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## 2018-19 Business Plan

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### **Status of this document**

Metrolinx's 2018-19 Business Plan has been published as a historical document that is still in draft. After being requested for disclosure in the Standing Committee on Estimates on November 19, 2019, Metrolinx is making this document publicly available.

Besides the addition of this note, the document has not been modified in any way from the version requested for disclosure in the Standing Committee on Estimates.

Metrolinx's 2018-19 Business Plan is considered to be a draft plan and does not reflect the current government's priorities. Given the timing of the June 2018 Ontario general election, Metrolinx's draft 2018-19 Business Plan was neither submitted to Metrolinx's Board of Directors for approval at a public session nor to the Minister of Transportation for approval in accordance with the Metrolinx Act, 2006.

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## Executive Summary

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Guided by the Minister of Transportation's Mandate Letter and the strategic framework of the 2018-19 Corporate Strategic Objectives, the 2018-19 Business Plan outlines Metrolinx's strategic direction and upcoming priorities as we and our partners continue planning, building and operating an integrated transportation network for the Greater Toronto and Hamilton Area (GTHA).

Metrolinx's annual Business Plan for 2018-19 was developed to conform to the requirements of the *Metrolinx Act, 2006*, Mandate Letter and the government's *Agencies and Appointments Directive*. This Business Plan highlights accomplishments from 2017-18 and describes the momentum that will take Metrolinx through 2018-19, as we and our partners deliver the 2018-19 Corporate Strategic Objectives and government commitments.

With unprecedented investments in capital transit projects, Metrolinx is focusing on building and delivering key projects like the Regional Express Rail (RER) program, with progress made in the advancement of enabling works, using a combination of traditional project delivery models and Alternative Financing and Procurement (AFP). Metrolinx continues to advance construction for the Eglinton Crosstown LRT, vivaNext bus rapid transit (BRT) projects, and is making progress on key rapid transit projects including procurement of the Finch West, Hurontario and Hamilton LRTs, as well as the expansion and optimization of various GO Transit through various projects. 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.

Metrolinx continues its strong focus on customer safety through the introduction of Customer Safety Charter and is committed to implementing a new safety leadership program as part of the 2018-19 Corporate Strategic Objectives.

On customer experience, Metrolinx has reached a major milestone with more than 3.8 million activated PRESTO cards across the GTHA and Ottawa. Going forward, Metrolinx is committed to drive higher customer satisfaction results as stated in the 2018-19 Corporate Strategic Objectives. This will be done through the delivery of fundamental improvements such as improved customer communications, adding PRESTO functionalities and introducing new forms of payment such as mobile payments and disposable tickets.

Metrolinx continues its emphasis on increasing ridership and expanding services. Ridership for transit operations grew to 72.4 million in 2017-18 – 3.1 percent higher than actual ridership in 2015-16—and is expected to see growth of 2.2 percent in 2018-19. Over the last year, Metrolinx announced many improvements for GO customers, including:

- Implementing additional GO train service during peak and off-peak periods and on the Lakeshore East, Lakeshore West and Stouffville corridors;
- Implementing GO bus service to a new Park & Ride lot at Highway 404 & Major Mackenzie Drive in Richmond Hill

- 
- Implementing discounted double fare initiative for customers that are transferring between GO Transit / UP Express and TTC; and
  - Enabling Wi-Fi on select GO buses and trains;

Metrolinx will also 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 2018-19 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 is implementing an enterprise shift from 'planning' to 'building'.

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## 1.0 Introduction

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### 1.1 Legislative Mandate

Metrolinx, an agency of the Government of Ontario established under the *Metrolinx Act, 2006*, was created to improve the coordination and integration of all modes of transportation in the GTHA. The organization's mission is to champion, develop and implement an integrated transportation system for our region that enhances prosperity, sustainability and quality of life.

### 1.2 Annual Mandate Letter

As per the annual requirement in the Agencies and Appointments Directive for board governed agencies, a Mandate Letter was issued to Metrolinx for the 2018-19 fiscal year. The Mandate Letter outlines the 2018-19 priorities for Metrolinx, including:

- Delivering top infrastructure priorities such as GO Regional Express Rail (RER), Rapid Transit Projects and Other Next Generation Transit Investments
- Continuing to deliver other key priority regional transit projects, PRESTO and GO Transit services
- Supporting Government initiatives to optimize the regional transit network
- Supporting the Government's transportation planning priorities
- Strengthening Accountability and Finance
- Focusing on customer safety, security and customer experience

These priorities shape the business context for 2018-19 as Metrolinx continues to implement specific project commitments, including:

- Continue to expand and optimize the GO Transit network through the implementation of GO RER by 2024-25
- Achieving capital program milestones such as:
  - Continuing the construction work for Eglinton Crosstown LRT and VivaNext BRT
  - Advancing the procurement of Hurontario, Hamilton, Finch West and Sheppard East LRT projects,
  - Advancing preliminary design and planning work for the Durham-Scarborough BRT, the Relief Line and Yonge Subway Extension projects,
  - Continuing to negotiate agreements with CN Rail and CP Rail for GO Transit rail service expansion to Kitchener, Niagara and Bowmanville
- Delivering enhanced PRESTO functionality through the public launch of open payment / account based PRESTO functionality across the TTC
- Continue to advance regional fare integration by working together with municipalities to introduce a transit fare discount for transfers between TTC and '905' municipal transit agencies and implement a reduced GO Transit base fare of \$3.00 for PRESTO users taking short-distance trips under 10 kms across the GO network and within the City of Toronto boundaries
- Ensuring value-for money through the implementation of thorough cost and schedule control of all capital programs, delivering the 2018-19 fiscal budget within 3% of the approved allocation, delivering the state of good repair (SOGR) program within 3% of approved capital budget and implementing enhanced KPI reporting.





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

- **Safety** – At Metrolinx, safety is our top priority. Our number-one goal, at all times, is the wellbeing of our employees, customers and the public.
- **Customer Experience** – We’re 100% committed to strengthening our relationship with our customers.
- **People** – It’s about engaging and developing our employees, and focusing on creating an inclusive work environment with greater gender balance.
- **Plan & Build** – We will deliver on operational and capital budget goals, establish effective capital program management cost and schedule controls, keep on track for GO Expansion as well as for our rapid transit projects across the region, develop an enterprise-wide transformation plan that prepares us for the future state expanded service, and secure partner agreement on the Draft Regional Transportation Plan.

## 1.4 Organization Profile

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, including: providing regional leadership in transit to guide planning and investment; reviewing and updating the Regional Transportation Plan; implementing and expanding transit operations; operating and expanding the adoption and improving functionality of the PRESTO fare card; and the planning and building of priority regional rapid transit (such as the expansion of GO train service enabled by the GO RER program, the new Eglinton Crosstown LRT and planning for the Relief Line).

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 for 2018-19 is over \$42.3 billion.

The organization has built over \$21 billion in capital infrastructure since 2006-07, including projects that are currently underway. Rapid growth continues, with a capital budget of approximately \$5.6 billion this year compared to capital investment of \$3.5 billion in 2017-18. This includes projects such as the new Union Station Bus Terminal, the restoration and enhancement of Union Station and various GO RER projects. To support the delivery of these capital projects, Metrolinx is implementing a comprehensive community engagement strategy, as well as developing strong stakeholder partnerships, as part of its communication focus.

Operationally, Metrolinx expects to transport 74 million passengers this year on GO Transit and UP Express. Metrolinx has broadened its expertise and has grown to 3,803 employees as of March 31, 2018.

Metrolinx values safety, customer service and innovation within its business practices, and strives to deliver high quality services to all clients and stakeholders.

## 1.5 Metrolinx Quick Facts & Service Highlights

### Exhibit 2: Quick Facts & Service Highlights

	Actual March 31 2017	Actual March 31 2018	Target March 31 2019
<b>GO Train Service:</b>			
Lines	7	7	7
Stations	65	65	65
Route kilometres	458	458	458
Route kilometres on owned corridor	366	366	366
Weekly train trips	1,699	1,916	2,034
Active train sets (typical weekday)	58	63	63
Locomotives	75	75	91
Bi-Level passenger railcars	685	749	855
<b>GO Bus Service:</b>			
Route kilometers	2,785	2,825	2,825
Weekly bus trips	14,728	13,482	13,422
Single-level buses	326	312	235
Double-decker buses	186	200	277
Stations Served by buses	49	51	51
Terminals Served by buses	22	22	22
Park & Ride / Carpool Served by buses	25	26	26
Schools served by buses	11	12	12
<b>GO Station Access:</b>			
Rail Parking spaces	71,168	70,556	N/A <sup>1</sup>
Bus Park and Ride lot spaces	3,418	3,418	N/A <sup>1</sup>
Parking Structures	10	10	10
Stations with Carpool Parking	49	51	51
Carpool Parking Spaces	590	600	600
Carpools to GO formed	2,342	2,492	2,642
Stations with Carshare Services	17	17	17
Stations with Electric Vehicle Charging	11	11	11
Parking Spaces with Electric Vehicle Charging	22	22	22
Bicycle Stalls	3,975	3,948	N/A <sup>1</sup>
<b>UP Express:</b>			
Stations	4	4	4
Route kilometres	25	25	25

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

Weekly Train Trips	1,089	1,106	1,120
Active train sets (typical weekday)	5	5	5
Diesel multiple unit railcars	18	18	18

#### **PRESTO:**

Cumulative cards activated (in '000s)	2,711	3,832	4,600
Transit service providers using PRESTO	11	11	11
Number of devices (in '000s)	12	14	No Target
e-purse and period passes processed from PRESTO to service providers (in \$Ms)	715.8	924	No Target
Number of fare payments collected by PRESTO for service providers (in millions) <sup>2</sup>	169.4	229.2	No Target

#### **Rapid Transit Implementation<sup>3</sup>:**

New Rapid Transit kilometers under construction:	43.8	41.7	71.3
· New BRT kilometres under construction	24.8	22.7	21.3
· New LRT kilometres under construction	19	19	50
New Rapid Transit kilometres brought into service:	1.8	4	8.9
· New BRT kilometres brought into service	1.8	4	8.9
· New LRT kilometres brought into service	0	0	0

#### **Smart Commute Workplace Program:**

Workplaces participating in Smart Commute program:	318	345	350
Commuters participating in Smart Commute workplace program:	710,655	712,678	720,000
Users of Smart Commute online tool:	27,346	21,496	25,000

#### **Transit Procurement Initiatives:**

Participating transit service providers	40	45	48 <sup>4</sup>
Cumulative buses purchased <sup>5</sup>	1,290	1,559	1,661 <sup>4</sup>

#### **Environmental:**

##### **Leadership in Energy and Environmental Design (LEED)**

Certified Facilities			
Gold	5	6	6 <sup>6</sup>
Silver	2	3	6 <sup>6</sup>
Pending <sup>7</sup>	2	5	6

<sup>2</sup> 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)

<sup>3</sup> Values are year-to-date totals rather than project-to-date

<sup>4</sup> 2018-19 targets depend on Transit Agencies budget and approvals

<sup>5</sup> Cumulative buses purchased is not considered the same as delivered

<sup>6</sup> LEED certifications are not likely in 2018-19 since one of the mandatory credits requires one year of post occupancy data before certification submission can be reviewed by the Canada Green Building Council

<sup>7</sup> Awarded for construction projects are: Cooksville, Bloomington, and Stouffville GO stations plus non-AFP projects: Kipling, Confederation, and Rough Hill (awarded for design). These projects are either registered or will be registered for LEED certification pursuit

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Electricity generated by solar panels (cumulative, MWh)	3,128	4,282	5,502 <sup>8</sup>
Green power installations	6	8	<sup>9</sup>
Hybrid and electric corporate fleet vehicles	24	22	22 <sup>10</sup>

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<sup>8</sup> Target is estimated based on 2017-18 electricity generated from solar Photovoltaic (PV) systems

<sup>9</sup> Bloomington Station will have solar PV installation scheduled to open in 2019 and Rutherford is planning a solar PV installation

<sup>10</sup> There is a plan to turn eight existing fleet vehicles into zero emission vehicles

## 2.0 Business Context 2018-19

### 2.1 Momentum from 2017-18 Results

2017-18 marked a major milestone for Metrolinx as GO Transit reached its 50<sup>th</sup> anniversary. Major infrastructure commitments were completed throughout 2017-18, including Renforth Station, Whitby Rail Maintenance Facility, a new station building at Oshawa GO Station, a new pedestrian bridge at the Ajax GO station and the RER Dufferin Street Bridge Widening project. Construction on several key infrastructure projects have also progressed, such as Eglinton Crosstown LRT, while some others have entered into construction, including a new bus terminal at Union Station and the redevelopment of Cooksville GO station.

In addition, a number of infrastructure projects have reached procurement milestones, including, for example, financial close for Stouffville Corridor Stations Improvements project, RFP Release for the Hurontario LRT Project and financial close for the RER Highway 401 Rail Tunnel project. Projects in the planning phase such as the Relief Line have also advanced planning and design work, and new projects such as Davenport Diamond Grade Separation and RER On-corridor Improvements have entered the procurement stage.

In 2017-18, Metrolinx implemented a discounted double fare for commuters travelling in the GTHA by introducing a fare discount for PRESTO card users who transfer between GO Transit or the UP Express and the TTC, implemented PRESTO rollout across Shoppers Drug Mart locations, achieved PRESTO adoption rate of 37.4% and achieved a total transit ridership milestone of 72.4 million.

### 2.2 Business Scan

#### Exhibit 3: Business Scan

Regional Transit Business Environment	
<b>Evolution of PRESTO Business Model</b>	New 10-year PRESTO agreements with participating municipal transit agencies have been finalized and came into effect in January 2018. As part of the agreement with the "905" transit agencies, new commission revenues that PRESTO collects from transit agencies have been established. Planning is now underway to update PRESTO fare collection equipment, which will provide additional functionality that enhances our clients' and customers' experiences with PRESTO. This work underway will have implications to the PRESTO business model.
<b>Federal Funding</b>	Federal government funding has played a key role in enabling large capital projects across Ontario, including recently announced investment of \$93.5M to support the accelerated purchase of bi-level coaches from Bombardier. This funding is part of the Public Transit Infrastructure Fund (PTIF) to support the rehabilitation of

	<p>transit systems, new capital projects, and planning and studies for future transit expansion to foster long-term transit plans.</p> <p>Metrolinx will also receive \$28M for the Davenport Diamond Program planning work and the development of Enterprise Asset Management as part of PTIF.</p> <p>In addition to these investments, in March 2017, the federal government announced a funding contribution of approximately \$1.9 billion to support components of the GO RER program.</p> <p>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.</p> <p>Metrolinx is looking forward to working together with the Provincial and Federal Governments on future infrastructure projects.</p>
<b>Integration of SmartTrack and RER</b>	<p>In April 2018, Toronto City Council provided their final endorsement of the SmartTrack program, and approved a contribution for SmartTrack station infrastructure, subject to a number of conditions. Following Council approval, on May 3, 2018, the Province and the City signed a Memorandum of Understanding to advance the delivery of the integrated GO RER / SmartTrack program, which includes the addition of six new SmartTrack stations to the GO rail network in Toronto. Work is underway to conduct more detailed design in preparation for procurement and integration with the Full RER Business Case.</p>
<b>Uncertainty in Oil Prices</b>	<p>A mixed trend of oil prices in 2017 was followed by an increase in oil prices in 2018. In April 2018, oil prices have increased to their highest level since 2014. This trend presents opportunities and challenges for GO Transit, both from an operational cost and ridership as customers will assess the attractiveness of driving compared to GO Transit.</p>
<b>Ownership of Major Public Transit Assets</b>	<p>As announced in the 2018 Provincial Budget, the province has committed to explore whether major public transit assets, particularly heavy rail, can be optimized with a different ownership model. The Province is planning on engaging with the City of Toronto on discussions to determine whether Provincial ownership of TTC subway lines could provide better transit services for residents in the GTHA, and allow for a better sharing of costs for transit expansion between the Province and the City of Toronto. This discussion will shape the future development of public transit in the</p>

