five-year transformation program aimed at maturing Metrolinx's cyber security posture across areas of architecture, governance, identity and access management, information and infrastructure protection, and operations.

Over the past year the Cybersecurity and Risk Management Team has raised organizational awareness within Metrolinx about cyber threats and prevention techniques. As part of annual cybersecurity awareness training, over 4,300 users participated in an online course aimed at increasing awareness and understanding their role in preventing threats and attacks. All new employees must complete the mandatory cybersecurity training within their first 45 days of employment. Failure to do so results in access lockdown.

Metrolinx achieved PCI compliance in 2018, obtaining the Self-Assessment Questionnaire as a level 2 merchant. As of September 2018 Metrolinx has since been deemed a Level 1 merchant which requires a submission of a Report on Compliance assessment by a 3rd party Qualified Security Assessor.

AssetLinx - Enterprise Asset Management

The main objective of the Enterprise Asset Management (EAM) Program is to mature the EAM capabilities of Metrolinx to enable improved decisions on assets that are aligned to the Strategic Objectives. The program is doing this by developing and deploying standardized business processes across all business units, managing people change, implementing Infor EAM as the main supporting technology and collecting asset data.

In 2018-19, I&IT supported the AssetLinx EAM Program to deliver technology solutions to enable Asset Management and Work Management capabilities to the Corridor Maintenance department. This provided the ability to have a single source of truth on all corridor assets, their attributes and related preventative maintenance schedules in a sustainable way.

For 2019-20, I&IT will continue delivering the technology capabilities for the AssetLinx EAM Program. The Infor EAM Release 2 implementation will be deployed in November 2019 to Corridors Maintenance (inventory management) and Station Services, in January 2020 for Bus Fleets, Radio, PRESTO, Bus and Rail Facilities, and in February 2020 for I&IT and Corporate Real Estate. This phase will include additional EAM capabilities (Work Management, Asset Management and Inventory Management).

8.5 Communication Plan

Metrolinx remains committed to building positive partnerships with our employees, our communities, our customers, the media, elected officials and other stakeholders through transparency, honesty and openness. We support all divisions of Metrolinx in developing the organization as a **trusted business partner** with social license to deliver a planned \$60 billion capital build. While there are a number of strategic objectives to support this critical success factor, a primary driver will be to achieve a positive impression score of 65% among stakeholders and 70% among communities (2018-19 Strategic Objective #11). The Communications & Public Affairs division is leading action planning for this objective. Two areas of focus for the coming year will be in building our leadership role in community benefits and indigenous relations.

Metrolinx is a very visible organization and operates in a complex, high profile environment where there is considerable media scrutiny and constant engagement with the community, elected officials and stakeholders. Everyone at Metrolinx is responsible for building positive partnerships - the Communications & Public Affairs division stewards this work through our expertise in corporate communications, community relations, government relations, media relations and communications planning.

The organization's communication objectives for 2019-20 are to:

- Build positive partnerships and achieve positive impressions through an integrated and proactive communications approach, as well as through proactive and targeted engagement and outreach with communities, stakeholder organizations and government partners using digital and in-person channels
- Continually improve internal communications to better inform and engage employees, positioning the staff of Metrolinx to become ambassadors who are driven to help the organization succeed
- Provide communications support, strategy and activation in support of all 15 Strategic Objectives as they all contribute to positive partnerships internally and externally
- Populate communications channels, through the newsroom, at both enterprise level and within operating and capital project teams, to provide a consistent source of news and information internally and externally
- Launch a revised corporate website (Metrolinx.com)
- Continue to test and refine the crisis communications plan.

8.6 Benefits Management and Realization

Benefits Management is a framework for ensuring that the initial benefits and value identified as the rationale for investing in a project are achieved through the project lifecycle. The framework relies on business cases, which provide the evidence that guides decisions. The framework includes gated approval points, and other accountability checks and balances through an Investment Panel. Metrolinx introduced a new function, the Project Sponsor, who advances projects through the lifecycle and ensures that benefits are maintained through the process.

The Metrolinx Investment Panel is management's ultimate accountable governance body for benefits management of business cases across the entire capital project lifecycle in:

- Initiating capital programs and projects
- Approving capital project stage gate progression
- Approving capital project changes (scope, schedule, and budget)
- Monitoring the status of programs/projects through exception reporting
- Advancing approvals of all Metrolinx Executive Committee of the Board and Provincial Treasury Board submissions
- Setting capital program baselines for each area with consideration of the limits set by the Province.

Since its initiation in November 2017, the Sponsor Office has made significant progress in increasing the link between benefits and decision-making and ensuring projects deliver value for the significant investment being made in transit through our capital programs. The team of Project Sponsors is able to provide robust business decisions, resolve complex issues, and provide clarity on project requirements leading to significant cost savings.

Additional areas of progress in implementing benefits management include:

- after consultations on the published discussion draft, Metrolinx released the final Business Case Guidance in April 2019
- business case training was provided to Metrolinx staff throughout the organization to help teams produce business cases according to the standards set out in the Guidance
- the Principal Sponsor and GO Rail Expansion Head Sponsor positions were filled, along with other sponsors joining the organization throughout 2018
- an Investment Panel Office at Metrolinx was staffed in the past year to manage the administration of the panel, which is continuing to mature with approximately 30 meetings to date
- an updated Capital Project Approvals Policy was approved by the Metrolinx Board of Directors in February 2019 which outlines the framework through which capital projects (and in some cases programs) at Metrolinx will be approved, funded, and governed
- publication of the GO Expansion Full Business Case, the first business case produced by Metrolinx for this stage of the project lifecycle.

Next Steps and Milestones expected to be achieved in 2019-20:

- continuation of regular reporting to the Board on benefits management and progress made in moving to this more mature state of evaluation and decision-making
- continuous improvement of Investment Panel processes and governance structures, led by the Investment Panel Office, to deliver finance transformation in support of the Benefits Management Framework and the broader finance function within Metrolinx
- establishing an Advisory Panel for Project Evaluation in Spring 2019. The panel will be composed of independent experts in transportation, economics, and public policy and ensure that Metrolinx's business case practices are up to date and based on the latest research.

Standards, Compliance and Monitoring to Support Customer Experience

The shift to a new rapid transit experience with the growth of Transit Oriented Development (TOD), GO Rail Expansion, Bus Rapid Transit (BRT) and Light Rail Transit (LRT) projects brings customer experience to the forefront to build ridership across all types of customers, irrespective of age and ability. Building a consistent network supports a safe and seamless experience for customers network wide.

Design standards, compliance and monitoring functions ensure that rapid growth of transit infrastructure across all modes meets the needs of the people of Ontario, supporting all customers and modes of transit in a consistent, cost-effective and value focused way. The early stages of planning design and the tangible recommendations from customer insights are brought into standards and monitoring processes to build the transit customer facing infrastructure. The objective is to support the business actions in tangible design standards to build ridership, be adaptable to future customer needs, generate revenue and support

the benefits and decision-making in projects. The design standards and monitoring process is a deliberate focus on the customer in the design by enhancing the customer experience network wide while balancing the customer experience with value for the investment.

Project life cycle thinking is applied to address long-term durability and flexibility of stations and the sites, including the support of third-party partnerships and non-fare revenue strategies at station locations such as retail. This entails a system-wide approach that includes regional wayfinding, accessibility, and building only what is needed for a seamless and intuitive customer experience, with the opportunity for expansion if needed in the future.

The long-term benefits of design standards, compliance and monitoring functions promote and support both business and customer needs. This includes reducing long term maintenance costs, and a cost-effective approach to bringing a consistent regional transit network to the people of Ontario.

9.0 Joint Stakeholder Deliverables

9.1 Infrastructure Ontario (IO)

Part of a Metrolinx/IO integrated program team, IO provides procurement expertise and leads the procurement process on all projects where Public-Private Partnership (P3) is the selected procurement option. Guided by the Metrolinx- IO Master Agreement, IO continues to be an integral partner in delivering high-priority transit initiatives.

These projects include all of the GTHA LRT projects (Eglinton Crosstown, Finch West, Hurontario and Hamilton LRTs) the Design-Build-Finance-Maintain contract for the Whitby Rail Maintenance Facility and the P3 contracts for projects within the GO Rail Expansion Program.

A Metrolinx/IO integrated team will also be used to advance the Transit Oriented Development Strategy.

By expanding the portfolio of P3 projects delivered in partnership with IO, Metrolinx aims to maximize value for money when compared to traditional project delivery models.

Metrolinx will also work closely with the Province, IO, the City of Toronto, and other municipalities on the projects identified in the Province's New Subway Transit Plan for the GTHA.

9.2 Government Partners

Municipalities

As a regional transit provider, Metrolinx collaborates and consults with partners and stakeholders to increase alignment and coordination across the region. One of the areas of collaborative relationship with municipalities is reflected in the development of updated Regional Transportation Plan (2041 RTP), with engagement, consultation and implementation with municipalities as a key part of the process. Metrolinx is also working together with municipalities on work related to preliminary design and co-proponency to build rapid transit projects.

Engagement with municipalities is also reflected in the completion of new 10-year PRESTO agreements, which were finalized and came into effect in January 2018. Metrolinx is working with the other municipal transit service providers to advance PRESTO as the primary fare payment system and increase adoption throughout the region.

On fare integration, the Province through Metrolinx and MTO worked closely with the City of Toronto and TTC on the implementation of a discounted double fare for transfers between GO Transit/UP Express and the TTC.