	City of Toronto.
<b>Project Management</b>	<p>Managing the delivery of large and complex projects presents program management challenges. From the construction of the Eglinton Crosstown LRT to advancing the procurement of GO RER, community engagement, stakeholder involvement, property acquisitions and utility coordination are all activities that need to be managed in a coordinated and expedited manner. With more projects on the pipeline, this challenge becomes more evident and experience gained from previous work will become valuable as we work to deliver projects on time and on budget.</p>
<b>Fare Integration</b>	<p>As rapid growth continues in the GTHA, trips between municipalities form an increasingly large share of total travel. To remove barriers in travelling between different transit systems, Metrolinx has implemented a fare discount for PRESTO card users who transfer between GO Transit or the UP Express and the TTC.</p> <p>Going forward, in the 2018 Provincial Budget, the government is committed to implementing a fare of \$3.00 for adult PRESTO users taking short-distance trips under 10 kilometres across the GO network and within the City of Toronto boundaries, including travel between Union Pearson Express stations (i.e., Weston, Bloor, and Union). This also includes implementing reduced GO Transit fares for PRESTO users travelling between 10 and 20 kilometres to ensure fairness and consistency across the GO network.</p> <p>In addition, the government will work together with the “905” municipal transit agencies to introduce fare discounts for PRESTO users who transfer between these municipal transit networks and the TTC (i.e., York Region Transit, Mississauga’s MiWay, Brampton Transit, and Durham Region Transit). These initiatives will support a transformational regional fare integration strategy for the GTHA.</p>
<b>Municipal &amp; Community Engagement</b>	<p>As Metrolinx continues to make significant progress on major capital projects across the GTHA, many municipalities and communities are impacted. With such a large, rapidly growing and diverse region, Metrolinx must take advantage of a variety of engagement tools and opportunities to connect with its stakeholders in meaningful ways. To address this, Metrolinx is engaging extensively with the communities that these projects impact to capture the necessary feedback and continue to maintain mutually beneficial partnerships with municipalities.</p>

## 3.0 Organizational Initiatives

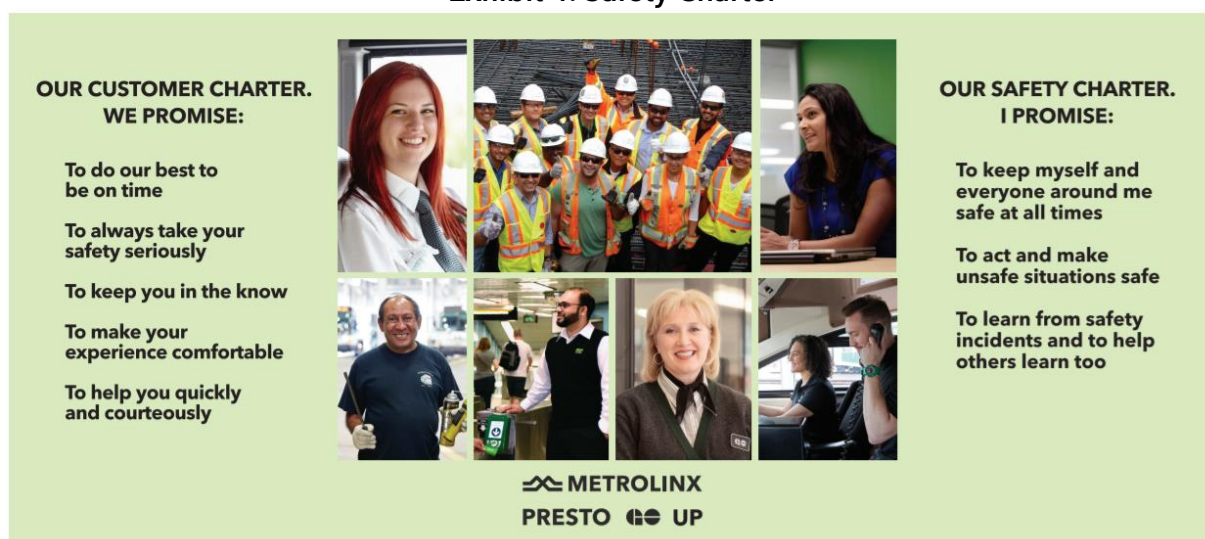
### 3.1 Safety Leadership Program

#### Customer and Safety Charters

With the introduction of the 2018-19 Corporate Strategic Objectives, Metrolinx is committed to implementing a safety leadership program (Strategic Objective #1) in order to support one of our four priority pillars. As part of this commitment, Metrolinx has launched several initiatives, including the development of a Safety Charter that was introduced in December 2017.

Safety for Metrolinx is non-negotiable and maintaining the safety of our employees, customers and the public is our top priority. Since the launch, the Safety Charter was signed by more than 300 managers, directors and executives. The Charter has been rolled out to employee work locations where individual employees had an opportunity to sign, with their local managers, and indicate their commitment to safety.

**Exhibit 4: Safety Charter**



### 3.2 Fare Integration

The Metrolinx Board at its meeting on September 14, 2017 asked staff to move forward with a step-by-step approach to address barriers to fare integration, while continuing to work towards a longer-term integrated fare structure for the region.

As an initial step towards broader Fare Integration throughout the GTHA, Metrolinx, with MTO's support, worked with the Toronto Transit Commission (TTC) to offer fare discounts for PRESTO customers transferring between GO Transit (GO) / Union-Pearson Express (UP) and the TTC. The fare discounts went into effect on January 7, 2018.



The 2018 Ontario Budget announced support for fare reductions, for all GO Transit trips within Toronto and GO Transit trips under 10 kilometers, which will cost adult PRESTO card users \$3 per trip. In addition, adult PRESTO card users at stations such as Port Credit, Malton, Pickering, Ajax and Markham will also see fare reductions when taking GO Transit back and forth to Union Station.

The province, in its 2018 budget, also announced that it will work with the TTC, York Region Transit, Mississauga's MiWay, Brampton Transit and Durham Region Transit to introduce fare discounts of up to \$1.50 for PRESTO users who transfer between these municipal transit networks and the TTC. Overall, these funding commitments provide significant advancement on addressing barriers to fare integration.

Metrolinx has also been actively working with the Greater Toronto and Hamilton Area (GTHA) municipal transit agencies to address regional fare policy harmonization. Work is currently underway to develop an approach to improve fare consistency. As identified in the Making it Happen Paper and in our Corporate Strategic Objectives, Metrolinx will convene an intra-governmental forum of senior leaders to discuss and advance issues of regional significance, including Fare Integration.

### 3.3 Metrolinx Sustainability Strategy

Metrolinx is working to transform mobility in the GTHA and support the long-term sustainable development of the region as a whole. In working towards our vision to get our customers there better, faster and easier, we must focus on ensuring sustainability is integrated across Metrolinx.

In September of 2016, the Metrolinx Board of Directors approved the Sustainability Strategy (available on our website at [www.metrolinx.com/sustainability](http://www.metrolinx.com/sustainability)). This cross-organizational strategy serves not only as a statement of our commitment, but also as a framework for decision-making and a tool of accountability for stakeholders. The Sustainability Strategy identifies actions and measures of success through to 2020, 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**

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

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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 a key risk. In support of the Sustainability Strategy, through 2018-19, Metrolinx will:

- Continue to implement the goals and action items outlined in the Sustainability Strategy
- Complete a review of the 5-year Sustainability Strategy to ensure continued alignment with Metrolinx's strategic objectives and issues important to customers and other stakeholders
- Ensure design excellence through the development of sustainable design standards and requirements for capital projects that ensure capital projects are climate resilient, energy efficient and sustainably constructed
- Demonstrate transparency and accountability through the publication of an annual Sustainability Report
- Continue to implement Metrolinx's Climate Adaptation Strategy (published in May 2018) to ensure safety, minimize risk to business continuity, and protect assets over the long-term
- Continue to implement our energy and emissions management program and publish Metrolinx's performance on energy and emissions reduction to help demonstrate Metrolinx's LEAN approach to operations and our drive towards continuous improvement in reducing energy use

### 3.4 Stakeholder Consultations and Community Relations

As Metrolinx continues to deliver on transit improvements that will connect our customers to where they want to go better, faster and easier, we continue to connect with our communities so they are aware and involved in our delivery of expanding GO service and new rapid transit initiatives. We understand that building a great region requires support and feedback from the communities in which we work and serve. To gain these insights, we have created spaces for dialogue such as Community Advisory Committees, Construction Liaison Committees, and 'Ask Metrolinx' town hall engagements. We have also completed the inaugural Municipal Engagement Tour which took us from Niagara Region to Kitchener/Waterloo to Simcoe County/York Region to Durham Region. We look forward to building on this stakeholder engagement with briefings for newly elected officials and for a second round of municipal council engagement in 2019.

To continue the conversation in the coming year, we will be launching a digital community office hub to better connect with communities to ensure that they know what's coming and how to get involved. New sections of metrolinx.com will tailor content to municipalities with active and imminent construction projects. Communities will have a single webpage containing all relevant information. Content will focus on Project News, Construction Updates, Community Meetings and Important Documents.

### 3.5 Transit Procurement Initiative

*"Transit Procurement Made Easy"* is the motto for Metrolinx's Transit Procurement Initiative (TPI) program, one of North America's largest and most innovative transit procurement

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programs working to achieve the best value for money. By aggregating quantities, collaborating to standardize technical specifications and eliminating duplicate procurement processes, the program provides lower unit costs, increased quality of goods and enhanced contract deliverables to transit systems. The TPI program has saved Ontario taxpayers an estimated \$23 million since the program began in 2006.

The TPI program works with small, medium and large Ontario transit service providers across the province. The program continues to achieve remarkable growth with 5 new municipal partners joining this past year. Overall, 45 transit partners have participated since its inception. The continued interest and growth speaks to the merit of the program and exceptional customer satisfaction it delivers to its transit partners. The program governs a number of active supply contracts for transit related goods such as van shuttle vehicles, specialized transit and conventional transit vehicles, Intelligent Transportation Solution-Automated Vehicle Location (ITS-AVL) and On-Board Vehicle Surveillance Systems helping municipalities make use of Public Transit Infrastructure Fund (PTIF) opportunities to deliver on greater public transit services, transit rider convenience and safety.

The TPI program aligns with Metrolinx's mission in connecting communities, making transit more accessible and improving the customer experience.

### 3.6 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<sup>11</sup>.

Metrolinx has made significant progress in implementing benefits management:

- The Sponsor's Office and Investment Panel were established in November 2017. Project sponsors have been assigned to direct outcomes of the RER Network, Stations, Freight & Rail Extensions, Union Station, and our relationship with the City of Toronto.
- Metrolinx published the Draft Business Case Guidance on how to complete a business case in March 2018<sup>12</sup>. The final version of the guide will be made available in the Fall of 2018.

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<sup>11</sup>

[http://www.metrolinx.com/en/docs/pdf/board\\_agenda/20171207/20171207\\_BoardMtg\\_Benefits\\_Management\\_and\\_Sponsorship\\_EN.pdf](http://www.metrolinx.com/en/docs/pdf/board_agenda/20171207/20171207_BoardMtg_Benefits_Management_and_Sponsorship_EN.pdf)

<sup>12</sup>

[http://www.metrolinx.com/en/regionalplanning/projectevaluation/benefitscases/benefits\\_case\\_analyses.aspx](http://www.metrolinx.com/en/regionalplanning/projectevaluation/benefitscases/benefits_case_analyses.aspx)

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- Monthly Investment Panel sessions review the development and progress of each project at “stage gates”—key pivot points in the project lifecycle—and determine whether the project can and should proceed.

Next Steps and Milestones expected to be achieved in 2018-19:

- 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.
- Business case training is anticipated to begin in the spring and summer months to help the organization conduct business cases according to the standards set out in the guidance.
- Principal Sponsor and RER Head Sponsor positions filled, with these sponsors joining the organization by Summer 2018.

## 4.0 Transit Operations

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### 4.1 Transit Operations Service Highlights

Based on current and planned service expansion and natural growth in ridership, overall Metrolinx ridership is forecasted to be 74.0 million in 2018-19, up by 2.2 percent from 2017-18 actual ridership.

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To accommodate increased demand in service, Metrolinx will be increasing train and bus services capability (Corporate Strategic Objective #15) by introducing or planning to introduce the following service in 2018-19 that will result in additional operating costs:

- New and more frequent weekday and weekend infill GO train trips on the Lakeshore East corridor between Union Station and Oshawa, on the Lakeshore West corridor between Union Station and Oakville, and between Union Station and Aldershot.
- New weekday and weekend GO train trip extensions on the Lakeshore West corridor between Oakville and Aldershot and between Oakville and Burlington.
- New weekday off-peak trip extensions on the Stouffville corridor between Unionville and Mount Joy stations.
- New weekend service on the Stouffville corridor between Union Station and Mount Joy with select trips between Union Station and Lincolnville.
- Bus service improvements, including the realignment of Highway 404 service (Route 67) to serve a new Park & Ride lot at Highway 404 & Major Mackenzie Drive in Richmond Hill and adjustment to services as required to match demand

## 4.2 GO Regional Express Rail (RER)

In April 2014/2015 the Province announced it would be moving forward with the GO RER initiative. GO RER is a plan to provide faster and more frequent service on the GO Transit Rail network with electrification on core segments, including the Union-Pearson (UP) Express. Capital costs associated with GO RER are estimated to be \$13.5 billion (2014\$). As part of GO RER, weekly trips across the entire GO rail network will increase from about 1,500 to nearly 6,000 by 2024-25.

The \$13.5 billion (\$2014) in funding allocated for this transformation supplements previously announced investments of approximately \$6.6 billion for rehabilitation & renewal of existing assets and expansion & optimization of the rail network and passenger facilities.

In 2018-19, Metrolinx will be investing approximately \$1.6 billion of the allocated RER funding to advance numerous projects, including:

- Property acquisition to support RER;
- Stouffville rail corridor expansion;
- Barrie corridor grading and noise mitigation;
- Highway 401/409 rail tunnel;
- Stouffville stations (Agincourt, Milliken) and Steeles Avenue grade separation;
- Rutherford station, grade separation, and parking structure;
- Train layover facility expansion at Georgetown Station;
- Lincolnville layover expansion;
- Redevelopment of Bramalea station;
- Union Station enhancements; and
- Electrification, signalling and communications infrastructure.
- Hydrail Pilot project

In June 2016 the Metrolinx Board of Directors approved the GO RER procurement strategy, which organizes the GO RER program's work, including the related investments in

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expansion and optimization, and renewal and rehabilitation, as respectively described in Sections 6.3 and 6.4, into three packages. Following provincial approval, this procurement strategy provided direction to proceed with GO RER early works (formerly Package 1) procurements with the understanding that Metrolinx would seek subsequent provincial approval for future work packages. The Province also granted Metrolinx the flexibility to adjust funding within the overall GO Rail Capital Program and combine works to create overall efficiency in infrastructure delivery.

### **GO RER Early Works**

GO RER early works are intended to prepare the network for the major off-corridor and on corridor construction needed to implement RER service, and include utility relocations, grade separations, track work and modifications, grading, retaining structures, noise mitigation measures, and upgrades to bridges, stations, and signaling and communications infrastructure. Extensive enabling works are also required at the network hub, Union Station.

Twelve of the RER early works projects will be delivered through Alternative Financing and Procurement (AFP) contracts. Infrastructure Ontario (IO) is the procurement lead for these and will partner with Metrolinx to manage the resulting contracts as an integrated team. Four AFP Early Works contracts have been awarded (Highway 401/409 rail tunnel, Cooksville GO Station, Stouffville corridor stations and Steeles Avenue grade separation, and the Kipling Bus Terminal) and the remaining eight are in procurement.

Other early works will be delivered through traditional procurement methods such as Design-Build (DB) and Design-Bid-Build (DBB). The non-AFP early works incorporate most of the on-going and legacy contracts supporting the GO RER program and may also incorporate routine annual maintenance investments for fixed assets, including railway corridors, stations, and operating facilities.

### **Stations and Off-Corridor Program**

Modernization and improvement of passenger facilities at 31 existing stations will be undertaken through a design-build contract for Early Stations Improvements. The Request for Proposals (RFP) was released in March 2018, and contract award is scheduled for fall 2018.

Renovations at 22 station locations, including upgrades to station buildings, platforms, signage, bus loops, parking, and passenger pick-up and drop off facilities will be delivered through a Design, Build, Finance AFP contract for Existing Stations Renovations. The Request for Qualifications (RFQ) was released in April 2018, and is expected to close in summer 2018.

The Stations and Off-Corridor program will also include the delivery of six new GO rail stations and six integrated GO RER/ SmartTrack Stations, as further detailed in Section 4.3.

### **Network Infrastructure and Union Station Rail Corridor**

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The final procurement package is focused on the network-wide infrastructure and fleet required to deliver the GO RER committed train service and the major work required at the network hub, Union Station.

A Design-Build-Finance-Operate-Maintain (DBFOM) AFP contract will include electrification of the core Metrolinx-owned network, associated civil works, signaling and train control systems, maintenance facilities and storage yards, procurement of fleet, capacity improvements at Union Station, maintenance of infrastructure and fleet assets, and train operations. The RFQ for the DBFOM contract was released in March 2018 and is expected to close in Fall 2018.

### **Metrolinx (RER) Business Transformation**

The planned network expansion and substantial increases in service, and a reimagined operational model, necessitates the need for Metrolinx to transform as an organization to meet the commitments of this expansion.

The Metrolinx Business Transformation program is a multi-year initiative to execute a series of cross functional initiatives designed to change our corporate culture and enhance our collective capabilities as an organization to support the DBFOM environment. The program is designed to enrich and mature seven corporate, core competencies, called our Golden Strands, which will enable us as an organization to excel at delivering outputs. Metrolinx closed out 2017 as a very strong commuter operator, however, relying only on what we have done up to that point will not be sufficient to deliver on the promises of the RER expansion. The transformation program will take the entire Metrolinx organization on a journey to becoming an Informed Owner, thereby allowing us to achieve our most desired outcomes:

- A region with integrated plans for transit and community building; consistently planned, agreed and delivered upon
- A wide range of world class transit services and a commercial identity with strong, popular brand identification
- A diverse and inclusive organization that makes great decisions because we attract great people and we use information well

When the transformation is substantially complete, Metrolinx will continue to be organized with all of the same divisions as we have today. But the organization will act and operate very differently. While the impetus for maturing our core competencies and developing our Golden Strands starts with the need to deliver on our expansion commitments, they will also transform how we conduct every part of our business by creating a fully integrated and cross functional enterprise. Metrolinx will have more commercial capabilities, more sponsors, more marketing, more asset management, more digital capability, etc. When we are operating in a true RER end state, our customers, our stakeholders and the public will think excellence when they think of Metrolinx. And across the globe, when experts gather to speak of safety, customer service, and operating practices, they will hold Metrolinx up as an example, and will seek our guidance and help to achieve the same level of success as we will have.

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## 4.3 Expansion and Optimization

In 2018-19, investments of approximately \$857 million will be directed towards GO Transit expansion and optimization projects, including:

- Bloomington, Caledonia, and Confederation stations;
- Kipling bus terminal;
- Redevelopment of Cooksville station;
- Oriole station relocation;
- Downtown bus terminal at Union Station;
- GO Transit train control system;
- Lakeshore West extension to Confederation Station;
- Expansion of the Don Yard Layover facility;
- Construction of parking and station infrastructure at Milton, Meadowvale and Aldershot stations;
- Planning for rail extensions to Niagara and Bowmanville and rail expansion to Kitchener;
- Planning and preliminary design for 12 new stations (GO and SmartTrack);
- GO Bus park and rides, terminals, and mobility hubs;
- The acquisition of locomotives, bus and rail cars and related equipment for the fleet to accommodate additional peak service for rail and bus; and
- Property acquisitions to support expansion and optimization projects.

On June 28, 2016, the Metrolinx Board of Directors approved 12 potential new GO stations for further analysis in support of GO Expansion and the City of Toronto's SmartTrack program. These stations were identified through a network-wide analysis and included locations which are part of existing municipal and public growth plans. Since then, station designs have significantly matured and that work was presented to the Metrolinx Board of Directors on March 8, 2018 in the updated GO Expansion New Stations Preliminary Design Business Case Analysis with a recommendation to continue delivery of those 12 stations. The 12 stations will now progress to more detailed design and integration with the full RER business case to confirm scope prior to RFP release expected in late 2018.

An Environmental Assessment Notice of Commencement for all new stations was issued in March 2018 and preliminary design work is on-going. RFQs for the new stations were also released in March 2018; RFQ close is scheduled in Spring 2018. The RFQs outline the required scope of work for both types of stations, which includes:

- New station buildings or pavilions;
- Trackbed and grading;
- Platforms;
- New parking;
- Pedestrian access (tunnel or overpass); and
- Public realm improvements.

## 4.4 State Of Good Repair (SOGR)

To ensure GO Transit assets remain in a reliable condition, Metrolinx continues to invest responsibly in infrastructure rehabilitation. Approximately \$747 million will be dedicated to



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SOGR projects, including GO Transit and enterprise IT initiatives. As part of achieving Strategic Objective #6, Metrolinx is aiming to deliver its SOGR program within 3% of this approved capital budget. In 2018-19, progress will be made on projects such as:

- Construction of the Network Operations Centre in Oakville;
- Digital signage strategy implementation;
- Union Station trainshed restoration and vertical access, Union Station enhancements and the Union Station Rail Corridor (USRC) train control system;
- Rehabilitation and replacement of passenger facilities at Guildwood and Richmond Hill stations;
- Useful life extension of our rail fleet by continuing the refurbishment of bi-level 1 and 5 series coaches to bi-level 6 and 7 standards, and replacing buses that have reached end of life;
- Rehabilitation and maintenance of various bridge infrastructure and track replacement along Metrolinx-owned corridors;
- Maintenance and improvement of fare collection systems;
- Cybersecurity risk mitigation program implementation; and
- System-wide technology upgrades, including systems to assist with asset management, program management, control centre, and IT communications and infrastructure.

Substantial completion was achieved for the USRC Trainshed Restoration project in December 2017 and final completion is expected in July 2018.

## 4.5 Additional GO Rail Service

In 2016, the Province announced that it would move forward with two-way, all-day rail services on the Kitchener GO corridor, and extensions of GO rail service to Niagara and Bowmanville, subject to agreement with freight rail partners:

- Kitchener: In June 2016, the Province secured an Agreement-in-Principle (AIP) with CN Rail to begin the planning and technical analysis to build a new freight corridor that will allow CN to shift most of its freight traffic from the section of the Kitchener corridor the company owns -- roughly between Georgetown and Bramalea -- to the new corridor. On April 6, 2018, the Province announced that it would be hiring a technical advisor to support moving ahead with an environmental assessment (EA) to provide electrified service between Georgetown and Kitchener, as well as for the undertaking of work to help inform EA work that will be required for GO RER service between Toronto and Kitchener.
- Lakeshore West: provides expanded rail service between the West Harbour station in Hamilton, and the VIA station in Niagara Falls that will be retrofitted.
- Lakeshore East: provides four new peak GO trains east of the existing Oshawa station to a new station in Bowmanville.

Metrolinx has been engaging with key stakeholders CN and CP rail, who currently own affected sections of these rail corridors, in preparation for the preliminary design work planned for this year.

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## 4.6 SmartTrack

Six of the 12 new stations approved by the Metrolinx Board of Directors in June 2016 and December 2016, and reaffirmed by the Metrolinx Board in March 2018, are integrated GO RER/ SmartTrack stations. The stations include Finch-Kennedy and Lawrence-Kennedy on the Stouffville corridor, Gerrard-Carlaw and East Harbour on the combined Stouffville and Lakeshore East corridors and Liberty Village and St. Clair West-Old Weston Road on the Kitchener corridor. After a year and a half of planning, design and environmental assessment work proceeded with the City of Toronto, TTC and other stakeholders, in April 2018. Following Toronto City Council's April 2018 final endorsement of the SmartTrack program, in May 2018, the Province of Ontario and the City signed a Memorandum of Understanding outlining mutually-agreed terms to move forward with the delivery of the integrated GO RER / SmartTrack program.

The western extension of the Eglinton Crosstown LRT is also part of the SmartTrack program. Metrolinx continues to work with its municipal partners and the Greater Toronto Airports Authority on the planning and design of this extension.

## 4.7 Rail Safety and Security

Metrolinx is committed to implement a safety leadership program and improvement of safety by 30% to a Lost Time Incident Frequency Rate (LTIFR) of 2.8 in 2018-19 (Corporate Strategic Objective #1). Safety is a core value of the company and treated as such by both leadership and employees. Safety is part of what we do, every day and remains a key priority at Metrolinx. Employees and contractors are empowered, encouraged and expected to take immediate action on emergent safety issues and to report those that are less urgent.

### **Metrolinx Incident Management System**

Metrolinx is moving to implement a standard approach to managing emergencies and major incidents enterprise wide. Consistent with internationally recommended practices, Ontario's Office of the Fire Marshal and Emergency Management (OFMEM) has developed an Incident Management System (IMS) Doctrine. This process will provide a standardized organizational structure, core functions, processes, and terminology framework for use at all levels of emergency response in Ontario. Metrolinx will utilize IMS to prepare for, respond to, and recover from emergencies.

IMS is predicated on the understanding that with any incident, there are certain functions that must be carried out regardless of the number of persons who are available or involved in the response. IMS addresses the need for coordinated responses to all types and complexities of incidents and is normally structured to facilitate activities in five major functional areas: Command, Operations, Logistics, Planning, and Finance/ Administration. The objective of the IMS model is to provide a means to coordinate the efforts of individual departments and agencies as they work together in alignment with emergency management best practices, and in coordination with Ontario Municipalities, first responders, Provincial, and Federal partners.

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## **Business Continuity**

The Metrolinx Business Continuity Program began development in 2017 and is now well underway. Business continuity is defined as the ability of an organization to continue delivery of critical functions, products and services under adverse operating conditions or following a disruptive incident. To achieve this, Business Continuity is thought of as a program, not as a project, which needs to be undertaken annually and repetitively and consists of controls used to manage risk.

The 2018 work plan is to have 25 to 30 new business continuity programs in place and exercised (tested). Currently, continuity planning is underway at PRESTO and Corporate Communications with future plans to build on Safety and Security, Customer Services and Transit Operations specifically the new Oakville Network Operations Centre. It is anticipated that by Q4- 2019 between 60 and 75 'operationalized' business continuity plans are in place, thus increasing our capability and resiliency to business interruptions.

## **Construction Safety**

A dedicated Construction Safety team has been built to support the organization's commitment to safety, as it relates to the management of construction-related safety risks. The objective of Construction Safety team is to develop, monitor and provide oversight of the Construction Safety Management System in an effort to enhance the organization's due diligence initiatives to minimize risks and liabilities the organization, to promote continuous improvement and to foster a positive safety culture.

## **Safety Leadership**

With the introduction of the 15 Strategic Objectives and the goal of developing and delivering a Safety Leadership program, existing activities have been aligned to these goals and new activities have begun. The Safety Leadership Program will focus on building the safety culture, communicating safety information, solving safety issues and championing safety throughout the organization. To achieve success the following actions have, or are, in progress;

- Executive Safety Security Health and Environment Committee to provide guidance and oversight on Safety
- Safety Leadership Council to champion safety and actively participate in promoting safety initiatives throughout the Enterprise
- Contractor Safety Committee
- Employee Hazard Reporting program was launched in December 2017 providing staff an option to submit operational safety concerns that have not been addressed
- Joint Health and Safety Committees are established throughout the organization to support Occupational Safety issues
- Safety Culture survey is complete and will provide the organization with a benchmark of our current safety beliefs

## **Enterprise Safety Management System**

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The goal of the Enterprise Safety Management System (ESMS) is to build a strong safety culture across all divisions within Metrolinx. The system implementation will elevate the level of compliance within the organization and target the reduction of the LTIFR as well as the Cardinal Rule Violations. With planning and documentation finished, the implementation is expected to take place over the course of the year.

The system is based on the ISO 45001 standard and outlines roles and responsibilities as well as accountabilities for all employees within Metrolinx. The system links the Safety Charter and the organizational Health and Safety Policy and ensures achievement of all targets and KPIs associated with the Corporate Strategic Objectives. The System is based on the Plan-Do-Check-Act system and will drive continuous improvement across all business units.

### **2017 Safety Management System Goals Update**

The Safety Management System (SMS) Target plan was developed in order to ensure ongoing implementation. This plan had 4 targets that dealt with getting the tools required to effectively manage the SMS, both the input of operational events and Risk Assessments. Increasing safety required improved instruction for those working in the ROW; new training materials will reflect the current environment and hazards. Finally, efforts to reduce Rule Violations are an ongoing focus; working with Rail Services and Contractors will continue.

This development will ultimately provide a software solution to drive and automate compliance with SMS process requirements. Occupational and Operational Safety is projecting that trial software will become available in the summer of 2018 and anticipates the system will be ready for deployment in the fall of 2018.

The introduction of the Enterprise Learning Management System in 2018 will provide another opportunity to refresh the SMS training to include Enterprise SMS, Bus SMS and an updated Rail SMS training package.

### **Union Station Action Plan**

Our ongoing efforts to implement the recommendations resulting from internal investigation and provided by Network Rail after the April 2015 fatality at Union Station are progressing well. Thirteen of the recommendations are complete and 11 are ongoing. Of the recommendations that are ongoing, 5 have been included in the Union Station Enhancement Project, 3 are operational strategies that are being pursued, 1 requires negotiations with the City for further use of teamways to hold passengers, 1 (working with Parks Canada on our ability to modify Union Station as a heritage site) is being actioned by our legal team and 1 (detailed handover procedures for completed work) is being jointly addressed by Safety and CPG.

### **Union Station Platform Safety Strategy**

During high passenger volume situations such as sporting events, or those that require passengers to change their commuting behaviours, such as schedule or platform changes, passenger crowding is an increased risk on platforms at Union Station.

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Throughout 2017 Transit Safety has continued the high visibility of Transit Safety Officers at Union Station platforms by employing a schedule which has increased presence by 100% over historical levels during rush hours and improved response time to service disruptions. Additionally, Transit Safety Officers have successfully managed platform safety for two major construction platform closures.

Transit Safety has worked with other departments within Metrolinx to progress an integrated approach in assessing and mitigating identified risks associated with platform closures. We have engaged with Rail Operations and Station Services in:

- Identifying opportunities to alleviate platform crowding;
- Requesting adjustments with train movements; and,
- Coordinating our platform safety response with both internal and external stakeholders.

Officers continue to educate and enforce “No Standing Zones” and adherence to staying back from the yellow strip at Union Station platforms.

Customers are responding to a more assertive approach by Transit Safety Officers (TSOs) who are using whistles to manage customer movement on platforms. Transit Safety Supervisors now work with and deploy in the GO Transit Control Centre (GTCC) in the event of service disruptions / events, which has proven effective in managing crowds.

While this strategy has been successful to-date it is important to note that the challenge presented by ongoing construction, necessitating track closures within Union Station along with changes to platform access, creates ongoing risks that may require further mitigation. When events such as medical emergencies or infrastructure issues are added to the existing platform access and egress constraints, risk to passengers is amplified. Existing staff levels of dedicated Transit Safety Officers cannot respond to each occurrence of more pronounced crowding as it shifts from one platform to another.

### **Safety Marketing Campaign**

Metrolinx is committed to safety and as part of that is a robust education and awareness strategy throughout the year. The strategy for 2018-19 contains a number of tactical messages aimed to reinforce that with growth comes a bigger community of riders. Riders need to feel safe when using Metrolinx services, but riders also have a role to play in keeping each other safe as safety is everyone’s responsibility.

The intention of this campaign is to bring awareness to the most common safety mistakes people make, so they can avoid making them again or ever.

Ultimately, we are trying to ensure that our customers keep safety top of mind along their journey, year-round.

### **Campaign Launch Event at Union Station**

Metrolinx held a public launch event for the safety marketing campaign at Union Station’s York Concourse, which included a branded booth and pull-up banners with campaign

creative, staffed with Transit Safety Officers. This event provided us with a great opportunity to kick start this year's safety campaign, showcasing to our customers how important safety is in our organization, and elevate the role of our Transit Safety Officers.

## 4.8 Customer Service Strategy

As outlined in the 2018-19 Corporate Strategic Objectives, Metrolinx is committed to improve customer satisfaction score to 86% by March 2019. GO Transit's Passenger Charter recently celebrated its 7th anniversary and has served to drive higher customer satisfaction results and a cultural change throughout the organization. This customer-first attitude has inspired the development of a new Metrolinx Customer Charter to deliver higher satisfaction, and fosters a better working relationship for the communities we serve and ourselves internally.