In 2018, Metrolinx convened a Regional Roundtable of Chief Administrative Officers (CAOs), City Managers, and Chief Executive Officers (CEOs) of municipalities and transit

agencies to set priorities and seek consensus on regional transportation-related issues to advance the implementation of the 2041 RTP. The Roundtable is intended to increase alignment on key priorities, generate solutions and enhance collaboration amongst Metrolinx, Greater Toronto and Hamilton Area (GTHA) municipalities and key municipalities in the GO Service Area. The Regional Roundtable meets triennially and has contributed to advancing the Frequent Rapid Transit Network (FRTN) and advancing fare and service integration across the region.

Metrolinx's Transit Procurement Initiative (TPI) Program drives innovation and savings for transit goods and services on behalf of municipalities in Ontario. The TPI Program has saved Ontario taxpayers an estimated \$26 million, since 2006.

TPI continues to achieve remarkable program growth with 47 participating transit partners over the years. Participation by municipalities is on a voluntary basis. It works with small, medium and large systems across the province to aggregate buying volume, eliminate duplicate procurement processes and ensure contract deliverables are met. With the recent announcement of the Investing in Canada Infrastructure Program (ICIP), Metrolinx TPI joint procurement program helps municipalities access supply contracts immediately and achieve purchasing efficiencies.

Active supply contracts include van shuttle vehicles, specialized low and high floor transit and conventional transit vehicles, Intelligent Transportation Solution Automated Vehicle Location (ITS-AVL) and On-Board Vehicle Surveillance System helping municipalities improve capacity, quality and safety of their transit system.

Metrolinx TPI delivers customer service, procurement efficiencies and operational value allowing municipalities to maximize their transit funding, and better service their riders and taxpayers. The program demonstrates how Metrolinx partners with municipalities across the GTHA and across the province connecting communities and delivering transit convenience to all Ontarians.

Furthermore, as Metrolinx advances work on GO Rail Expansion, it is putting in place mechanisms to support a close working relationship with municipalities through the build phase.

Federal Government

As a key partner in delivering public transit infrastructure projects, Metrolinx is working closely with the Federal Government, through various federal funding programs. In March 2017, the Federal government announced \$1.9 billion in federal funding for GO Rail Expansion projects under the Building Canada Fund - Public Transit Infrastructure Component, subject to the finalization of the Contribution Agreement. The federal funding will provide support for key infrastructure works required for GO Rail Expansion on the Kitchener, Lakeshore East, Lakeshore West and Barrie corridors, for works such as track upgrades, grade separations, layover and maintenance facilities and station upgrades. Further, as announced in June 2017, under the Building Canada Fund-Major Infrastructure Component, the Government of Canada is contributing up to \$333 million towards the Finch West Light Rail Transit project.

In addition, the Federal Government has also announced federal funding of over \$93 million in April 2018 for the accelerated purchase of 53 GO Transit bi-level coaches. This funding is part of Phase 1 of the Public Transit Infrastructure Funding (PTIF) Program and will support the expansion of GO train services, while also enabling Metrolinx to meet forecasted service levels beyond 2018. The PTIF Program also includes up to \$28 million in federal funding for Davenport Diamond Program planning work and the development of Metrolinx Enterprise Asset Management.

Metrolinx is looking forward to working together with the Province and Federal Government on future federal funding programs for public transit in the GTHA, including the recently announced Investing in Canada Infrastructure Program.

9.3 Rail Partners

Although Metrolinx owns 80% of GO Transit's railway corridors (68.9% including the extension of weekday service to Niagara), services such as signalling, dispatch and communications are shared among GO's corridor partners: Canadian National Railway (CN), Canadian Pacific Railway (CP) and Toronto Terminal Railways (TTR). Additionally, GO Transit collaborates with VIA Rail and others who access Metrolinx owned railway corridors, other properties, and stations.

Collaboration with rail partners is also crucial as Metrolinx moves forward with implementation of major rail expansion initiatives, such as GO Rail Expansion. For instance, due to rail ownership considerations, GO rail service expansion on the Kitchener, Richmond Hill and Milton corridors beyond currently planned GO Rail Expansion service levels is dependent on the successful outcome of negotiations with freight rail partners.

Metrolinx will continue to work with freight partners like CN and CP as it works to extend and expand the GO train network to Kitchener, Bowmanville and Niagara.

9.4 Other Key Delivery Partners

Accenture is the contractor responsible for the successful implementation and ongoing maintenance of the PRESTO fare system. In 2006, Accenture was awarded a 10-year contract to design, build and operate the PRESTO fare payment system. In 2016, Metrolinx extended the agreement with Accenture for six years to ensure the continued stability, quality and advancement of the PRESTO system.

Bombardier delivers trains and maintains and operates the rail fleet for transit operation. Suncor, one of GO Transit's diesel fuel vendors, is forecasted to supply 85.9 million litres at a cost of \$81.8 million in 2019-20. Pacific Northern Railworks (PNR) maintains all 300 miles of Metrolinx-owned track and signals, with the exception of Union Station Rail Corridor, which is maintained by TTR. Crosslinx Transit Solutions (Crosslinx), Mosaic Transit Group and Plenary Infrastructure ERMF were awarded the P3 contracts to design, build, finance

and maintain the Eglinton Crosstown LRT, Finch West LRT and Whitby Maintenance Facility, respectively.

In May 2017, PRESTO and Metrolinx executed a partnership agreement with Loblaws to sell PRESTO cards, load value and passes and set fare types at location across the GTHA and Ottawa. By the end of 2018-19, this service will be available at nearly 400 Shoppers Drug Mart and other Loblaw banner locations across the GTHA and Ottawa. Metrolinx is also partnering with Loblaws to pilot grocery pickup service, PC Express, at GO Transit stations. After the pilot is complete and key lessons are learned, this service will roll out to more GO stations across the region.

10.0 Financial Profile

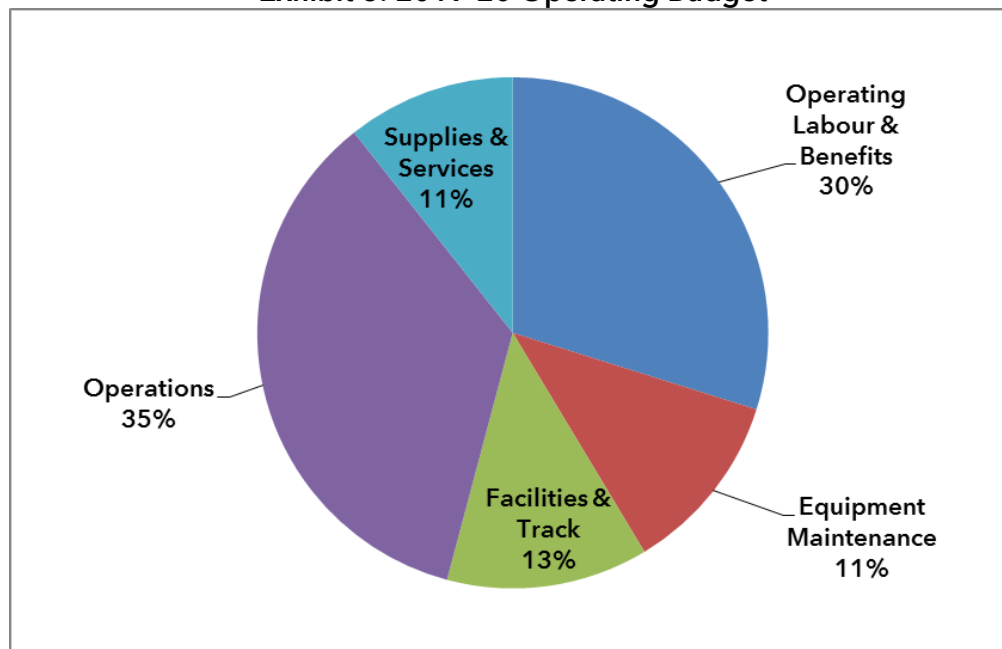
10.1 Operating Budget

The development of the 2019-20 operating budget is guided by the Strategic Objectives commitment to reduce its planned subsidy requirement by \$149 million. This represents a 32% decrease compared to the amount required before the savings and efficiencies included in the 2019-20 budget plan. To achieve these efficiencies, the 2019-20 budget plan includes aggressive yet achievable initiatives to realize costs savings and reduce operational costs. These reductions in operational costs were driven by savings initiatives and operational efficiencies that were enabled by the business planning improvements discussed in Section 8.1 above. The 2019-20 Budget Planning Process also introduced a requirement to regularly track, report on and manage the savings targets identified in the budget.

The development of the budget is also based on other assumptions, such as ridership, fare increases and diesel fuel prices (please see Appendix). The budget is presented by operating division and program, with direct costs of shared services being allocated to the respective business areas. The organization continues to make progress on the cost allocation model that allocates overhead costs to each division and program based on key cost drivers.

The total expenses for 2019-20 are projected at \$1,140.7 million. The total revenue is forecasted at \$827.7 million, with fare revenue of \$627.6 million, non-fare revenue of \$160.0 million and proceeds from sales of assets of \$40.0 million.

Exhibit 6: 2019-20 Operating Budget



In the 2019-20 operating budget, the largest allocation is operations expense, which accounts for 35% of the total operating budget. This includes items such as support train crew wages, train control dispatch and PRESTO operations.

Next, labour and benefits account for 30% of the operating budget, supporting transit ridership growth. Facilities and tracks account for 13% of the operating budget, and include rent, property taxes, hydro, winter maintenance and other facility repairs. Equipment maintenance accounts for 11%, covering support services, inventory, inspections and yard operations. Finally, supplies and services represent 11% of the budget, which includes all types of professional services, bank fees, staff development and advertising.

Transit operations fare revenue is based on a year-over-year increase in ridership and GO fare changes implemented on April 20, 2019 (please see Appendix).

Non-fare revenue sources typically include billboard advertising, track usage fees from corridor ownership, transit operations partnerships on UP Express line, interest on working capital and reserved parking fees. In addition to these more typical sources of non-fare revenue, the total PRESTO fee revenue and proceeds from sale of assets to support the Transit Oriented Development Program are projected to be \$107.2 million and \$40.0 million for 2019-20, respectively.

Metrolinx is a consolidated entity to the Province of Ontario. As such, the fiscal impact of Metrolinx on the Province is equivalent to the operating subsidy, amortization of capital assets and the cost of borrowing for Metrolinx capital expense. The operating budget of Metrolinx for 2019-20 is \$1,140.7 million in expenses, offset by \$827.7 million in revenue, including proceeds from sales of assets. In addition, there is realignment of capital to operating funding of \$8.2 million, resulting in an approved provincial subsidy requirement of \$321.2 million for 2019-20. The amortization expense in 2019-20 is estimated to be \$778.7 million.

For 2020-21 and 2021-22, Metrolinx is planning to spend \$1,246.6 million and \$1,315.2 million, respectively, in operating expenses to support planned increases in services and other initiatives in place. Revenues are forecast to increase to \$896.4 million in 2020-21 and \$956.7 million in 2021-22, representing year-over-year increases of 8.3% and 6.7% respectively.

Exhibit 7: Three-Year Operating Budget Outlook by Program

Revenue (\$M)	2019-20	2020-21	2021-22
Transit Operations	672.0	721.9	762.6
PRESTO	107.2	125.9	145.6
Metrolinx Internal	48.4	48.5	48.5
Total Revenue	827.7	896.4	956.7
Operating Expense (\$M)	2019-20	2020-21	2021-22
Transit Operations	913.6	1,002.5	1,062.0
PRESTO	144.6	155.2	162.4
Rapid Transit	0.3	1.4	1.5
Regional Transportation Planning	9.1	9.7	10.2
Metrolinx Internal	73.1	77.7	79.2
Total Expense	1,140.7	1,246.6	1,315.2
Net Operating Requirement	313.1	350.2	358.6
Capital through Operating	8.2	8.0	58.8
Less: Planned Subsidy Approvals	321.2	358.2	417.4
Projected Budget Surplus (Shortfall)	0.0	0.0	0.0

Note:

*Planned subsidy approvals include the base subsidy plus incremental operating subsidy approvals received in 2019-20 Provincial budget

Exhibit 8: 2019-20 Operating Budget Table by Program

(Dollars in Millions)	Transit Operations	PRESTO	Rapid Transit	Regional Transportation Planning	Metrolinx Internal	Metrolinx Total
<u>Revenue</u>						0.0
Fare Revenue	627.6					627.6
Non-fare Revenue	44.4				8.4	52.8
PRESTO Fee Revenue		107.2				107.2
Proceeds from Sale of Assets					40.0	40.0
Total Revenue	672.0	107.2	0.0	0.0	48.4	827.7
<u>Expenses by Type</u>						
Labour & Benefits	272.3	16.7	0.0	3.0	43.8	335.8
Operations	289.4	97.1		1.2	9.8	397.4
Equipment Maintenance	131.5				0.0	131.6
Facilities & Track	147.7	4.1	0.0	0.4	9.7	161.9
Supplies & Services	72.8	26.8	0.4	4.5	9.7	114.1
Total Expenses	913.6	144.6	0.4	9.1	73.1	1,140.7
Excess of Expenses over Revenue	-241.6	-37.4	-0.4	-9.1	-24.6	-313.1
Net Operating Requirement	-241.6	-37.4	-0.4	-9.1	-24.6	-313.1
Capital through Operating: East Rail Maintenance Facility Long-term Interest						-8.2
Less: Planned Subsidy Approvals						321.2
Projected Budget Surplus (Shortfall)						0.0
Amortization Expense						778.7

10.2 Partnership & Non-fare Revenue

Throughout 2018-19, Metrolinx sought to deliver on its objectives to increase non-fare revenue in support of the corporate objectives. We are expanding the non-fare sales focus building on gains from advertising made in 2018-19. Some highlights from Marketing's partnership and non-fare sales team in 2018-19 include:

- Advertising revenues increased 20% as a result of the re-negotiation of the Hillside Media agreement, the construction of a new digital billboard at Milton GO Station, and growth in the GO Transit advertising network
- PRESTO partnership with Scotiabank Arena - 20,000 cards distributed via Scotiabank Arena. 70% of cards are in use and month-over-month there is a consistent increase in e-purse loads and period pass loads
- A new pilot partnership with Uber and UP Express was launched in October 2018. Opening of a new GO PC Express station in Burlington on January 29th which coincided with the launch of same day service at all GO/ PC Express stations (Burlington, Bronte, Oakville, Clarkson, Rouge Hill, and Whitby)
- 12 promotional partnerships and 15 PRESTO perks offers were executed resulting in \$2.9 million in revenue and 18,000+ PRESTO Perk redemptions

In addition to these successes, Metrolinx is continuing to build upon its work to implement a multi-year retail strategy at GO stations. We will continue to work with existing vendors and new retailers in 2019-20 to bring unique offerings to our customers at our stations and throughout the network including food and beverage options such as Tim Hortons Burlington reopening June 3, 2019.

Advertising

Metrolinx is in the process of upgrading and expanding its advertising assets across the GO network to generate incremental non-fare revenue. A large part of this initiative is a transition to digital assets. Currently, six high ridership stations are being retrofitted with 45 digital advertising panels. This is due to be complete within the first quarter of 2019-20. These six stations are expected to increase transit advertising revenues by 20% in 2019-20.

There is also a plan underway to increase the availability of existing advertising assets across the GO network to meet the demands of our advertising partners. This will include assets within station properties. The Bay Concourse is due to open this year, which will help generate non-fare revenue through retail and advertising in the area.

Digital Billboard Strategy

This upcoming year Metrolinx will construct billboards on Metrolinx owned properties across the network. We will also be actively seeking future partners in a new release of a public tender to encourage out-of-home media companies to come forward with proposals for developments. We anticipate that out-of-home advertising revenues will increase by 25% in 2019-20 with the construction and delivery of new billboards.

Fare Card Promotions

This year there will be a focus on creating an expanded portfolio of commercial partnerships to drive distribution of co-branded cards in order to increase ridership and non-fare revenues and build brand affinity for both Metrolinx and potential partners.

Partnerships

The team will continue to build on past success, pursuing partnerships that increase revenue, reduce costs, and improve customer experience. Metrolinx will focus on securing partners in key categories including automotive, financial institution, consumer electronics and telecommunications. In early 2019-20, Metrolinx will be releasing a new opportunity on MERX, an online database for open government tenders, for a transportation Expression of Interest (EOI) which will deliver customer facing programs. In addition Metrolinx will launch a Transportation Networking Company pilot to improve station access and customer experience.

Working with partners at Loblaws and Shoppers Drug Mart, PRESTO will be launching the first limited use media products. PRESTO Tickets can be used on the TTC and will be sold in Shoppers Drug Mart store locations by May 2019 (and all TTC subway stations).

In 2019-20, Promotional Partnerships will expand its reach to include new partnerships including sport, music events and business-to business opportunities and conferences that deliver revenue and a positive return on investment. These new partnerships will help improve the customer experience by creating seamless transit/admission solutions.

Customer Wi-Fi

Customer Wi-Fi on GO Transit trains and buses has been a long-term desired benefit as indicated by our customers. In multiple customer surveys, dating back to 2011 we have consistently heard that it is one of the top amenities that GO customers want. Implementing a free Wi-Fi solution represents an example of how we are listening to our customers and responding to their needs and expectations. It will provide significant customer service and satisfaction opportunities, including access to: the internet, rights-managed content streaming and customer information.

Following an evaluation of a Wi-Fi pilot in the summer of 2018, negotiations of an agreement with the final proponent will continue in 2019, along with development of a comprehensive rollout and installation strategy.

10.3 Transit Oriented Development Program

Transit Oriented Development (TOD) is a key part of the 2041 plan. Since the Metrolinx adoption of a market-driven approach to TOD in December 2018, feedback from the development industry has been very positive.

The Market Driven Strategy (MDS) to implement transit infrastructure across the region leverages the value of our transit network, customer service and real estate portfolio. In April 2018, the Metrolinx Board approved the advancement of the TOD Program, as set out in a number of guiding principles and objectives.

The Guiding Principles of the TOD Program are: (a) fair exchange of value; (b) increasing transit ridership; (c) improve customer experience; and (d) city building. Further, the objectives of the TOD Program are to: (a) maximize asset and revenue potential; (b) prioritize asset protection; (c) be a trusted business partner; and (d) act in the provincial public interest.

The TOD Program applies to the Greater Golden Horseshoe transit network and addresses four work streams: (1) market-driven third-party funded; (2) joint development; (3) dispositions; and (4) connections.

An integrated Metrolinx-Infrastructure Ontario team has been established. Together, the two organizations will build on their cumulative strengths to drive the TOD Program.