While we pause to reflect on, and celebrate our accomplishments and growth, we are also thinking forward to the remarkable transformation that lies ahead. As we prepare for the unprecedented growth brought by GO Expansion, UP Express improvements, and the continued rollout of PRESTO, a new Customer Service Strategy will be developed. Highlights of the 2017/18 customer service achievements include:

### Exhibit 6: Transit 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"> <li>Implemented safety recommendations identified through the APTA Safety Review of Union Station.</li> <li>Updated elevator in service performance tracking and maintenance strategy</li> <li>Implemented an incident management system that follows provincial standards and protocols</li> <li>Implemented an employee Ambassador Program to encourage Metrolinx employees to engage in the safety and comfort of all our customers</li> </ul>	<ul style="list-style-type: none"> <li>Roll out a new Customer and Safety Charter to ensure the commitments to our community are a core foundation of what we do across all brands</li> <li>Design and deliver updated safety training to frontline staff</li> <li>Continue work on reviewing the use of CCTV throughout the network, including parking lots, station buildings, platforms and parking garages</li> <li>Enable remote monitoring of the Audio/Video Recording System on buses</li> </ul>

Strategic Priority	We have	We will
<p>Holistic design excellence that enhances the customer experience while considering sustainability, social impact, accessibility, and affordability</p>	<ul style="list-style-type: none"> <li>• Established new interior and exterior design standards including accessibility for our stations</li> <li>• Updated and renovated a number of stations and added heated shelters, snow melt systems and other amenities</li> <li>• Started construction on a new Union Station Bus Terminal</li> <li>• Introduced new uniforms for our front line staff</li> <li>• Created new standards for layout and design of train coaches and buses to improve comfort and accessibility for customers</li> <li>• Addressed accessibility requirements in our select train coaches</li> </ul>	<ul style="list-style-type: none"> <li>• Continue improving standards for interior and exterior design to ensure accessibility and ease of use for all our customers</li> <li>• Centralize our Control Centre, Station Services and Transit Safety in one operational hub to provide seamless support to our customers</li> <li>• Install an environmentally friendly water treatment system to provide highly effective, all-purpose cleaning and sanitizing in our new stations by turning tap water into Stabilized Aqueous Ozone</li> </ul>
<p>Leveraging technology to delight customers and eliminate barriers to self-serve</p>	<ul style="list-style-type: none"> <li>• Expanded the availability of real-time information across our existing channels, including digital departure boards at 14 of our high-volume bus terminals</li> <li>• Reviewed mobile ticketing solutions to allow for advance ticket purchases</li> <li>• Implemented automated audio/visual Next Stop announcements on board our trains</li> <li>• Implemented new PA systems to improve audibility of announcements at all stations</li> <li>• Enabled Wi-Fi at all stations, and have begun piloting Wi-Fi on trains and buses</li> </ul>	<ul style="list-style-type: none"> <li>• Implement digital signage system-wide, and real-time Next Bus information</li> <li>• Make Wi-Fi available on our trains and buses</li> <li>• Make it easy for our customers to use self-serve, including: PRESTO loads; Interactive Voice Response at each call centre; webchat VA; Twitter and On The GO followers</li> <li>• Develop a single-use ticket that customers can use with PRESTO</li> <li>• Develop a PRESTO mobile app that will allow customers to reload their cards and tap on devices</li> </ul>

Strategic Priority	We have	We will
Preparing for GO Expansion and increased ridership	<ul style="list-style-type: none"> <li>• Continued to acquire and update rail coaches</li> <li>• Developed plans to mitigate customer impacts during construction</li> <li>• Reviewed the fare inspection program to meet increased volume of customers</li> </ul>	<ul style="list-style-type: none"> <li>• Develop a Customer Satisfaction continuous improvement plan</li> <li>• Review existing policies to ensure they meet our customers' needs going forward</li> <li>• Develop our Customer Service Delivery Training Strategy</li> <li>• Add 272 new double decker buses available by March 2020 - these buses will offer improved on-board accessibility and comfort</li> <li>• Add 200 new train coaches to carry more customers by 2020</li> <li>• Order and add 16 new locomotives through 2019</li> <li>• Design and implement a service status communication model for GO Expansion across all channels</li> </ul>
Strong partnerships and retail offerings	<ul style="list-style-type: none"> <li>• Implemented a Union Station Revitalization program that will add retail stores for customers</li> <li>• Launched a pilot in partnership with Loblaw "PC Express" - that provides our customers the ability to order the groceries they need, and pick them up at their local station</li> <li>• Launched a pilot in partnership with major retailers a program that lets customers purchase a PRESTO card at convenient retail locations</li> </ul>	<ul style="list-style-type: none"> <li>• Make Union Station a key destination for our customers, by opening the revitalized Bay Concourse with new retail offerings</li> <li>• Automate a solution for PRESTO that makes it easier for our customers to be credited for missed taps</li> <li>• Look at options for shipping PRESTO cards that are pre-activated</li> </ul>



Strategic Priority	We have	We will
Communications and wayfinding to make the journey easier	<ul style="list-style-type: none"> <li>• Introduced programs to set signage and maintenance standards at stations and on board vehicles</li> <li>• Continued to enhance training to our front line staff focusing on customer service excellence</li> <li>• Continued to expand French Language service offerings</li> <li>• Continued to expand and evolve our customer communications channels</li> <li>• Enhanced wayfinding at Bloor station</li> <li>• Piloting new signage at Union Station to improve wayfinding</li> </ul>	<ul style="list-style-type: none"> <li>• Improve station signage and wayfinding through a Stations Quality Assurance program</li> <li>• Ensure onboard bus and rail announcements are also provided in French</li> <li>• Develop French Language Services Act and Accessibility plans for our Customer Information Systems</li> <li>• Continue to improve the GO Transit website to make it easier for customers to find the information they need</li> </ul>

## CUSTOMER CHARTER 2017-18 RESULTS

The Customer Charter 2017-18 results for GO Transit can be seen in Exhibit 7 below.

### Exhibit 7: Customer Charter 2017-18 Results

	Customer Charter Measure	Target		2017-18	2016-17
				Fiscal Year	Fiscal Year
On time	We will run 94% of trains within five minutes of the scheduled time.	94%	✓	95%	95%
	We will run 94% of buses within 15 minutes of the scheduled time.	94%	✓	94%	95%
Safety	We will have 30 or fewer complaints per 1,000,000 boardings regarding safety.	30	✓	28	32
Keeping you in the know	77% of our customers will be satisfied with GO Transit's communication as measured by our customer satisfaction survey.	77%	Not yet met	71%	65%
	We will have 30 or fewer complaints per 1,000,000 boardings regarding service	30	✓	16	25

	Customer Charter Measure	Target		2017-18	2016-17
				Fiscal Year	Fiscal Year
	status communication.				
Comfortable experience	We will have 30 or fewer complaints per 1,000,000 boardings regarding comfort in stations, trains and buses.	30	✓	28	41
Helpfulness	We will ensure 85% or more of customer inquiries/concerns are resolved the first time they contact us.	85%	✓	97%	100%

GO Transit has achieved 6 of the 7 targeted key performance indicators (KPIs). The one promise we have not met is the 77% satisfaction on GO Transit's communication as measured by our customer satisfaction survey. While we are proud of these achievements, we realize there are still targets to meet, and that there is always room to grow and do even better.

We realize that "keeping you in the know" is an area that our customers would like to see improvements and these are some of the actions we're undertaking to make communications with our customers better:

- French automated announcements will accompany the English announcements
- Reviewing TTC protocols when there is a service disruption
- Rolling out a new public address system in our stations with automated announcements
- Continuous improvement of the gotransit.com website by taking user experience feedback from our customers

## 4.9 Network Operation Control

To support 2018-19 Corporate Strategic Objectives, Metrolinx is committed to implementing LEAN continuous improvement and achieve Control Rooms for all operation teams by March 2019 (Strategic Objective #2).

In early 2017, the Network Operations Control Program Management Office was refreshed to support the transition from the current GO Transit Control Centre (GTCC) to the new Network Operations Centre (NOC). The main objective of this office was to provide oversight to both Delivery (Construction, Radio, GO Transit Control System, Facility Management & Technology) and Business Transformation (Organizational Design, Business Process Design, Change Management and Operational Readiness) elements of the move.

The new NOC will co-locate multiple operational groups into a new facility, maintain a focus on continuous improvement and enhance communication with the use of new technology. This change is expected to decrease operational expenses, improve customer outcomes

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and in turn encourage growth in ridership revenue. Metrolinx is also exploring the possibility of generating non-fare revenue from partnership and space leasing opportunities in NOC data centre.

Due to the Future growth in ridership and enhancing the on time performance reliability of our service, there are two main economic benefits. The anticipated economic benefit of at least 33 cents (CAD) for every vehicle kilometer decreased from the roads of the Greater Toronto Area (GTA) and the economic benefit of the time saved consistently is 28 cents (CAD) per passenger minute.

In the summer of 2017, a new Organizational Structure in Transit Operations was presented to Metrolinx and a Director for Network Operations Control was appointed. In this structure, Network Operations Control was officially announced as a division that supported the current GTCC and the future NOC. In addition, the new structure is set to accommodate the growth of future services including: Rail Traffic Control (RTC), Rail Corridor Control (RCC) and Electrification.

In 2017, Metrolinx entered into a Memorandum of Understanding (MOU) with Infrastructure Ontario (IO) to oversee facility management services for the new NOC. IO was selected because IO had experience in managing similar complex facilities for Government of Ontario agencies. In addition, IO already had a contract with a suitable service provider. Metrolinx began to work with IO in order to realize these financial economies of scale.

In early May 2018, the construction of the NOC reached substantial completion. The facility is expected to become operational in autumn of 2018. Metrolinx is committed to the implementation of LEAN methodologies in Operations. As a first step, a LEAN control room was piloted and implemented in one of our operational teams in spring 2018. Based on this pilot, there will be expansion of the program with further releases at the GTCC, the NOC and other departments in Operations. Implementation is projected for autumn 2018.

## **4.10 Enterprise Asset Management**

During 2017-18, the Enterprise Asset Management (EAM) transformation program focused on delivering key foundational elements including:

- an enterprise wide Asset Management Policy
- Strategic Asset Management Plan
- a standard for Asset Management Plans
- a proposed Asset Management Office (AMO) structure and target operating model
- organization wide EAM business processes
- High level people change impacts and resultant people change management and training strategies
- required enabling technology architecture
- EAM Implementation Plan

Another key activity which also directly supported the RER initiative was the completion of data collection for Rail Corridor assets including the digitization of asset related documents

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For 2018-2019, the focus of the EAM program will be to build and operationalize the EAM system for two business units: Rail Corridor Infrastructure (Signals, Bridges, Tracks) and Facilities (Customer facing facilities, maintenance facilities). This includes the rollout of the EAM system to the organization including Business Processes, Technology, Data, and AMO.

Furthermore, in support of the State of Good Repair funding request process, the program will support the various Business Units in developing their Asset Management Plans, which are required by the Infrastructure for Jobs and Prosperity Act.

## **5.0 PRESTO**

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### **5.1 PRESTO Fare Card Highlights**

The PRESTO system has been successfully deployed throughout GO Transit, Union Pearson Express (UP Express) and on the municipal transit agencies of Brampton, Burlington,

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Durham, Hamilton, Mississauga, Oakville, York (collectively referred to as the 905) and in Ottawa (OC Transpo). Additionally, Metrolinx is in the midst of completing deployment of PRESTO functionality across the Toronto Transit Commission (TTC). Metrolinx has begun to shift its TTC efforts from deployment of PRESTO fare payment devices on all vehicles and subway stations throughout the system, towards delivering the fundamental and value-added functionalities that will complete our five-phased deployment.

In 2018-19, the strategic priorities for PRESTO are a combination of PRESTO's divisional long-term strategy and Metrolinx Corporate Strategic Objectives for PRESTO. At the divisional level, PRESTO's strategic priorities are consistent with the updated 2017-2022 five-year PRESTO strategy: to increase adoption, enhance the customer and client experience, continue evolving the business model and extend the system's footprint. Corporately, PRESTO has also signed up to the ambitious objectives of delivering a new form of payment by February 2019 and reducing its operational costs by 25%. On the client side, our focus will be on successfully implementing the new 10-year agreements with the 905/Ottawa/GO Transit/UP Express, and also concluding the remaining elements of the TTC PRESTO deployment, moving to steady-state operations.

In 2017-18, PRESTO adoption continued to grow to a 3.8 million activated PRESTO cards by March fiscal year end, an increase of over one million since that time last year. The overall PRESTO adoption rate has now reached 37.4% led by GO Transit (87.7%) and the combined 905 Transit Agencies (59.0%). Metrolinx also began regularly processing more than one million PRESTO transactions per day, and monthly PRESTO card boardings have steadily increased to a high of almost 33 million in March. The Toronto Gateway Newstand program expanded to a total of 60 locations, and PRESTO completed the first phase of the retail partnership rollout at 93 Shoppers Drug Mart stores. As of March, 195,000 cards have been sold from the Gateway locations and 89,000 cards have been sold from Shoppers Drug Mart locations.

PRESTO customers were also introduced to the rebranded black PRESTO card in last year with the exclusive launch of the new card at the Toronto Shoppers Drug Mart locations. Rollout of the new cards has also now expanded to main channels, such as the website.

For TTC customers, efforts have focused on the delivery of fundamental PRESTO functionality, including period passes (i.e. monthly TTC passes) and the Autorenew program, which allows customers to have their monthly TTC passes automatically renewed on their PRESTO cards each month. And in January 2018, more good news for the regional PRESTO traveller came by way of a discounted fare for PRESTO customers who use the TTC in combination with either GO Transit or UP Express. These customers now pay \$1.50 for the TTC leg of their journey when transferring within the eligible transfer time windows. Adult customers who use these transit agencies to commute to work five days a week will save an average of \$60 each month. 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 2017-18 PRESTO continued to make progress with device rollouts and improvements across the network including:

- Retrofit of select Ticket Vending Machines (TVMs) along the GO Transit and UP Express network with PRESTO functionality - most notable is their ability to dispense,

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- load and query PRESTO cards. By the end of the year, 83 of the 183 TVMs included in the plan were updated, 11 including card dispensing capabilities.
- Deployment of the new PRESTO Fare Vending Machines began in late 2017. Metrolinx initially launched these fully self-serve machines in the TTC's new Line 1 subway extension stations along with Sheppard West and Wilson stations in December. These devices allow customers to purchase a PRESTO card with cash, credit or debit, add value or a monthly pass to their card, and check card balances or transaction histories. Expansion to all remaining TTC subway stations is underway.
  - Rollout of next-generation of Self-Serve Reload Machines which have improved performance, reliability, and responsiveness and were also first installed at the Line 1 subway extension stations in time for the December opening and now complete through all TTC stations. The next-generation SSRMs will also be installed in GO station, giving customers increased options for how to load funds onto their PRESTO cards
  - Civil works construction continued to prepare all remaining TTC subway stations for the new PRESTO-enabled TTC fare gates. All 75 TTC subway stations are now equipped with modern fare gates.

## 5.2 PRESTO Customer Service Strategy

Metrolinx is committed to ensuring an excellent PRESTO customer experience and has continued to make customer service a top priority. The organization has recently updated its methodology to align PRESTO customer satisfaction survey/score with other Metrolinx brands (GO Transit and UP Express) and will continue to analyze the data gathered. In addition, Metrolinx will start measuring customer satisfaction for PRESTO bi-annually to gain more insights such as seasonality factors.

During the 2017-18 fiscal year, Metrolinx completed a number of improvements to customer experience. Key accomplishments include:

- Increased PRESTO card availability channels through Gateway Newstand in subway stations and completed the first phase of the retail partnership rollout at 93 Shoppers Drug Mart stores in Toronto.
- Launched a website customer service chat program pilot, which allows customers to receive PRESTO support and answer questions. The success of the pilot led to the expansion of the Virtual Assistance to 24-hour service, and the Live Chat to weekend service to match the PRESTO Contact Centre hours. PRESTO is the first electronic fare payment system in the world to offer this type of website chat program to its customers
- Introduced TTC period passes (i.e. monthly TTC passes) and the Autorenew program, which allows customers to have their monthly TTC passes automatically renewed on their PRESTO cards each month.
- Introduced discount program for customers transferring between TTC and either GO Transit or UP Express. Adult customers who use these transit agencies to commute to work five days a week will save an average of \$60 each month.

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- Completed system enhancements that improved customer capabilities on the PRESTO website and Interactive Voice Response system, as well as enhanced website security measures.