In 2019-20, Metrolinx will solicit third-party interest for new stations and will establish a formal intake process that ensures clarity, fairness and responsiveness. The Mimico station redevelopment being delivered in partnership with Vandyk Group of Companies is an excellent example of a market-driven TOD with an integrated GO Transit station. The Woodbine Entertainment Group plans to redevelop their property and will deliver a new GO station with Metrolinx. Metrolinx continues to assess and evaluate any proposals from third parties that support the objectives of the Program.

10.4 Capital Investment

Metrolinx has a capital budget in 2019-20 of approximately \$3.9 billion, with the majority of the required funding provided by the Province of Ontario. Other funding sources include \$19.0 million from the Canada Strategic Infrastructure Fund (CSIF) and \$30.0 million in municipal contributions. Significant portions of the budget are related to rapid transit expansion projects (such as the Eglinton Crosstown LRT), the advancement of the GO Rail Expansion Program, and the State of Good Repair (SOGR) Program.

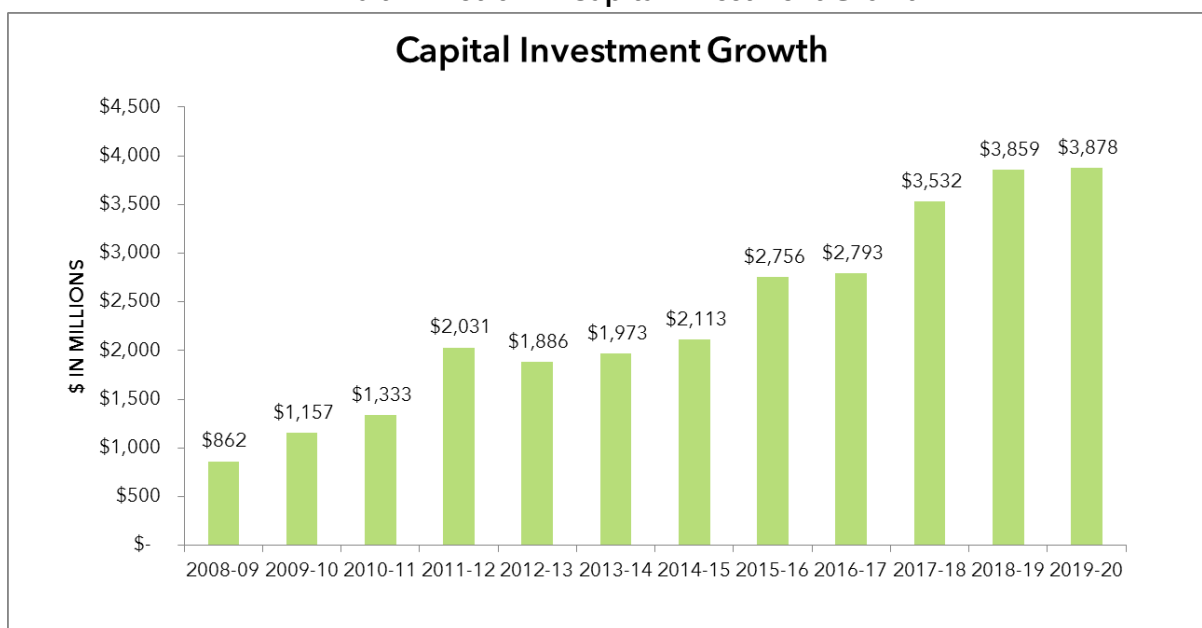
Metrolinx major capital projects with significant progress scheduled in 2019-20 include:

- RT programs (Eglinton, Finch, Hurontario, Hamilton, Viva)
- Highway 401/409 rail tunnel;
- Stouffville corridor station upgrades (Agincourt, Milliken, Unionville) and Steeles Avenue grade separation;
- Stouffville Track Expansion;
- redevelopment of Cooksville and Bramalea stations;
- Rutherford station, grade separation, and parking structure;
- Lincolnville layover expansion;
- Union Station restoration and enhancements;
- Bloomington and Caledonia stations;

- Kipling bus terminal;
- downtown bus terminal at Union Station;
- GO Transit train control system;
- On-corridor works;
- property acquisition to support GO Rail Expansion projects;
- Train Control System at USRC;
- new fleet and refurbishment of existing fleet; and
- utilities work to support the GO Rail Expansion projects.

With the Province's investment in the GO Rail Expansion Program, growth in the capital plan has been significant in recent years. The capital budget has grown from less than \$1.0 billion in 2008-09 to approximately \$3.9 billion in 2019-20. Exhibit 9 shows the growth in capital investment since 2008-09. The small year-over-year increase in capital investment between 2018-19 and 2019-20 reflects government's plan to achieve more sustainable levels of infrastructure investment.

Exhibit 9: Metrolinx Capital Investment Growth



Note: Amounts prior to 2018-19 represent actual incurred costs. 2018-19 figures are interim and 2019-20 are budget outlook.

Exhibit 10 provides a five-year rolling capital plan for expansion and rehabilitation.

Exhibit 10: Metrolinx Five-Year Capital Plan for Expansion and Rehabilitation

(\$ IN MILLIONS)	2019-20	2020-21	2021-22	2022-23	2023-24
Total	3,878	3,716	3,013	2,072	2,409

Exhibit 11 provides a breakdown of the types of investments in the capital plan by percent of total and Exhibit 12 offers additional details about the types of projects in the capital plan.

Exhibit 11: 2019-20 Metrolinx Capital Investments by Percent of Total Capital

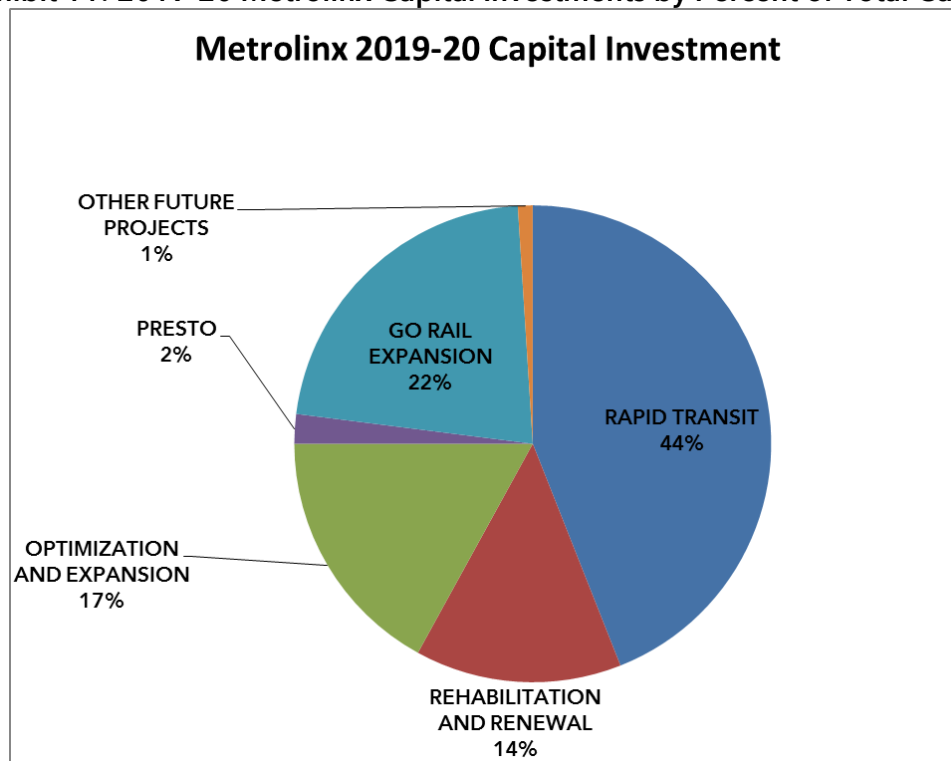


Exhibit 12: 2019-20 Metrolinx Key Capital Investments

Major Capital Investment (\$ Millions)	2019-20
Eglinton Crosstown LRT	1,317
Ontario Line	65
Bowmanville Extension	7
Niagara Extension	22
Kitchener Expansion	27
Rehabilitation and Renewal	701
GO Expansion and Optimization	755
PRESTO Implementation & SOGR	100

10.5 Capital Asset Growth

Exhibit 13: Capital Asset Growth

Capital Assets	\$Billions
Net Book Value - March 31, 2019	22.270
Add: Capital Budget - 2019-20	3.878
Less: Estimated Amortization 2019-20	-0.779
Estimated Net Book Value - March 31, 2020	25.369

10.6 Performance Measures and Targets

The Public-Facing Key Performance Indicators (KPIs) are made up of Regional Outcomes and Metrolinx Achievements. The Regional Outcomes measure overall progress in the development of transit across the region and are measured against past performance. The information for these outcomes is obtained from surveys which are published every five years. The Regional Outcomes outlined in this report are based on 2015-16 survey results.

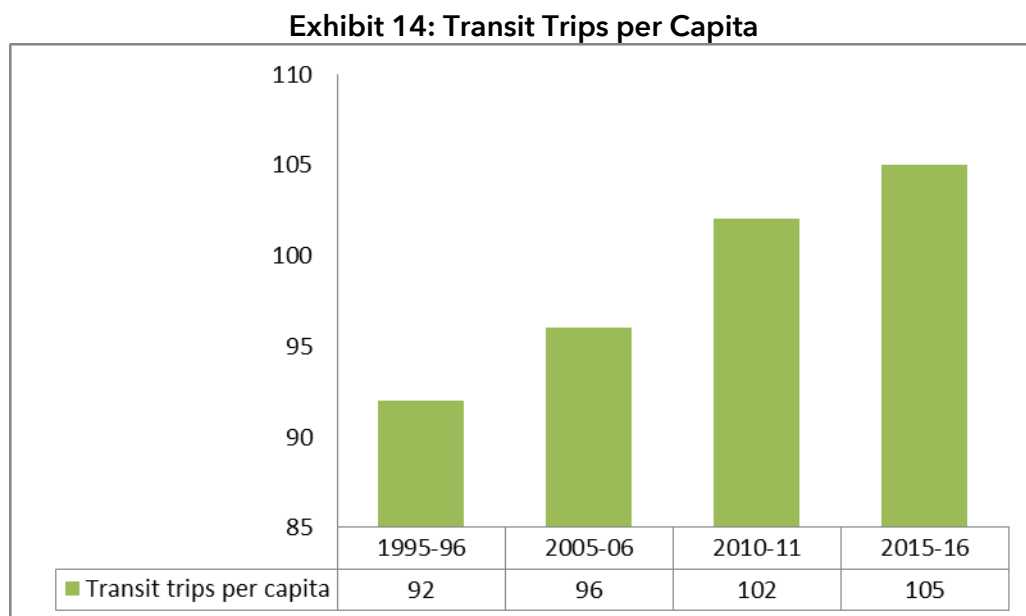
The Metrolinx Achievement KPIs measure Metrolinx's direct contributions to the regional outcomes and are used to report corporate performance to Metrolinx's major stakeholders: the public and the Ministry of Transportation of Ontario. These KPIs are reported against targets which are a product of the Annual Business Planning process.

The Divisional KPIs (referenced in Section 8.1) are aligned with the above Public Facing Set and have been specifically selected with targets, which measure achievement against the Strategic Objectives. These KPIs will drive the business results reported within the Metrolinx Achievements which will ultimately influence the Regional Outcomes.

Regional Outcomes

Transit Trips per Capita

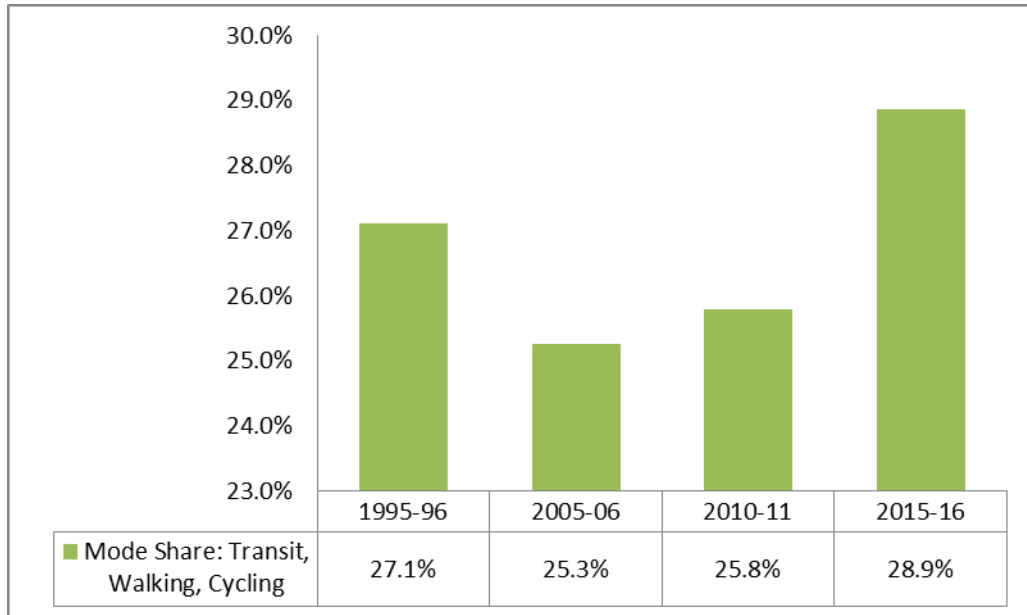
The Transit Trips per Capita KPI represents the average number of transit trips taken by each member of the population within the GTHA for the year being reported. Over the past 20-year period, this KPI has increased by 14.1% to 105 in 2015-16.



Mode Share for Transit, Walking & Cycling

The Mode Share for Transit, Walking & Cycling KPI measures the average number of commuter trips taken using transit, walking and cycling as a percent of total commuter trips taken during the AM peak period (weekdays 6:30-9:30am) for the year being reported. Since 1995-96, this KPI has increased 1.8 percentage points to 28.9% in 2015-16. The growth from 2010-11 of 3.1 percentage points reflects modest growth in overall commuter trips, however transit, walking and cycling trips have seen continued higher levels of growth.

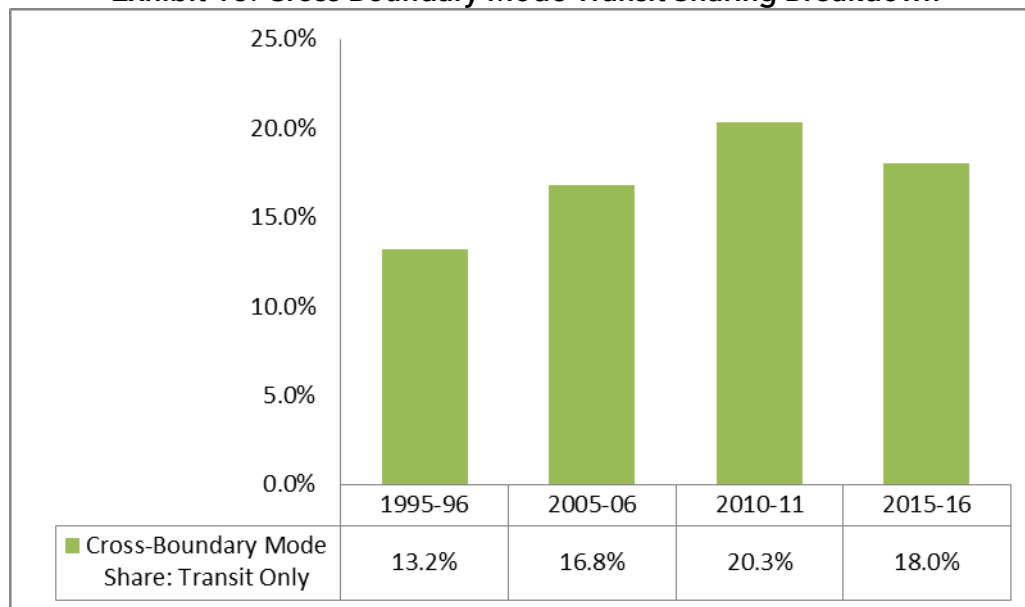
Exhibit 15: Mode Share



Cross-Boundary Mode Share for Transit Only

The Cross-Boundary Mode Share for Transit Only KPI represents the average transit trips taken across municipal boundaries as a percent of total commuter trips taken across municipal boundaries within the GTHA during the AM peak period for the year being reported. Over the past 20-year period, this KPI has increased 4.8 percentage points to 18.0% in 2015-16. Note the 2011 survey over-estimated GO Transit ridership for 2010-11 causing an overstatement of the KPI in that period.

Exhibit 16: Cross Boundary Mode Transit Sharing Breakdown



Commute Time

The Commute Time KPI is still to be defined and measured.

Metrolinx Achievements KPIs

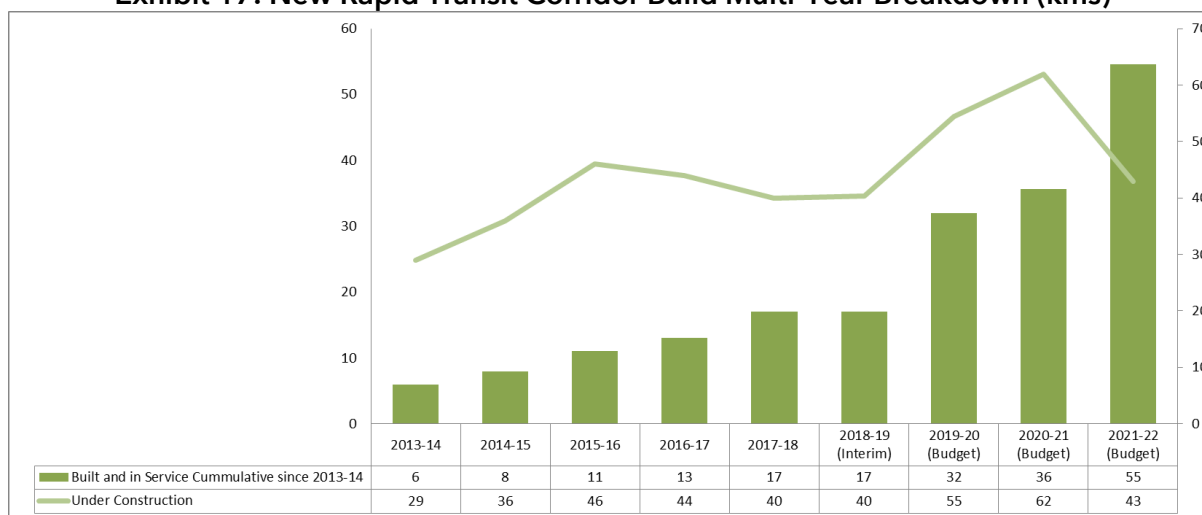
The Metrolinx Achievement KPIs measure both our service delivery (Operations) and our capital infrastructure build performance.