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

- Completing the deployment of Fare Vending Machines and the next generation Self-Serve Reload Machines in TTC subway stations and GO Transit stations
- Working with TTC to expand the new 12-month pass program for adult PRESTO cardholders, the launch of TTC's two hour times based transfer on PRESTO and the introduction of PRESTO Tickets.
- Updating the customer website with new enhancements, which includes the simplification of registration and checkout improvements.

### **5.3 PRESTO Business Model and Service Provider Engagement**

Following four years of negotiations, new 10-year agreements with PRESTO's transit agency clients (with the exception of TTC, whose current agreement also extends until 2027) have been finalized and came into effect on January 1, 2018. As part of the agreement, Metrolinx is working with the 905 transit agencies (Hamilton, Burlington, Brampton, Oakville, York, Mississauga and Durham), GO Transit and UP Express on a plan to update PRESTO fare equipment and provide additional functionality that will enhance our clients' and customers' experiences with PRESTO.

As part of the new agreements with OC Transpo, Metrolinx also worked with OC Transpo to develop and implement a new type of business model for PRESTO. This model moves the ownership, operation, maintenance, and accountability of fare load and payment equipment, including the device subsystem, from PRESTO to the transit agency. Teams from both organizations collaborated over the fall of 2017 to put this model in place beginning with the successful launch of the new OC Transpo-owned, PRESTO-enabled equipment on the Trillium Line, which will be followed by the new Confederation Line in 2018.

The key terms of the new agreements with the transit agencies include:

- A 10-year term, expiring on November 27, 2027 coincident with the termination of the initial term of the agreement with the TTC
- Provision of "core" services to all municipalities at a cost maturing to 6% (from a pre-renewal rate of 2%) of revenue collected through PRESTO
- Provision of additional "common" services to 905 municipalities, maturing to a cost of 3% of revenue collected through PRESTO
- Governance of the PRESTO payments scheme by a management group comprised of five representatives: Metrolinx-PRESTO, Metrolinx-Operations, TTC, OC Transpo and a representative for the 905 transit agencies

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## 5.4 Implementing New Forms of Payment

Metrolinx is continuing to explore new forms for fare payment and will launch two new products in the near future – a first for PRESTO since its inception 10 years ago.

### **PRESTO Tickets**

PRESTO Tickets are disposable non-reloadable fare media used by TTC travellers who will only be using transit for a limited period of time. These PRESTO Tickets will be sold at select PRESTO sales outlets within Toronto, including Shoppers Drug Mart, and the Fare Vending Machine kiosks.

PRESTO Tickets utilize NFC technology and can be used anywhere PRESTO cards are accepted for fare payment on the TTC. These tickets may also be ordered pre-encoded in bulk for special events and conferences and are disposable after the value has been depleted. PRESTO Tickets are expected to launch to the public in February 2019, initially offered as adult single-rides with other products released at future dates.

### **PRESTO Mobile**

As an alternative to the plastic PRESTO cards, transit users with compatible mobile devices will be able to electronically load a Virtual PRESTO card directly on their mobile device through the PRESTO Mobile app. Virtual PRESTO cards are used in the same way for fare payment – a customer would tap their mobile device on a PRESTO payment device just as they would a physical plastic card. In real-time, users will also be able to check their card balance and history directly from their mobile device. Customers will also benefit from being able to add value to their virtual PRESTO card directly from their mobile devices and use it immediately. The first phase of PRESTO Mobile is targeted for end of 2018, with the Virtual card offering targeted for 2019.

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## 6.0 Rapid Transit Implementation (RTI)

### 6.1 Rapid Transit Projects

The Eglinton Crosstown LRT project is being delivered through a Design-Build-Finance-Maintain (DBFM) AFP contract. Metrolinx awarded this contract in July 2015 to Crosslinx



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Transit Solutions (Crosslinx) and construction commenced in March 2016. Early stage construction activities, which included a separate contract for the west and east tunnels, were completed as of January 2018. In 2018-19, Crosslinx will complete the advanced design packages, continue to work on securing connection agreements with Toronto Hydro and obtaining requisite permits from various authorities; Metrolinx will complete outstanding property acquisitions.

If last year was the "year of the dig" with hundreds of thousands of tons of earth removed, this year will be the "year of the build" as construction begins on the very first station box underground for Keele Station.

The process of building the flat concrete base for tracks continues in the tunnels between stations and crews will be subsequently installing the service walkways, handrails, duct banks and track fasteners to prepare the tunnels to be operation-ready. A test section of tunnel has been fitted out, including tracks, between the West Portal at Mount Dennis and Keele Station.

Construction of the Eglinton Maintenance and Storage Facility (EMSF) is expected to wrap up later this year. The Eglinton Crosstown LRT is scheduled to be completed in 2021.

In May 2018, Metrolinx awarded a contract to Mosaic Transit Group to design, build, finance and maintain the Finch West LRT. Preparatory works have been on-going, including survey and geotechnical investigations, and utilities relocations, and will be completed by December 2018. Required property acquisitions have been identified and negotiations are ongoing to acquire 95 properties. Construction is expected to begin in fall 2018 and is scheduled to be completed in 2023.

The Hurontario LRT project is also in the procurement stage as a Design-Build-Finance-Operate-Maintain (DBFOM) AFP contract. The RFP was released in August 2017 and contract award is scheduled for Winter 2019. Property acquisition is on-going and utility relocations are underway for Bell Canada assets at the future Port Credit Station and Cooksville stop. Construction is scheduled to begin in 2019 to achieve the in-service date in 2022.

The Hamilton LRT project is also in the procurement stage as a DBFOM AFP contract. In April 2018, the Request for Proposals (RFP) was released to shortlisted proponents. Upon evaluating the received proposals, Infrastructure Ontario and Metrolinx expect to select a preferred proponent and award the contract in 2019. The expected in-service date of the LRT is 2024.

Two segments of the vivaNext BRT program are currently in service: Davis Drive and the Highway 7 East segment. Total completion of the Highway 7 West Vaughan Metropolitan Centre (VMC) was achieved in April 2018. Construction continues on the remaining Highway 7 and Yonge Street segments with scheduled completion by 2020.

## 6.2 Funding for Other Future Projects

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

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- Yonge Subway Extension;
  - Relief Line;
  - Durham-Scarborough bus rapid transit;
  - Dundas Street bus rapid transit and priority bus, linking Toronto, Mississauga, Oakville and Burlington; and
  - Brampton Queen Street rapid transit

Note that project alignments are provisional, subject to more detailed planning studies.

## **7.0 Regional Transportation Planning**

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### **7.1 Regional Transportation Plan**

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The **Regional Transportation Plan** (RTP) was adopted by the Metrolinx Board of Directors on March 8th, 2018 and forwarded to the Minister of Transportation, as required by the Metrolinx Act, 2006. The RTP replaces The Big Move in guiding how Metrolinx and all stakeholders in the Greater Toronto and Hamilton Area (GTHA) will work together to plan, build, operate and maintain the region's transportation system over the next 23 years. Public consultation was integrated into the plan (see the **Engagement Report**), informing the draft final version presented to the Board in March 2018.

At the March 2018 meeting, the Board also adopted the **"Making It Happen"** paper, launching a regional discussion on transportation decision-making, funding, priority-setting and monitoring, to respond to stakeholder queries on how the RTP's Strategies and Priority Actions could be delivered. Making it Happen proposes ways for transportation stakeholders to move forward with all modes of transportation, building on the RTP's 5 Strategies:

- Complete the delivery of current regional transit projects
- Connect more of the region with frequent rapid transit
- Optimize the transportation system
- Integrate transportation and land use
- Prepare for an uncertain future

The RTP presents a shared vision for the region's transportation system over the long-term, to 2041. To help identify how the plan will be implemented, Metrolinx will convene a series of meetings, workshops and roundtables with stakeholders and the general public in 2018. In alignment with one of the 2018-19 Corporate Strategic Objective to convene with transit operators in an intra-governmental forum to address regional transit issues (Strategic Objective #10), Metrolinx convened a roundtable of municipal CAOs and City Managers that provide transit services, in the summer of 2018, to address region-wide transportation issues, building on the relationships that staff built with municipal planning leaders through the legislated review and update of the RTP. Staff will report back to the September 2018 Board meeting with an update.

Metrolinx will provide technical support and advice to the Ministry of Transportation in the development of broader provincial transportation plans and policies that apply to the RTP area, including MTO's Greater Golden Horseshoe Transportation Plan that is under development, to ensure alignment with RTP. Copies of the RTP can be downloaded at [Metrolinx.com/theplan](https://www.metrolinx.com/theplan).

## 7.2 Metrolinx Mobility Management

Metrolinx is leading the transformation of regional travel, reducing the need for single-occupancy vehicles, with work in four distinct planning areas: Transportation Demand Management (TDM) Programming, Regional Data Solutions, Multi-Modal Access and New Mobility. Metrolinx delivers programs that leverage tools and tactics to connect commuters to a variety of travel options.

Metrolinx continues to deliver the Smart Commute Workplace Program in partnership with the regional municipalities of the GTHA. Service support and online tools are available for

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workplaces that want to deliver programming themselves. Consultative services are available to those that want support in the form of site assessments, surveys and custom projects to act on behaviour change opportunities. The program also enables regional municipalities to directly fund projects that support commuters to and from local transit stations and rapid-transit corridors. Currently the program engages more than 400 workplaces, and saw 66 behavior change projects completed in 2017.

Metrolinx continues to support and lead the coordination of the GTHA Active and Sustainable School Transportation (ASST) Regional Hub. This stakeholder group fosters collaboration between more than 100 participants involved in sustainable school travel in the GTHA, from transportation, planning and recreation departments, academia, public health, school boards, police and non-profit organizations. Metrolinx continues to support with capacity building, and research which is focused on achieving the 2041 RTP goal of 60% of students walking and cycling to school in the GTHA.

Metrolinx continues to support the attractiveness of multi-modal access modes to GO Transit Stations, Light Rail Transit and Bus Rapid Transit corridors. Working to achieve the mode shift targets set out in the 2016 GO Rail Station Access Plan, Metrolinx achieves RER ridership targets through programming and coordination with partners. Metrolinx conducts this work in collaboration with a cross-agency working group focused on Station Access Plan implementation, as well as parking programs, improving transit connectivity, and active transportation amenities. Along LRT and BRT corridors Metrolinx and its partners will continue to support delivery of TDM programs and services to schools, workplaces and the wider community in order to help connect the community to their travel options during and after construction.

Metrolinx is developing tools and tactics to connect GTHA residents with their travel options. Triplinx, which is a regional data governance project, as well as a website and app (iOS and Android) continues to build towards becoming the “GPS of multi-modal travel”, incorporating travel information for transit, walking, and cycling. Metrolinx continues to add additional agency partners, as well as various tools to support commuter travel across the region. In the long term, Triplinx is working with the PRESTO to build out a single app that will allow travelers to plan their trip, and to pay for the various modes of travel, all from one app.

Finally, Metrolinx researches and develops partnerships and pilots to deliver New Mobility solutions and deepen understanding of emerging modes. Metrolinx is currently focused on enhancing shared mobility through work in micro-transit, autonomous vehicles, Mobility as a Service and parking alternatives. This team also liaises with the Province on broader “First Mile/Last Mile” initiatives. With the rapid progression of technology, as well as the need to deliver travel options that are time and cost competitive while providing a high-quality experience, the work that is taking place will define the future of mobility in the GTHA.

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## 8.0 Marketing

In 2018-19, Metrolinx is committed to increase ridership on our services (Corporate Strategic Objective #15), increase revenue secured through fare and non-fare revenue streams (Corporate Strategic Objective #14) and generate and build awareness, prompting

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demand for transit projects. To achieve this, Metrolinx will utilize data-driven customer insights and analytics to inform, guide, and prioritize efforts to:

- Retain existing GO/UP customers by improving the customer experience and developing effective products, promotions and partnerships that encourages them to ride with us more often;
- Acquire new customers by convincing them of the ease, convenience, and affordability of our services, and
- Promote new transit services that best meet public demand and confirm Metrolinx as a leader in building and operating transit.
- Use partnerships to improve the customer experience while generating new revenue to fund transit initiatives

## **8.1 Enhancing the Customer Experience, Driven by Customer Insights**

Metrolinx assess customer needs and expectations, producing evidence-based insights that are used across the organization to deliver a better customer experience. From voice of the customer market research to consumer data analytics, Metrolinx deliver insights to make informed decisions about customer behaviour and how they interact with the organization's services today, and predict what they want in the future to incent further use of the organization's services. This information informs our decisions relating to customer acquisition to customer retention and loyalty, and identifies where opportunities or challenges may lie.

In 2017/18, Metrolinx provided customer preference information that led to the delivery of new services and enhanced customer comforts including:

- Producing quarterly reports featuring the "voice of the customer" identifying customer pain points for resolution;
- Identifying customer preferences that led to the implementation of quick service restaurant pilot program at select GO stations;
- Uncovered customer pain points with construction at Union Station, leading to improved signage
- Building customer journey maps relating to the design of new transit construction in order to ensure customers have an easy experience
- Identifying customer comfort issues, leading to the development of marketing campaigns to improve etiquette and safety, leading to an enhanced customer experience;
- Using customer data points and preferences to work with service planning to identify preferred routes for customers.

Moving forward in 2018-19, Metrolinx will continue to utilize evidence-based insight in understanding customer behaviours, needs and expectations.

Metrolinx will establish a short and long term customer acquisition strategy in 2018. In addition, the organization will conduct customer research on expectations for service quality and trip choices (e.g. characteristics including: origins/destinations, frequency of

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service, speed, time of day, reliability, need by purpose of trip), trade-offs to inform future service planning, by identifying zones that demonstrate high value riders that will travel more. In addition, Metrolinx will establish GO and UP Express ridership capacity models to better understand customer ebbs and flows to identify options to promote service modifications.

## 8.2 Partnership & Non-fare Revenue

In its 2018-19 Corporate Strategic Objective, Metrolinx is committed to deliver a 3:1 revenue return on investment and increase non-fare revenue by 75% (Strategic Objective #14). In order to deliver on these commitments, Metrolinx is developing a plan to increase non-fare revenue and drive ridership with 429,000 incremental boardings (over and above service expansion and organic growth) on bus and rail, generating an additional \$3.1 million dollars in revenue. Additional revenues will be used to supplement offerings that will improve customer experience and build ridership. Building upon past successes in 2017-18 whereby:

- Non-fare revenue generated through advertising, billboards and Union Station retail increased approximately 13%, driven by increases in third-party advertising sales across the GO Transit network and the popularity of retail in the York Concourse at Union Station;
- Launched promotional partnerships to encourage ridership, including the highly-successful re-launch of the Seasonal Niagara Service, whereby GO partnered with local business and Niagara Parks Commission to deliver a fulsome experience to customers. Marketing delivered proactive campaigns and marketing, leading to an overall 46% increase in ridership (over the same period in 16/17);
- Expanded partnerships that encourage taking GO Transit to events: such as the Honda Indy Toronto, Canadian National Exhibition and the Royal Agricultural Winter fair. Nine cross-promotions with discounted tickets in 2017 resulted in more than 106,000 incremental off-peak rides; and
- Implemented customer Wi-Fi pilot whereby select trains and buses have been equipped with free Wi-Fi. Expansion of program will occur over the next year once a final proponent has been selected.

Moving into 2018-19, Metrolinx will use customer insights to identify ways to incent customer behavior and offers additional products and services to off-set operating costs. An example of this is the pilot launch of PC Express at select GO stations, helping improve the customer journey. Working with Shoppers Drug Mart to continue to expand the distribution network of PRESTO cards throughout the "905", "416" and Ottawa, increasing convenience and making PRESTO more accessible to customers.

In alignment with 2018-19 Corporate Strategic Objective of Implementing Retail Strategy (Strategic Objective #11), Metrolinx will continue to develop retail principles and present a multi-year retail strategy as a part of transit oriented recommendation with Planning & Development Division. Retail space at new and existing stations will continue to be expanded, informed by data insights gathered by our Customer Experience team that informs of local markets and customer preferences.

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Metrolinx is focused on developing a multi-year revenue strategy with a focus in the first two years to increasing non-fare revenue by 37% by March 2019 and lay foundation for 75% increase in FY 2019/20, by examining all options such as advertising expansion, promotional and strategic partnerships, commercializing the organization's assets (land and ridership) and build revenue-driven partnerships, improving the customer experience.