Transformation of Regional Mobility

New Rapid Transit Corridors

There are two KPIs which measure our progress in building new rapid transit for the region: New Rapid Transit Corridors - Built and In Service (kms), and New Rapid Transit Corridors - Under Construction (kms). Metrolinx has built and placed in service 17 kms of Rapid Transit since 2013-14. Metrolinx will have 55 kms of Rapid Transit corridor under construction by the end of 2019-20. This includes 18 kms on the Hurontario LRT, 19 kms on the Eglinton corridor, 6.5 kms on the vivaNext BRT corridor and 11 kms on the Finch corridor. After a significant period of construction in 2019-20, Metrolinx expects to have another 15 kms of the vivaNext BRT built and in service by the end of 2019-20.

Exhibit 17: New Rapid Transit Corridor Build Multi-Year Breakdown (kms)



Financial Stewardship and Accountability

Cost Recovery Ratio

The cost recovery ratio, measured as the ratio of total revenues to total operating costs (excluding capital through operating), represents the extent to which the organization's operations are self-funded.

For fiscal 2019-20, Metrolinx is budgeting a cost recovery ratio of 69.0%. This increase reflects the organization's intent to become commercially focussed. The Strategic Objectives for 2019-20 include a planned reduction in operating subsidy of \$149 million (32%). To meet this ambitious target, the organization has identified marketing initiatives which will increase revenues by 14% and operational efficiency initiatives which will reduce operating expenses by 2%. Finally, the newly announced Transit Oriented Development strategy is expected to contribute \$40 million in subsidy reduction from proceeds of sale of assets which is not included within the cost recovery calculation.

Metrolinx compares its cost recovery ratio to its historic results as well as to industry benchmarks. Historically, Metrolinx has consistently had one of the best cost recovery ratios among its North American peers. For example, Translink in Metro Vancouver has reported a cost recovery ratio of 54.4 percent for budget year 2018 for its scheduled Transit Service.

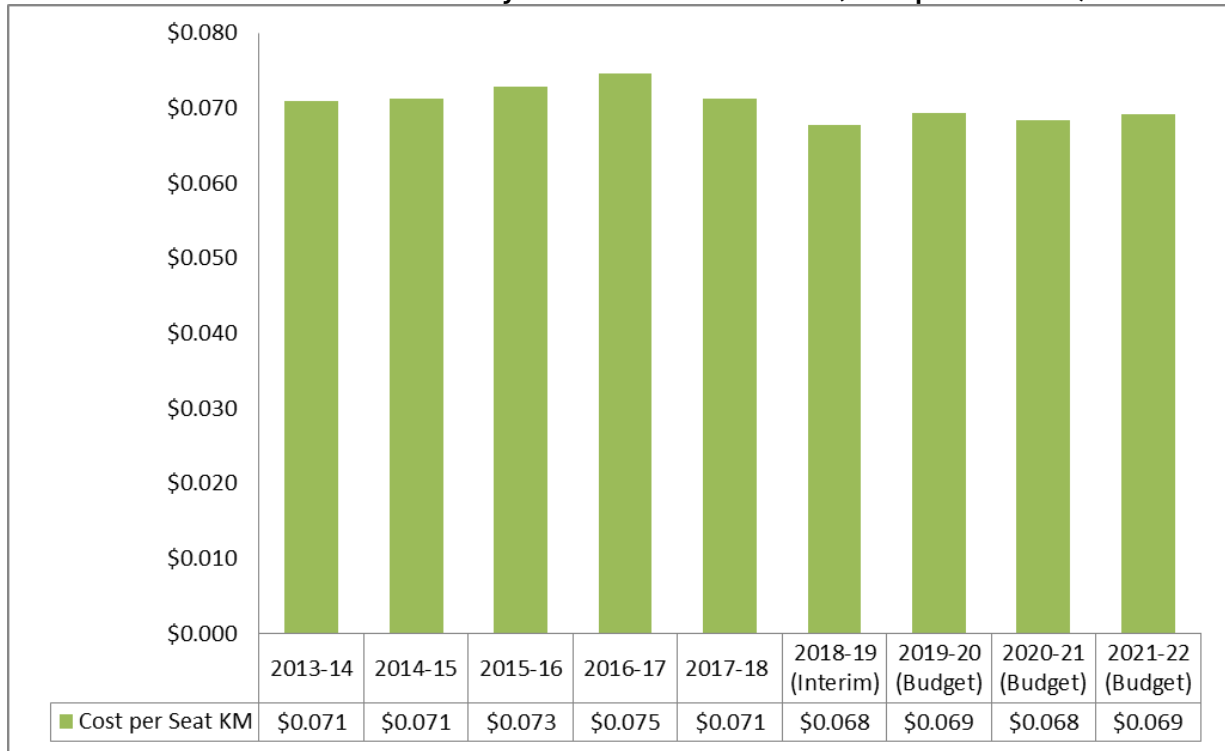
Exhibit 18: Cost Recovery Ratio



Cost Efficiency

The Cost Efficiency KPI measures the total transit operating expenses (Rail and Bus Operations) incurred per seat-kilometre (km) of service provided for the period reported. This KPI is a measure of how efficiently the organization delivers its transit services to the public. For 2019-20, Metrolinx is budgeting cost efficiency to be \$0.069/seat-km, which is in line with the prior year.

Exhibit 19: Cost Efficiency Multi-Year Breakdown (Cost per Seat km)



Project Delivery Effectiveness

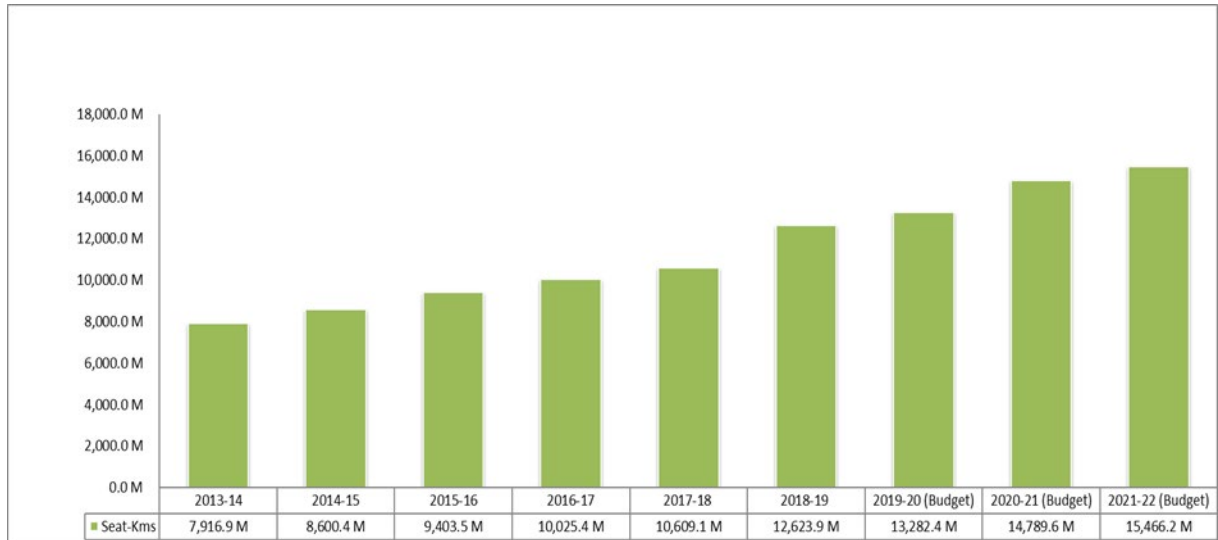
Project Delivery Effectiveness measures how effectively the organization manages its delivery of capital infrastructure projects. Specifically, it measures the percentage of capital expenditure delivered on time and on budget. The organization is in the process of redefining how this KPI should be measured.

Safe, High Quality & Connected Customer Experience

Seat-Kilometres (kms)

The Seat-Kilometres KPI represents the service capacity provided to the public for the period reported. In 2019-20, Seat-Kilometres are expected to increase by 19% to 13,282.4M for both bus and rail services.

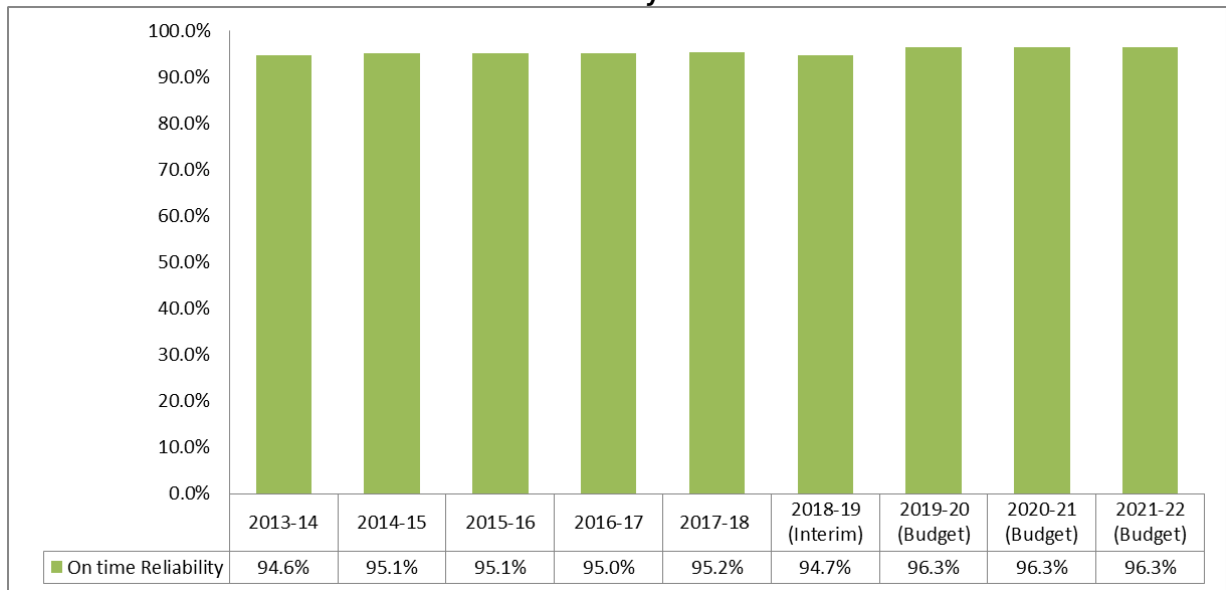
Exhibit 20: Seat-Kilometres Multi-Year Breakdown



On-Time Reliability

The On-Time Reliability KPI measures the number of scheduled trips arriving at their destination on time for the period reported. On time is defined as within five minutes of scheduled arrival time for rail trips and within 15 minutes of scheduled arrival time for bus trips. The 2019-20 weighted average target for rail and bus service is 95%.

Exhibit 21: On-time Reliability Multi-Year Breakdown



10.7 Managing Uncertainty

Metrolinx continues to enhance its Enterprise Risk Management (ERM) Program to ensure that the organization complies with the Government of Ontario requirement for all provincial agencies to use a risk-informed approach in managing business. The identification, assessment, management, monitoring and reporting of risks is vital to the successful ongoing achievement of the Strategic Objectives. As part of the monthly business review, Metrolinx reviews all appropriate risks with our Senior Management Team, and quarterly with the Audit Finance and Risk Committee of the Board. Risks are identified and assessed at the business unit or project level and then follow the respective unit's risk governance process for discussion at their leadership table before discussion with the Senior Management Team. Our Senior Management Team reviews all risks rated above 10 for safety or all risks which are rated above 20 for other impact categories, to ensure appropriate mitigation plans are in place.

In 2018-19, Metrolinx underwent an external review of the maturity of the ERM Program and this was presented to the Audit Finance and Risk Management Committee of the Board in February 2019. The review found that Metrolinx had made gains in every area assessed, including: governance, risk identification and assessment, response and action planning, and risk reporting. Key strengths included:

- organization and governance: board and management alignment.
- risk and performance culture: strong developing safety culture.

Key opportunities included:

- risk appetite: develop and communicate a formal risk appetite framework.
- risk modelling and analysis: develop key risk indicators, starting with top risks and monitor regularly.

Based on this review, Metrolinx has developed a new two-year plan to further improve the maturity of the ERM Program and ensure that Metrolinx is best positioned to identify risks within our current and emerging landscape.

Metrolinx continues to report and monitor its top risks monthly to the Senior Management Team. The risk report format focuses on key risks, and includes response plans for better management discussion to ensure that risks are managed down to the identified target level.

In 2018-19, risks reported fell within the risk categories of safety, cyber, financial, operational, customer experience, project and change management.

- *Safety Risks:* The possibility that the public, employees and/or contractors may be exposed to serious or fatal injuries or safety events as a result of Metrolinx's or our contractor's actions, inactions or the adequacy of our infrastructure. Metrolinx has exposure to both likely and less than likely but high impact safety risks, including:

- *Fitness for Duty*
 - Description: Ensure sufficient policies, procedures, training and oversight for operators so that they are fit for duty at all times and do not compromise safety.
 - Key Developments 2018-19: With the legalization of cannabis in October 2018, an updated Fitness for Duty (FFD) Policy came into effect on February 1, 2019 and it reflects current legislation and continues to emphasize our requirement that all employees report for work fit for duty. Metrolinx issued a letter to key contractors regarding Metrolinx's approach to the legalization of cannabis and fitness of duty. Supervisors from Bus and Rail Operations completed the fit for duty training.
- *Transportation of dangerous goods across Metrolinx corridors*
 - Description: Freight operators transporting dangerous goods over Metrolinx-owned corridors and in close proximity to Metrolinx customers, employees and the public may impact safety if dangerous goods are released and cause damage on or adjacent to a Metrolinx-owned corridor.
 - Key Developments 2018-19: A review of historical Transportation Safety Board (TSB) reports for transportation of dangerous goods releases from 2014-2018 has been completed. A Dangerous Goods Plan has been developed. There are on-going discussions with freight operators. In addition, ongoing dangerous goods training is in effect for all frontline staff: completed the online course and the in-class training.
- *Platform/stairwell crowding at Union Station*
 - Description: Risk of injury to customers due to overcrowding in stairwells and platforms at Union Station.
 - Key Developments 2018-19: Completed the Customer Safety Campaign Sustainment Plan. Installed Station Fare Transaction Processors in VIA Concourse. Installed anti-slip, and visually contrasting granite on stairwells. Customer Care Coordinators began to track all safety interactions with customers at the platform level. Released a Video Blog (VLOG) - Backpack focused VLOG starring Transit Safety. In the Fall 2018, implemented a 12 week Safety Program with positive feedback and did a platform safety blitz with increased Transit Safety Officer presence on all platforms.
- *Climate Resiliency*
 - Description: As a result of a changing climate, the GTHA will experience further increases of temperature, precipitation, periods of drought, high wind gusts and freezing rain. These severe weather events pose a risk to our customers, employees and infrastructure. Inadequate climate resiliency is the inability of the organization, its infrastructure assets, and the component parts of its regional transit system to anticipate, absorb, accommodate, or recover from the effects of a hazardous event in a timely and efficient manner, including through the preservation, restoration, or improvement of its essential basic structures and functions.

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- Key Developments 2018-19: Developed business unit action plans for the Metrolinx Climate Adaptation Strategy.
 - *Cyber risks*: Exposures, vulnerabilities and serious events arising from failure of technology or IT systems due to inherent weakness or malicious intent.
 - *I&IT cyber security/major technology failure/data breach*
 - Description: Major events such as security breaches causing damage to assets, service disruptions and loss of life or injury. Modification or disruption of public facing communication and communication platforms and/or disruption, infiltration of the internal and wireless networks.
 - Key Developments 2018-19: Cyber security strategy and multi-year plan and roadmap of 60+ projects have been developed to mitigate cyber security risks through a combination of prevention, preparedness and response initiatives.
 - *PRESTO cyber incident*
 - Description: A significant cyber incident creates financial or reputational risk by compromising confidential customer data or causing downtime that affects revenue.
 - Key Developments 2018-19: Implementation of Institute of Standards and Technology (NIST SOC2.0) framework (Security Operations Centre Standards).
 - *Financial risks*: The possibility of financial loss, including operation costs and capital expenditure overruns or revenue shortfall. Top financial performance risks include:
 - *Sustained funding*
 - Description: Insufficient funding leading to operating expenses exceeding revenues & subsidy.
 - Key Developments 2018-19: Metrolinx submitted a 2019-20 budget to the government. The plan includes savings options which are currently being contemplated by the government.
 - *Operational risks*: Loss resulting from inadequate or failed infrastructure, processes or mismanagement of ongoing operational services including by contractors and vendors. These risks can lead to interruptions in the service reliability and availability. In 2018-19, focus was applied to:
 - *Operational reliability*
 - Description: An event or series of events creates sustained negative impacts on operational reliability, either in terms of general daily reliability or a multi-day shutdown.
 - Key Developments 2018-19: As of November, 2018, the GO Transit Control Centre transitioned to the Network Operations Centre with the aim of enhanced communication and integration among teams. Control centre operations have systematic procedures in place and in use, including an on-going cadence of opportunities (daily call, weekly huddle, monthly workshops) to discuss rail on-time performance. Operations teams have control rooms to discuss issues on a daily basis. A central place (Rail On Time Performance (OTP) Control Room) for managing Rail OTP has been developed at the

Metrolinx headquarters. Daily calls, weekly huddles, monthly workshops have been setup to discuss Rail OTP and hold teams accountable. Implemented travel time adjustments during February, 2019 to improve performance.

- *Customer Experience risks:* The risk that Metrolinx fails to identify and/or meet its customer needs and expectations.
 - *PRESTO customer experience*
 - Description: The quality of PRESTO's customer experience diminishes over time, and impedes PRESTO from providing reliable and satisfactory service to its customers.
 - Key Developments 2018-19: PRESTO's service reliability (e.g. website, call centre, central system & devices) continuously met the 99.0% availability target. PRESTO Operations and Customer Experience teams worked to make continuous improvements to customer pain points that have historically impacted the customer experience (e.g. lag time of remote load, card distributions and maintenance of the network, channels to buy/load and manage cards and accounts).
- *Risks associated with delivery of Capital Projects :* Risks inherent in the delivery of large infrastructure projects, including scope definition to ensure realization of benefits, delivery of construction works within agreed budgets and in accordance with planned/publicly communicated timelines and ensuring the efficient performance of technical experts and contractors. Potential for damage to Metrolinx reputation in addition to late delivery of infrastructure/service improvements and cost overruns. Significant project risks include:
 - *Delay in finalizing GO Expansion Program scope - definition of infrastructure required to facilitate increased passenger services (realization of benefits) and accommodating stakeholder requirements..*
 - Description: Late changes to GO Expansion Program scope to ensure that the outcomes of foundational train planning / modelling are accounted for - defining the infrastructure configuration needed to support increased service frequency. Scope changes arising from the influence of / negotiation with external stakeholders. Potential for erosion of benefits if late changes to scope are required, increased costs to amend construction contracts and for delay to allow for re-design / amendments to procurement strategies.
 - Key Developments 2018-19: Finalisation of route capability and utilisation studies to define the infrastructure required to support increased passenger services. Establishment of a Sponsor Office within Metrolinx to safeguard the realization of benefits and implementation of various governance mechanisms to manage changes to scope in a systematic, benefits-focused and financially efficient manner.
 - *Construction works planned in a live operating railway environment - potential for delay to construction and/or to passenger services*
 - Description: Track access must be optimized to run efficiently to allow for the volume of planned GO Expansion work to be completed