Metrolinx will complete an analysis of the commercialization opportunities to be foundational information for the multi-year fiscal strategy.

## **9.0 Metrolinx Internal**

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### **9.1 Business Planning Improvement**

The Annual Business Planning Process for 2018-19 has been enhanced this year through the implementation of a new level of Divisional KPIs with associated targets. The Divisional

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KPIs relate directly to the new Metrolinx Corporate Strategic Objectives, and are designed to drive Senior Management accountability and achievement of the Corporate Strategic Objectives.

The Divisional KPIs are complementary to the existing Corporate Public Facing KPI set and although they overlap in certain instances, the two sets have different purposes. The Divisional KPIs will be used by Senior Management to drive business results whereas the Corporate KPI set is designed for stewardship purposes to demonstrate overall corporate performance to Metrolinx stakeholders, namely the public and the Ministry of Transportation of Ontario. The Divisional KPI set will evolve overtime and eventually will be expanded to include KPIs for middle management to drive the alignment of objective achievement at all levels.

To ensure that Divisions follow through on their strategic objectives and plans, a new monthly management reporting process is being implemented for fiscal 2018-19. Senior Management will be required to report on the progress against their Strategic Objectives through the Divisional KPI results vs target and their financial results vs budget. The reporting will include an assessment of risks in both achievement of objectives and budget along with the action plans to mitigate any issues or risks. This new process will add the necessary rigour to existing reporting processes and ensure risks and issues are identified and addressed in a timely manner.

Finally, to support the new monthly management reporting process, a new release of the Hyperion Planning system is being implemented in fiscal 2018-19. This new release introduces labour tracking at a position level, monthly FTE reporting vs budget and vacancy reporting. It also includes improvements to variance and justification reporting as well as introducing a cost allocation framework which will allow costs to be fully allocated to operating divisions and programs.

## **9.2 Auditor General Review**

### **Highlights from Fiscal 2017-18**

In 2017-18, Metrolinx completed a number of significant assurance engagements including the Cyber Security Program assessment; Disaster Recovery and Business Continuity Planning; and the GO Transit Bus Services Operations and Maintenance audit. Other significant work included completion of the GO Transit Cash Management and Inventory audit; Expense Control audit; Metrolinx Employee Privacy assessment; and the establishment of a Whistle-Blower Hotline.

### **Initiatives for Fiscal 2018-19**

Metrolinx key audit initiatives for 2018-19 will be in the areas of RER Readiness, Procurement Services, Regulatory Compliance, I&IT Governance and Rail Operations. Continued support will be provided on the Enterprise Safety and Security Framework, Cybersecurity Program, Integrate Metrolinx (Enterprise Resource Planning), AssetLinX



Program (Enterprise Asset Management), Support for Fare Integration and Metrolinx Culture Assessment.

### **Auditor General of Ontario Activities**

The Office of the Auditor General of Ontario (Auditor General) will continue to have significant presence at Metrolinx due to the nature and scale of Metrolinx's mandate. Previous Auditor General reviews of Metrolinx yielded reports on Public Transit Construction Contract Awarding and Oversight (2016); and Regional Transportation Planning (2012, 2014, 2017). In November 2017, the Auditor General initiated a Value-for-Money Audit on Light Rail Transit planning and construction under the Regional Transportation Plan as well as GO Station Selection. The final Audit results will be presented in the Auditor General's 2018 Annual Report, expected to be released in December 2018.

## **9.3 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 fifth consecutive year, one of Canada's Top Employers for Young People for 2018 for the sixth consecutive year, and one of Canada's Greenest Employers for 2018 for a second consecutive year. We continue to invest in having the right people, in the right roles, delivering on our four pillars of success; Safety, Customer Experience, People, Planning & Building.

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. Diversity & Inclusion (D&I) is both a strategic focus and program containing multiple initiatives that 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. One of our 2018-19 Strategic Objectives is a gender balance target for senior managers and above to 32% by December 2018 (50% by 2021). Following is an overview of our strategy and progress to date.

### **Exhibit 8: Diversity & Inclusion Strategy**

<b>D&amp;I Pillar</b>	<b>Definition</b>	<b>Implemented to Date</b>
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<b>Leader Behaviour</b>	<i>Leaders at all levels consistently embrace and demonstrate inclusive behaviours</i>	<ul style="list-style-type: none"> <li>• Leadership training programs that establish expectations for inclusive behaviours with regard to talent acquisition, development and engagement</li> <li>• Leadership conferences (3x per year) are now full day events with focus on what leadership means at Metrolinx</li> </ul>
<b>Employee Experience</b>	<i>Employees feel comfortable bringing their authentic self to work and being heard, valued, and respected.</i>	<ul style="list-style-type: none"> <li>• Employee Resource Groups (ERGs) launched for underrepresented populations</li> <li>• Focus groups across the organization specific to Intl. Woman's Day, Black History Month</li> <li>• Programs for retaining women are being implemented that focus on alternate work arrangement, family care resources and mentoring/sponsorship for career progression</li> </ul>
<b>Diversity of Thought</b>	<i>Diversity of thinking approaches are embedded and optimize how we work together</i>	<ul style="list-style-type: none"> <li>• SMT Forum includes a greater span of differing insights and opinions of a larger leadership group</li> <li>• Introduction of tools and techniques for leaders to raise awareness on the 'rules of diverse engagement'</li> </ul>
<b>Organizational Systems</b>	<i>Systems and infrastructures at Metrolinx are inclusive and support diversity</i>	<ul style="list-style-type: none"> <li>• Unconscious Bias ("UB") live training and on-line modules rolled out to talent acquisition and HR</li> <li>• Recruitment process streamlined and hiring managers prepped through a 'HireRight' program with embedded focus on UB and the impacts on talent decisions</li> </ul>

Metrolinx human resource objectives for 2018-19 are fully integrated into our Corporate Strategic Objectives, all of which have people implications. The Human Resources 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. Delivering on our strategic objectives requires agility in talent acquisition, development and retention along with a flatter, more responsive structure. 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, 2018, total Headcount of active unionized and non-unionized employees on payroll was 3,803; consisting of 3,294 regular full-time (FT), 358 regular part-time (RPT), 62 long-term contract (CLT) and 89 short-term contract (CST) employees. In addition, there are 145 employees on leaves of absence (including medical, parental, maternity, WSIB, and other leaves) and 74 students (comprised of CO-OP Students, Summer Students, Interns, Research Fellows and Articling Students).

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Our Senior Management Team committed to delivering on fifteen Corporate Strategic Objectives in 2018-19, all of which have people implications. For 2018-19, Metrolinx has approved an increase of 319 positions, including permanent full-time, contract and student positions. This growth supports the delivery of fifteen corporate 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 57% 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.

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

- A comparator group of 34 public sector organizations was used to develop the executive salary range structure and the compensation philosophy to pay at the 50th percentile of Total Cash Compensation
- Metrolinx posted an approved executive compensation program framework in March, 2017
- A new regulation introduced in June 2017 restricts Metrolinx's ability to change executive salary ranges (the "Amended Regulation"), requiring Metrolinx to re-file its executive compensation framework for any future adjustments to executive salary ranges

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

The current total rewards offering for non-union employees at all levels includes; salary, pay for performance compensation, benefits, wellness and recognition programs. Human

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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. 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. 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.

A healthy workforce enables the productivity required to support the organization's goal of building an engaged and a diverse workforce. 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.

## **9.4 I&IT Profile**

I&IT enables Metrolinx lines of business to achieve their strategic initiatives in alignment with the Metrolinx Strategic Objectives through the development of the right products, supporting assets and processes, and integrating and managing new services into existing environments.

### **Key Metrolinx I&IT Initiatives in 2018-19:**

#### **1. Integrated Control Centres Technology (ICCT)**

The ICCT Program will deliver the technology that is needed for the new Oakville facility to function as the GO Transit Network Operations Centre (NOC). The benefits of the move / consolidation to a new facility will be improved service recovery coordination, greater accountability and responsibility for overall recovery and integration of new functions resulting in improved passenger safety and enhanced customer communications. ICCT will deliver facility systems, voice services, end user devices (computers, monitors, etc.), audio visual (video display with multiple screens, video conferencing), and a Data Centre

#### **2. Web Redesign - GO Transit website**

The Web Redesign project is enhancing the [gotransit.com](http://gotransit.com) website for a better user experience. Over the past 6 months the project has delivered changes resulting in a better user experience while ensuring that it is fully AODA compliant. In addition, the project has implemented a dynamic Web Content Management system to streamline content maintenance. In 2018-19, the project will deliver a more robust search functionality with integrated trip planning, real-time alerts, and a completely mobile device friendly interface. Users will have more self-service options which will reduce reliance on the GO Transit Contact Centre for routine enquiries.

#### **3. Safety Management Software Solution**

Safety Management System (SMS) Regulations are a Railway Safety Act requirement. The Safety Management Software Solution Project will provide a company-wide, centralized

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system for reporting and analysis of safety-related events. The system includes the tools to facilitate reporting, risk assessment, investigation, corrective action, and audit processes. It will also alleviate operational pressures on people and processes through automatic process-driven workflows.

#### **4. Customer Wi-Fi**

The Customer Wi-Fi project will enable an onboard Wi-Fi service for riders on all GO Transit trains and buses. I&IT is supporting this initiative by assisting with proponent selection, project management, testing, and commissioning of the vendor-provided service. The improved, modern customer experience will attract new riders by offering ancillary services aligned with the lifestyles and the demands of GO Transit customers.

#### **5. Digital Signage Strategy Implementation (DSSI)**

The Digital Signage Strategy Implementation project will provide Metrolinx customers with real time service status information in a consistent content and look-and-feel experience. Customers will benefit from a system that delivers consistent information across the entire GO system by managing all digital displays at bus terminals, train stations, onboard vehicles (buses and trains) and in car pool lots. In early 2018, bus departure signage was rolled out at fourteen priority stations providing customers with real time, schedule information and immediate notifications of disruption. In late 2018, the harmonization of digital signage at Union Station and all other train stations to display train departure schedules and other customer messaging such as train cancellations and delays will be implemented.

#### **6. Infrastructure Monitoring**

The Infrastructure Monitoring project will provide Metrolinx with an end-to-end integrated systems-monitoring solution for timely identification of information technology disruptions. The project will provide Metrolinx with a real-time view of the health and availability status of all critical applications, hardware, and services, enabling effective 24/7/365 support. It will also generate reports for analysis, forecasting, performance tracking, and future planning.

#### **7. ProLinx**

The ProLinx project is moving our organization toward “One Metrolinx” by delivering an enterprise-wide portfolio, program and project management solution in alignment with the Metrolinx strategic vision and objectives.

The project is mandated to build standardized processes and system capabilities for managing portfolio, program, and project lifecycles, including resources and contracts. Implementation will increase transparency, accountability, productivity, and collaboration in the way we plan, operate and report while enabling timely data-based decision-making.

#### **8. Electronic Document and Records Management System (EDRMS)**

The EDRMS initiative will deliver a web-based application for storing, sharing, and distributing information for our organization. EDRMS is one of several applications that are

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being rolled out under the AssetLinX Program. EDRMS provides a work environment that makes document management easier by improving the way we centrally organize, find, share and permission control our documents. It will provide document collaboration, records management, document workflow management, and document viewing/annotation capabilities through OpenText.

## 9.5 Communication Plan

As outlined in the 2018-19 Corporate Strategic Objectives, Metrolinx is committed to building positive partnerships with transparency and achieve a positive impression of at least 60% (Strategic Objective #13).

Metrolinx builds positive relationships through open, clear and timely communications. Our expertise in communications, community relations, government relations, media relations and communications planning enable the organization to build and maintain key relationships with our employees, the community, our customers, the media, elected officials and other stakeholders.

Metrolinx operates in a complex, high profile environment including considerable media scrutiny and 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.

The organization's communication objectives for 2018-19 are to:

- Build positive partnerships and achieve positive impressions through a more integrated and proactive communications approach, as well as through more proactive and targeted engagement and outreach with communities, stakeholder organizations and government partners
- Implement an enhanced internal communications strategy to better inform and excite employees
- Provide communications support and activation in support of all 15 Metrolinx strategic objectives as they all contribute to partnership
- Align and integrate all communications from an enterprise-wide approach through enhanced communications planning within Metrolinx
- Create a newsroom and an editorial team who have direct accountability for populating communications channels at both enterprise level and within capital project teams to provide a constant source of news and information internally and externally
- Limit the use of "push" based information and focus on engagement-based communications (e.g., all communications materials will have a call to action - polls, surveys, contests etc. to encourage interactivity and better enable measurement of effectiveness)
- Maintain and build support with current and newly elected officials within 60 days of being elected
- Launch a digital community relations hub
- Launch a revised corporate web site (Metrolinx.com)
- Finalize a crisis communications plan

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## 10.0 Joint Stakeholder Deliverables

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### 10.1 Infrastructure Ontario (IO)

Now part of a Metrolinx / IO integrated program team, IO provides procurement expertise and leads the procurement process on all projects where AFP 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.

Projects currently under construction or completed under the leadership of the integrated IO-Metrolinx program team include the DBFM contract for the Eglinton Crosstown LRT project, which was awarded in July 2015 and is scheduled to be completed in 2021, and the Design-Build-Finance-Maintain contract for the Whitby Rail Maintenance Facility project which was awarded in March 2015 and has reached Substantial Completion in March 2018.

Metrolinx and IO are also working together in procuring other LRT transit projects using the AFP model. The Design-Build-Finance-Maintain contract for the Finch West LRT was awarded to Mosaic Transit Group in May 2018 and construction is expected to begin in 2018. The Request for Proposal (RFP) to design, build, finance, operate and maintain the Hurontario LRT was issued in August 2017 with construction expected to commence in the beginning of 2019. The RFP to design, build, finance, operate and maintain the Hamilton LRT was issued in April 2018 with an expected construction start in 2019.

In addition, a significant portion of the GO RER portfolio will be jointly delivered using the AFP procurement model, and multiple contracts are currently in various stages of procurement. These include delivery of new stations and upgrades to existing stations, facilities, corridor expansions, grade separations, and tunnels. The GO RER portfolio also includes network infrastructure (e.g. electrification, signalization, and communications), which will be delivered through a Design-Build-Finance-Operate-Maintain (DBFOM) contract and will include rail electrification, signal scope, the expansion of Union Station, and fleet asset management.

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

### 10.2 Government Partners

#### **Municipalities**

As regional transportation provider, GO Transit routes span many Ontario municipalities, giving rise to natural, mutually-beneficial municipal partnerships. One of the areas of collaborative relationship with municipalities is reflected in the development of updated Regional Transportation Plan, with engagement, consultation and implementation with municipalities a key part of the process. Metrolinx is also working together with

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municipalities on work related to preliminary design and co-proponency to build Rapid Transit projects.

Engagement with municipalities is also reflected in the negotiations with GTHA municipal transit service providers on the new 10-year PRESTO agreements, which have been finalized and came into effect in January 2018. Metrolinx is working with the other GTHA/Ottawa 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. With the expansion of fare integration initiatives announced in the 2018 Provincial Budget, the Province through Metrolinx and MTO will work closely with the TTC and the "905" municipal transit agencies to introduce a discounted double fare for PRESTO card users transferring between these municipal transit systems and the TTC.

Metrolinx is also working together with more than 40 small, medium and large transit service providers across the province through the Transit Procurement Initiative program. This program has streamlined procurement specifications and processes for goods and services, saving Ontario taxpayers an estimated \$23 million since the program began in 2006.

As Metrolinx advances work on GO RER, 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 RER projects under the Building Canada Fund - Public Transit Infrastructure Component. The federal funding will provide support for key infrastructure works required for GO RER expansion on the Kitchener, Lakeshore East, Lakeshore West and Barrie corridors, for works such as track work, signalling, grade separations 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 \$28M in federal funding for Davenport Diamond Program planning work and the development of Metrolinx Enterprise Asset Management.



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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.

### 10.3 Rail Partners

Although Metrolinx owns 80% of GO Transit's railway corridors, services such as signaling, dispatch and communications are shared among GO's corridor partners: Canadian National Railway (CN), Canadian Pacific Railway (CP), Toronto Terminal Railways (TTR) and Goderich and Exeter Railway (GEXR). 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 RER. For instance, due to rail ownership considerations, GO rail service expansion on the Kitchener corridor beyond currently planned GO RER service levels is dependent on the successful outcome of negotiations with freight rail partners.