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- concurrently with limited impact to passenger services (noting planned year-on-year increases in commuter train services). Potential for significant contractor claims (with associated cost and delay) should access not be available when offered in addition to reduced productivity and impact to commuters.
- Key Developments 2018-19: Dedicated team assigned to manage construction access to the railway in an efficient manner that limits impact to commuters. Development of an integrated schedule that identifies inter-dependencies between concurrent construction works planned in the railway corridors and allows them to be better managed. Leveraging contractual means to incentivize contractors to complete works using allotted working windows.
- *Delay to delivery of the Union Station Rail Corridor (USRC) scope due to inherent complexity of completing works in/around the rail network HUB (Union Station). USRC works need to be completed to allow for follow-on construction activities to begin and eventual increases in service frequency.*
 - Description: Potential for delay to delivery of the USRC scope due to a range of factors including the unique challenge of the construction site location in downtown Toronto, the build of multiple construction projects in a finite space with limited working windows and access points to the railway corridor, multi-stakeholder ownership of Union Station and the air rights over USRC, and interface with multiple stakeholders including City of Toronto, VIA, CN, Parks Canada, Waterfront Toronto and local communities.
 - Key Developments 2018-19: Ongoing efficient procurement and construction efforts to ensure adherence to planned schedule. Progress negotiating agreements with various stakeholders (e.g. City of Toronto, VIA Rail) regarding access to complete construction works.
 - *A significant number of public and private properties need to be acquired to allow for construction works - potential for delay if properties are not available as planned.*
 - Description: Potential for delay if property needs are not identified early and as a result of the volume of acquisitions required. In cases, construction works cannot start without acquisition of specific properties. Where willing-buyer/willing-seller negotiations fail, Metrolinx can expropriate properties but with associated impact to schedule.
 - Key Developments 2018-19: Property acquisitions continue. Greater definition of GO Expansion Program scope (i.e. the infrastructure required) has allowed for the prioritization of acquisition efforts. Ongoing engagement with municipal stakeholders and escalation of issues to ensure timely acquisition of public properties.

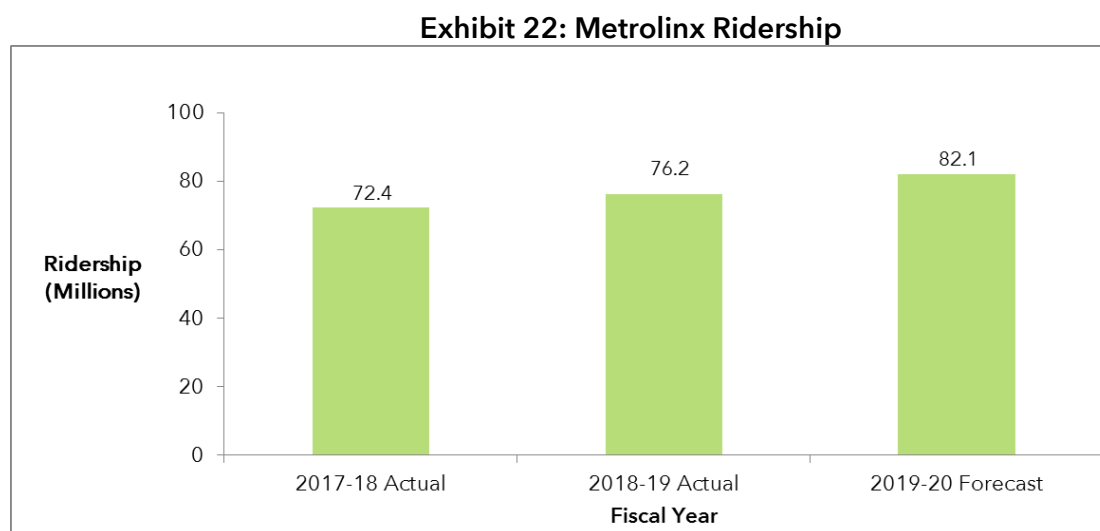
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- *Change Management risks*: The increasing pace of change, and the risk of not achieving expected business outcomes and results due to management of human capital, lack of critical skills, robust processes, tools and techniques/inadequate change management. One change management risk identified is:
 - *Premature commitment to projects without adequate evidence*
 - Description: The possibility of premature commitment to projects without adequate evidence due to lack of strong internal processes or external decision-makers. The risk of a too-early commitment to a project or initiative that's at a very early stage of planning and design might mean that projects costs and implementation timelines are not sufficiently understood.
 - Key Developments 2018-19: At its December, 2018 meeting, the Metrolinx Board of Directors directed staff to ensure all business cases, over the lifecycle of Metrolinx projects and programs above \$50 million, be publicly released prior to any relevant Board decision-making process. Business Case Guidance was developed and rolled out to standardize processes, simplify business case production, including support and training on business cases for internal staff, municipalities, and other stakeholders.

In 2019-20, Metrolinx will focus on continue to focus on developing a culture of risk-informed decision-making, by rolling out the approved risk appetite statements and tolerance levels, along with a corresponding risk education plan for all levels across the organization, updating the risk scoring criteria and enhancing components of the ERM Policy and Framework. The ERM function will continue to identify, assess and report on current and emerging risks and ensure ongoing discussion of risks at all levels of the organization.

Appendix

Key Assumptions

Key Assumptions: Transit Operations Ridership



In fiscal year 2018-19, Metrolinx has continued to implement a number of service enhancements to improve its quality of service, convenience and value. Metrolinx has added more midday and peak trips on Lakeshore East and West, new and expanded service on the Kitchener corridor, year-round weekday rail service between Niagara Falls and Toronto, as well as new and improved bus services across the GO Transit network. Metrolinx has also introduced the Kids GO Free Program in March 2019, making it easier and more affordable for family to travel on the GO.

The 2018-19 actual ridership is 3.1% higher than forecast, with growth in both weekday and weekend rail boardings compared to last year.

For fiscal year 2019-20, total Metrolinx transit operations ridership growth is forecasted to be 7.7% higher than the 2018-19 actual ridership. UP Express ridership continues to be primarily airport travellers overall, and has increased by 14.1% from 2017-18 to 2018-19 as both commuters and Pearson airport passenger volumes increase.

Ridership is calculated as rail boardings plus bus boardings less transfers across both train and bus routes.

Key Assumptions: Fare Increases

Metrolinx implemented a number of GO fare changes on April 20, 2019. To better align GO fares for short-distance trips, GO trips up to approximately 10 kilometres have been

reduced to \$3.70 for PRESTO fares and to \$4.40 for GO single-fare (non-PRESTO) paper tickets, which is a reduction of up to 40% for PRESTO fares and 22% for non-PRESTO fares for some trips.

Metrolinx also implemented a modest fare increase for longer-distance GO trips to continue to bring more services and connections to customers while improving their experience across the GO network and offsetting inflationary cost pressures. Fares for trips greater than approximately 10 kilometres are increased by up to about 4% when using PRESTO, and the price of a GO single-fare (non-PRESTO) paper ticket has increased by up to 10%. Currently, 92% of GO Transit trips are taken using PRESTO. Customers using paper tickets are encouraged to switch to PRESTO to ensure they pay the lowest fare. With this fare change, the new PRESTO discount increases to 16% from 11% compared to single-fare paper tickets. UP Express fares remain unchanged.

Fare increases are intended to be moderate and consistent over time and allow Metrolinx to offset annual increases in operating costs due to the addition of new services and increasing market costs.

Key Assumptions: Diesel Fuel

For Transit Operations, diesel fuel is a crucial input. Due to its nature as a petroleum-based commodity, diesel prices fluctuate with the supply and demand forces of the oil market. This volatility often falls within a normal range but there can be large moves. Metrolinx engages in some hedging to offset rising fuel prices and provide stable fuel price assumptions for annual planning. In actuality, fuel price risk, while hedgeable, cannot be entirely predicted or eliminated. Based on the 2019-20 budgeted volume, rising unit price for diesel could lead to a potential budget shortfall of \$4.2 million to \$12.6 million, or more, depending on the percentage increase.

Exhibit 23 below lists the fuel prices used in the 2019-20 Business Plan and corresponding budget shortfalls resulting from possible diesel fuel price increase.

Exhibit 23: Metrolinx Fuel Price Volatility
2019-20 Diesel Fuel Budget - Impact of Unit Price Change

BU	Direct Price/ litre (\$)	Outsourced Price / Litre	Budgeted Volume (M litres)	Total Budget (\$M)	Potential Budget Impact (\$M)		
					5% Price Increase	10% Price Increase	15% Price increase
Bus	\$1.04	\$1.14	\$23.85	\$25.06	-\$1.25	-\$2.51	-\$3.76
Rail	\$0.92	\$1.02	\$61.33	\$56.50	-\$2.82	-\$5.65	-\$8.47
UP	\$0.92	\$1.02	\$2.95	\$2.72	-\$0.14	-\$0.27	-\$0.41
Grand Total			88.13	\$84.28	-\$4.21	-\$8.43	-\$12.64