As part of the planned expansion of GO RER service to Waterloo Region, in June 2016 Metrolinx secured an agreement-in-principle with CN Rail that will allow GO RER to be built along the Kitchener GO corridor. Metrolinx continues to work with CN towards a final Master Agreement, as well as with key stakeholders to advance work related to planning and technical analysis. In addition, Metrolinx is also in negotiation with CN rail to implement new weekday GO rail service planned between Hamilton and the Niagara region and with CP to bring new GO rail service to Bowmanville.

### 10.4 Other Key Delivery Partners

Accenture is the contractor responsible for 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. Second to Bombardier in terms of total business is Suncor, one of GO Transit's diesel fuel vendors, which is forecasted to supply 79.1 million litres at a cost of \$71.3 million in 2018-19. Pacific Northern Railworks (PNR) maintains all 300 miles of Metrolinx-owned track and signals. Crosslinx Transit Solutions (Crosslinx) and Plenary Infrastructure ERMF were awarded the AFP contracts to design, build, finance and maintain the Eglinton Crosstown 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, this service will be available at nearly 400 Shoppers Drug Mart 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.

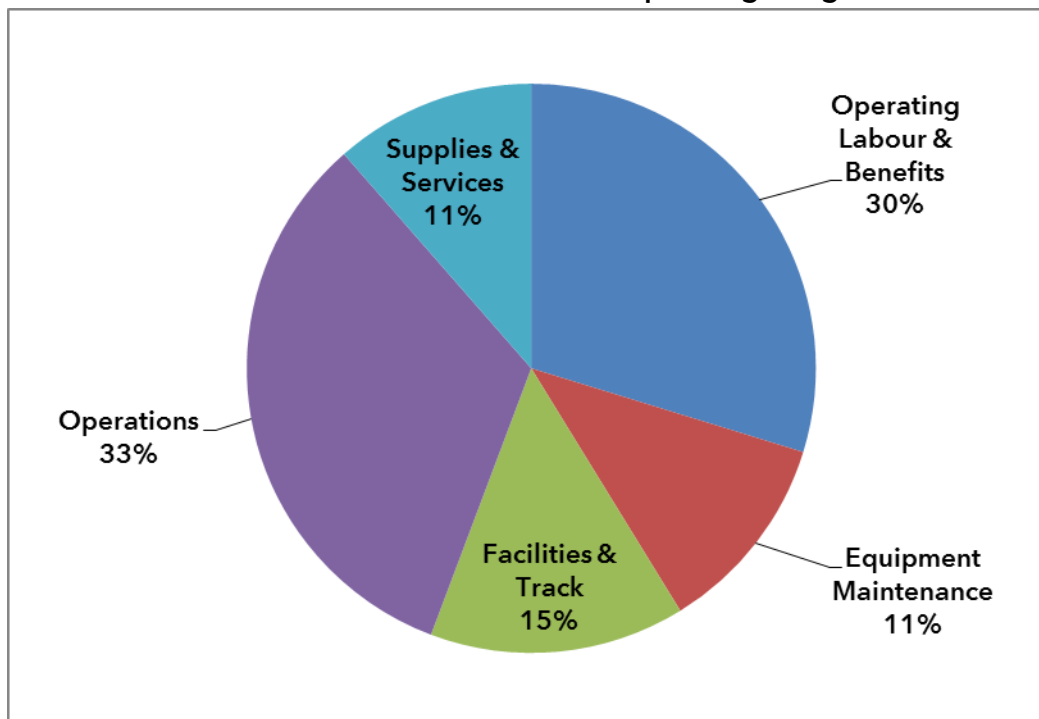
## 11.0 Financial Profile

### 11.1 Operating Budget

The development of the 2018-19 operating budget is guided by Corporate Strategic Objectives commitment to deliver 2018-19 fiscal budget within 3% (Corporate Strategic Objective #6) and 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 fiscal 2018-19 are projected at \$1,122.0 million. The total revenue is forecasted at \$651.9 million, with fare revenue of \$531.3 million and non-fare revenue of \$120.7 million.

**Exhibit 9: 2018-19 Operating Budget**



In the 2018-19 operating budget, the largest allocation is operations expense, which accounts for 33 percent of total operating budget. This includes items such as support

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train crew wages, train control dispatch, PRESTO operations and smaller programs like Smart Commute.

Next, labour and benefits account for 30 percent of the operating budget, supporting transit ridership growth. Facilities and tracks account for 15 percent of the operating budget, and include rent, property taxes, hydro, winter maintenance and other facility repairs. Equipment maintenance accounts for 11 percent, covering support services, inventory, inspections and yard operations. Finally, supplies and services represent nine percent 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 a fare increase for longer-distance trips across our network has been implemented in September, 2017. 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.

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 fare and non-fare revenue, the total PRESTO fee revenue including revenue from TTC implementation is projected to be \$55.4 million for 2018-19.

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 2018-19 is \$1,122.0 million in expenses, offset by \$651.9 million in revenue. In addition, there is realignment of capital to operating funding of \$23.3 million and new 905/TTC Discounted Double Fare and GO Transit Base Fare Reduction initiatives, resulting in an approved provincial subsidy requirement of \$505.3 million for 2018-19. The amortization expense in 2018-19 is estimated to be \$686.3 million.

For 2019-20 and 2020-21, Metrolinx is planning to spend \$1,170.0 million and \$1,236.4 million, respectively, in operating expenses to support planned increase in services as well as other initiatives in place.

### **Exhibit 10: 3-Year Operating Budget Outlook by Program**

Revenue (\$M)	2018-19	2019-20	2020-21
Transit Operations	580.0	585.1	617.0
PRESTO	58.3	88.2	105.6
Metrolinx Internal	16.5	2.8	2.8
<b>Total Revenue</b>	<b>654.8</b>	<b>676.1</b>	<b>725.4</b>
Operating Expense (\$M)	2018-19	2019-20	2020-21
Transit Operations	878.8	913.9	968.7
PRESTO	158.0	166.8	175.0
Rapid Transit	1.0	1.0	1.1
Regional Transportation Planning	13.6	12.4	12.7
Metrolinx Internal	73.5	78.8	81.9
<b>Total Expense</b>	<b>1,124.9</b>	<b>1,172.9</b>	<b>1,239.4</b>
<b>Net Operating Requirement</b>	<b>470.1</b>	<b>496.8</b>	<b>514.0</b>
Capital through Operating	23.3	8.2	8.0
905/TTC Discounted Double Fare	12.0	28.0	28.0
Less: Planned Subsidy Approvals	505.3	532.9	550.0
<b>Projected Budget Surplus (Shortfall)</b>	<b>0</b>	<b>0</b>	<b>0</b>

Exhibit 11: 2018-19 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	531.3					531.3
Less: Fare Integration						0.0
Less: Fare Guarantee						0.0
PRESTO Fee Revenue						0.0
Non-fare Revenue	48.7	58.3			16.5	123.6
Proceeds from Sale of Assets						0.0
<b>Total Revenue</b>	<b>580.0</b>	<b>58.3</b>	<b>0.0</b>	<b>0.0</b>	<b>16.5</b>	<b>654.8</b>
<u>Expenses by Type</u>						
Labour & Benefits	258.0	25.6	0.1	5.6	44.5	333.8
Operations	257.4	103.4	0.0	2.0	8.5	371.3
Facilities & Track	157.9	2.9	0.7	0.3	0.9	162.7
Equipment Maintenance	128.7	0.0	0.0	0.0	0.0	128.7
Supplies & Services	76.7	26.1	0.2	5.7	19.7	128.3
<b>Total Expenses</b>	<b>878.8</b>	<b>158.0</b>	<b>1.0</b>	<b>13.6</b>	<b>73.5</b>	<b>1,124.9</b>
Excess of Expenses over Revenue	-298.8	-99.7	-1.0	-13.6	-57.0	-470.1
<b>Net Operating Requirement</b>	<b>-298.8</b>	<b>-99.7</b>	<b>-1.0</b>	<b>-13.6</b>	<b>-57.0</b>	<b>-470.1</b>
Capital through Operating: East Rail Maintenance Facility Long-term Interest						-8.3
Capital through Operating: Eglinton Crosstown LRT Battery Backup						-15.0
905/TTC Discounted Double Fare						-12.0
Less: Planned Subsidy Approvals						505.3
<b>Projected Budget Surplus (Shortfall)</b>						<b>0.0</b>
Amortization Expense						686.3

## 11.2 Capital Investment

Metrolinx has a capital budget in 2018-19 of approximately \$5.6 billion, with the majority of the required funding provided by the Province of Ontario. Other funding sources include \$30.5 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 RER program, and the state of good repair (SOGR) program.

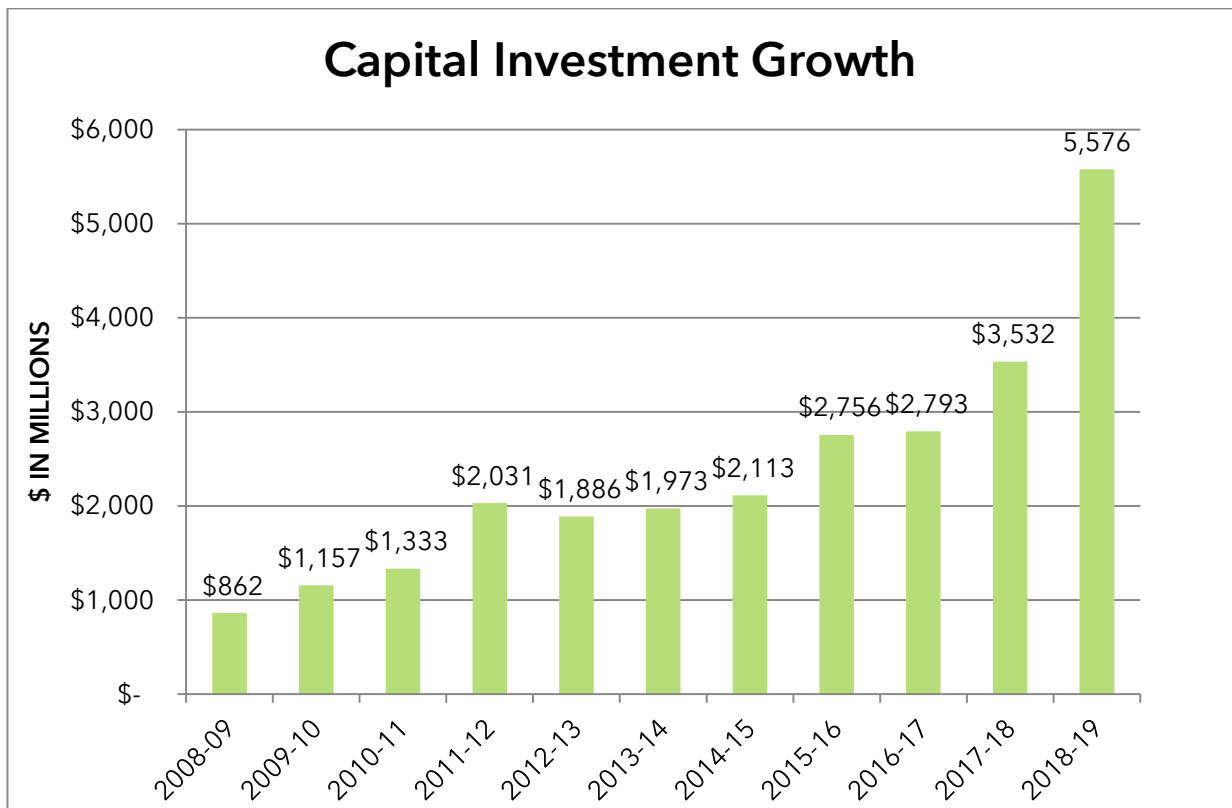
Metrolinx major capital projects with significant progress scheduled in 2018-19 include:

- Highway 401/409 rail tunnel;
- Stouffville corridor station upgrades (Agincourt, Milliken, Unionville) and Steeles Avenue grade separation;
- Stouffville Track Expansion;
- Barrie corridor grading and noise mitigation;
- Lakeshore West extension to Confederation Station;
- Redevelopment of Cooksville and Bramalea stations;
- Rutherford station, grade separation, and parking structure;
- Parking and station infrastructure at Milton, Meadowvale and Aldershot stations;
- Lincolnville layover expansion;
- Union Station restoration and enhancements;

- Bloomington, Caledonia, and Confederation stations;
- Kipling bus terminal;
- Oriole station relocation;
- Downtown bus terminal at Union Station;
- GO Transit train control system;
- Oakville Network Operations Centre;
- Electrification, signalling and communications infrastructure;
- Digital signage strategy implementation; and
- Property acquisition to support RER and GO rail expansion projects.

With the Province's investment in the RER program, growth in the capital plan has been significant in recent years. The capital budget has grown from less than \$1 billion in 2008-09 to approximately \$5.6 billion in 2018-19. Exhibit 12 shows the growth in capital investment since 2008-09.

**Exhibit 12: Metrolinx Capital Investment Growth**



Note: Amounts prior to 2018-19 represent actual incurred costs.

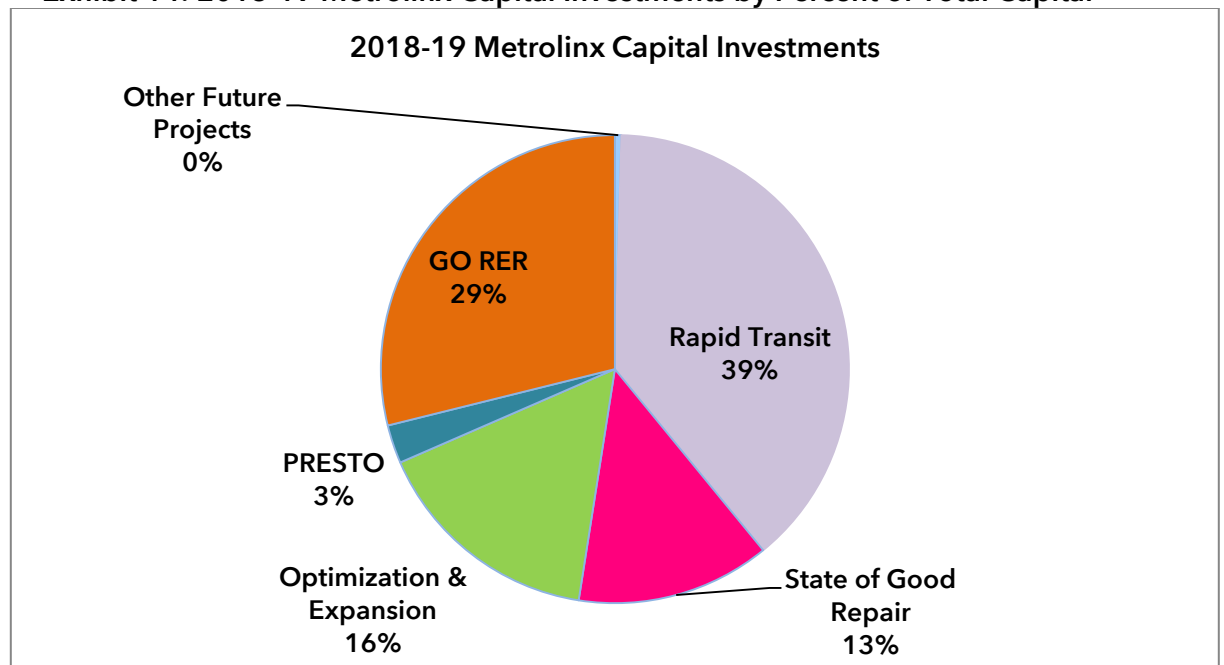
Exhibit 13 provides a high level breakdown of capital investments over the next five years.

### Exhibit 13: Metrolinx Capital Investments 5-year Plan

STRATEGIC ALIGNMENT (\$M)	2018-19	2019-20	2020-21	2021-22	2022-23
Rapid Transit	\$ 2,154	\$ 2,249	\$ 1,657	\$ 1,689	\$ 1,123
Rehabilitation & Renewal	\$ 747	\$ 817	\$ 641	\$ 534	\$ 265
Optimization & Expansion	\$ 857	\$ 989	\$ 1,060	\$ 1,321	\$ 1,277
Presto	\$ 148	\$ 100	\$ 44	\$ 35	\$ 35
GO RER	\$ 1,645	\$ 2,577	\$ 2,954	\$ 2,778	\$ 2,508
Other Future Projects	\$ 25	\$ 42	\$ 31	\$ 45	\$ 55
<b>GRAND TOTAL</b>	<b>\$ 5,576</b>	<b>\$ 6,774</b>	<b>\$ 6,388</b>	<b>\$ 6,402</b>	<b>\$ 5,263</b>

Exhibit 14 provides a breakdown of the types of investments in the capital plan by percent of total and Exhibit 10 offers additional details about the types of projects in the capital plan.

### Exhibit 14: 2018-19 Metrolinx Capital Investments by Percent of Total Capital



### Exhibit 15: 2018-19 Metrolinx Detailed Capital Investments

CAPITAL INVESTMENTS BY STRATEGIC ALIGNMENT (\$ Millions)		Budget 2018-19
Regional Rapid Transit Expansion	Eglinton Crosstown LRT	1,361
	Finch LRT	152
	Sheppard LRT	20
	VIVA BRT	270
	Hurontario LRT	219
	Hamilton LRT	132
REGIONAL RAPID TRANSIT EXPANSION TOTAL		2,154
STATE OF GOOD REPAIR TOTAL		747
Regional Rapid Transit Expansion	Optimization & Expansion	776
	Building Canada Plan	6
	East Rail Maintenance Facility	3
	Niagara Extension	22
	Bowmanville Extension	11
	Kitchener Expansion	39
OPTIMIZATION AND EXPANSION TOTAL		857
PRESTO	PRESTO Implementation & State of Good Repair	148
PRESTO TOTAL		148
GO Regional Express Rail	Regional Express Rail Projects	1,610
	Greenhouse Gas Reduction Account Initiative	35
GO REGIONAL EXPRESS RAIL TOTAL		1,645
Other Future Projects	Planning Provincial	14
	Planning Municipal	11
OTHER FUTURE PROJECTS TOTAL		25
GRAND TOTAL		5,576

## 11.3 Capital Asset Growth

### Exhibit 16: Capital Asset Growth

Capital Assets	\$Billions
Net Book Value - March 31, 2018	19.128
Add: Capital Budget - 2018-19	5.542
Less: Estimated Amortization 2018-19	(0.686)
Estimated Net Book Value - March 31, 2019	23.984

## 11.4 Performance Measures and Targets

The Public-Facing KPIs are made up of Five Regional Outcomes and Nine Metrolinx Achievements. The Five 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



2015-16 survey results have recently been released with 3 out of 5 outcomes currently available in this report.

The nine Metrolinx Achievement KPIs measure Metrolinx' direct contributions to the regional outcomes and are used to report corporate performance to Metrolinx' 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.

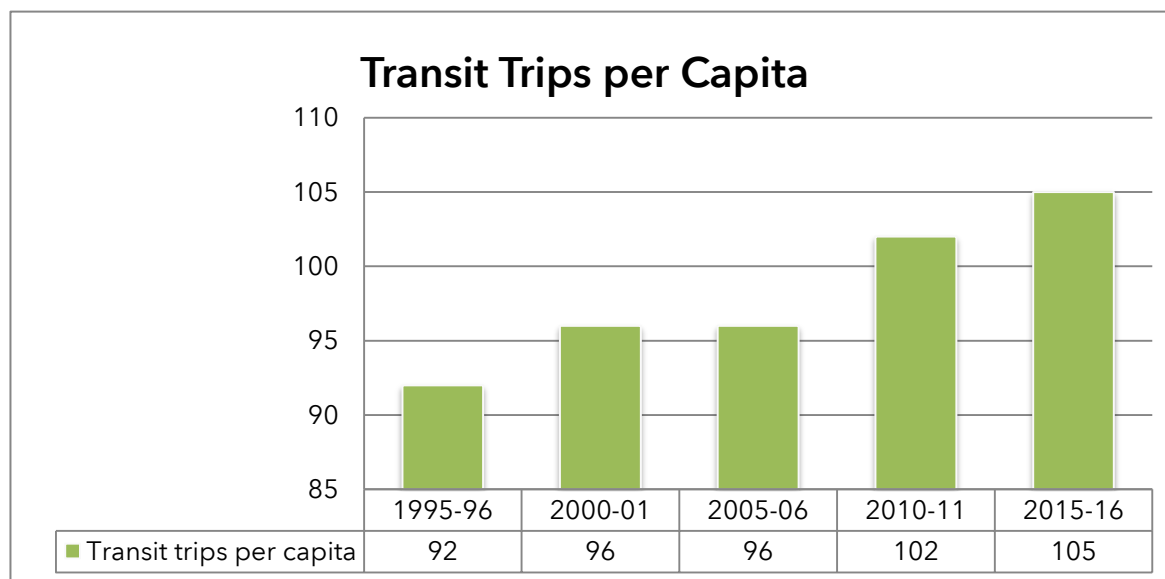
The new layer of Divisional KPIs (referenced in section 9.1) are aligned with the above Public Facing Set and have been specifically selected with targets, which measure achievement against the Metrolinx Strategic Objectives. These KPIs will drive the business results reported within the Metrolinx Achievements 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, Transit Trips per Capita has increased by 14.1 percent to 105 in 2015-16.

**Exhibit 17: Transit Trips per Capita**

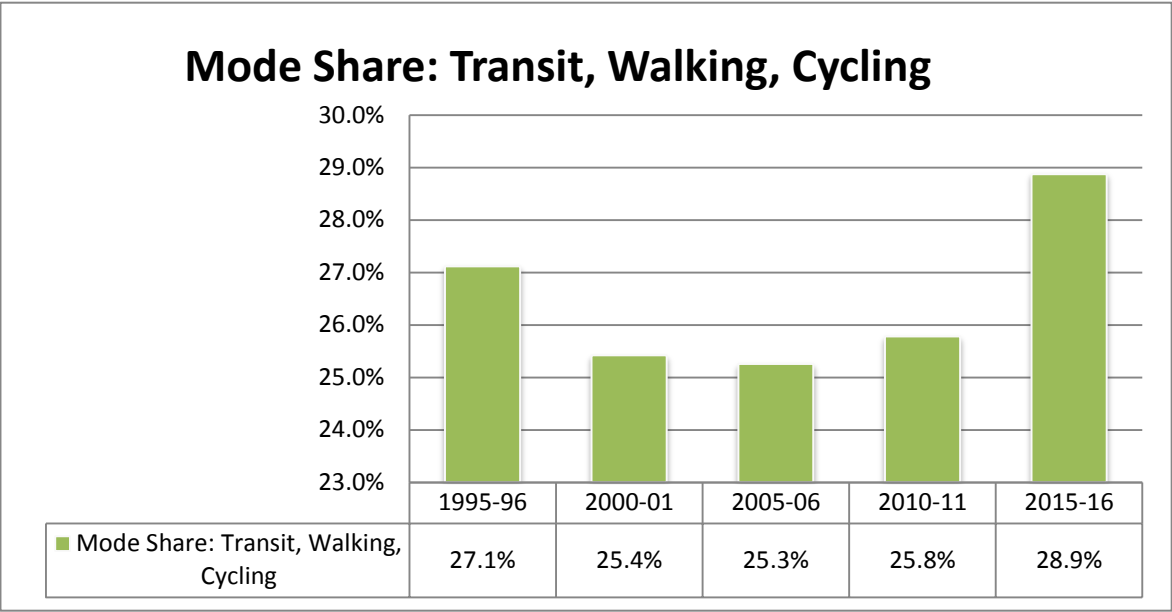


### **Mode Share for Transit, Walking & Cycling**

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, Mode Share for Transit, Walking & Cycling has increased 1.8 percentage

points to 28.9 percent 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.

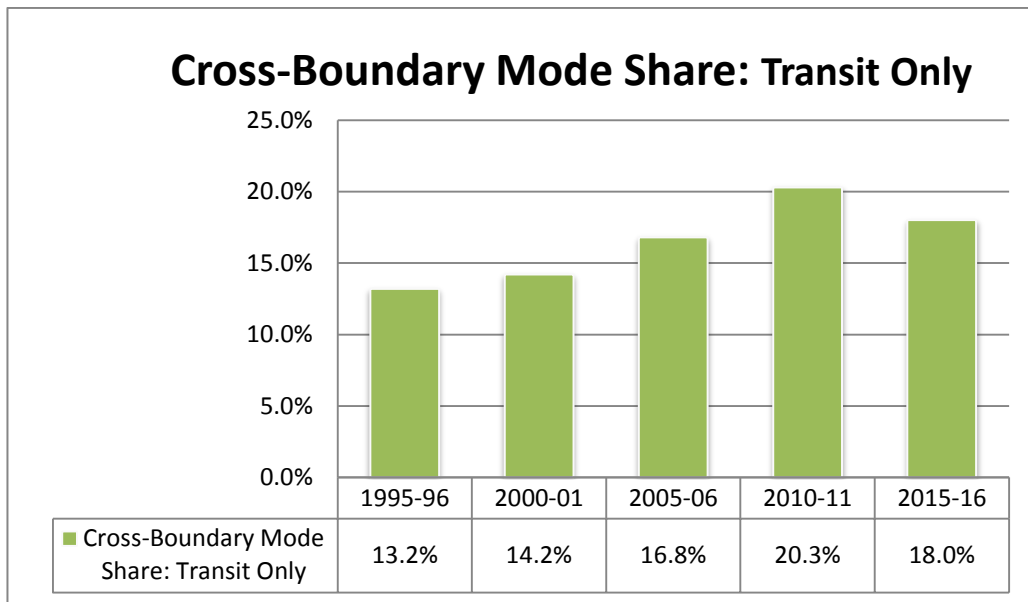
**Exhibit 18: Mode Sharing**



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, Cross-Boundary Mode Share for Transit Only has increased 4.8 percentage points to 18.0 percent 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 19: Cross Boundary Mode Transit Sharing Breakdown**



#### Commute Time

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

### **Metrolinx Achievements KPIs**

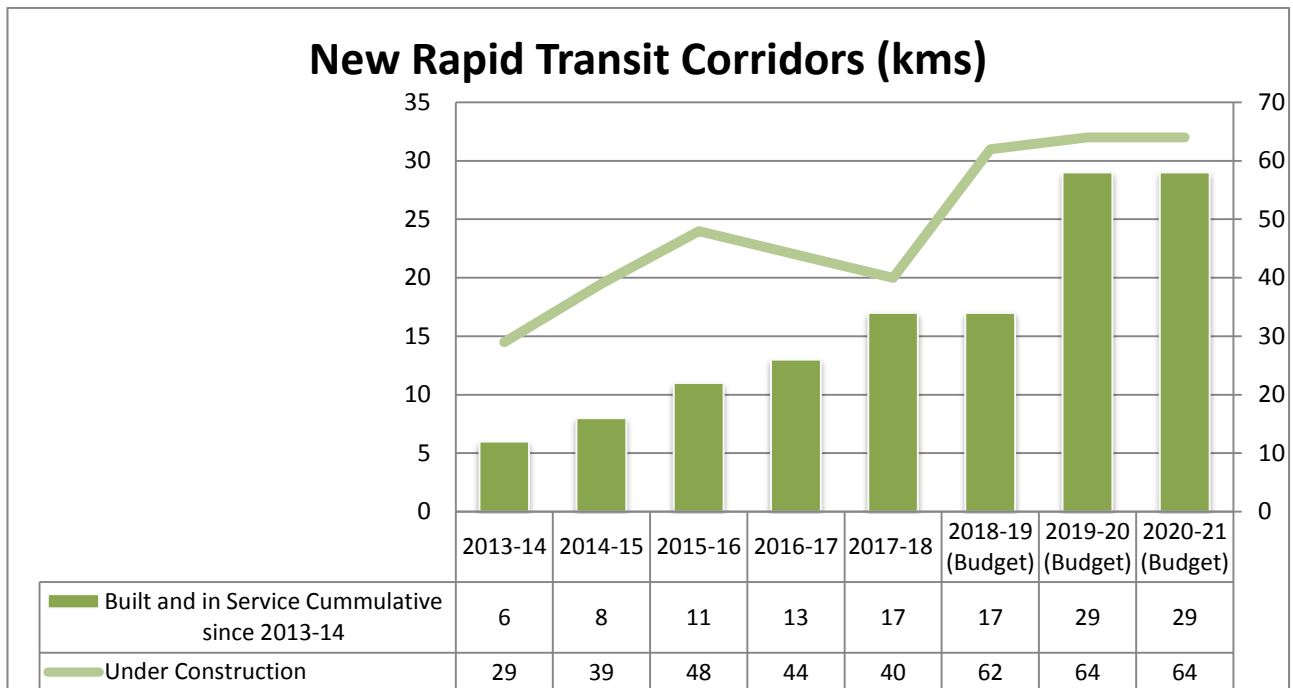
The Nine Metrolinx Achievement KPIs measure both our service delivery (Operations) and our capital infrastructure build performance.

### **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 62 kms of Rapid Transit corridor under construction during 2018-19. This includes 20 kms on the Hurontario LRT, 19 kms on the Eglinton corridor, 12 kms on the VivaNext BRT corridor and 11 kms on the Finch corridor. After a significant period of construction in 2018-19, Metrolinx expects to have another 12 kms of the VivaNext BRT built and in service by the end of 2019-20. Additionally in 2019-20, Metrolinx will have 14 kms of the Hamilton LRT under construction.

#### **Exhibit 20: New Rapid Transit Corridor Build Multi-Year Breakdown**



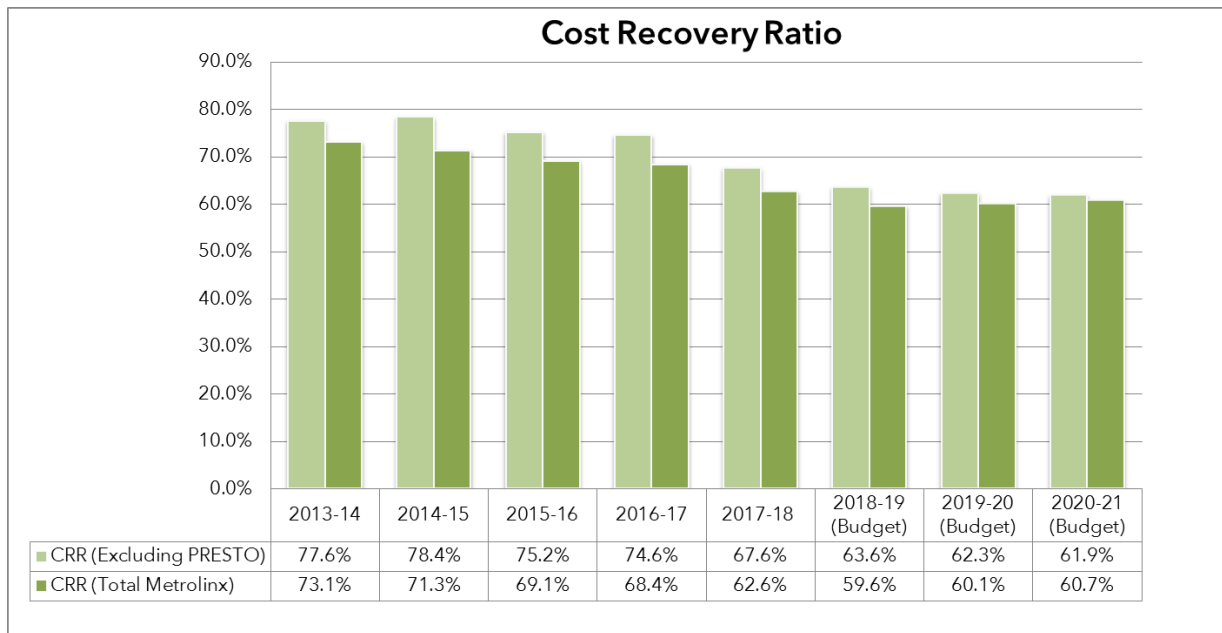
## **Financial Stewardship and Accountability**

### **Cost Recovery Ratio**

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

For fiscal 2018-19, Metrolinx is budgeting a cost recovery ratio of 63.6 percent (excluding PRESTO). If PRESTO revenue and operating costs are included, the budgeted cost recovery ratio decreases to 59.6 percent, reflecting the impact of the more highly-subsidized PRESTO farecard system business model. The decrease in cost recovery metrics in 2018-19 and in outer years primarily results from the addition of new off peak weekday, evening and weekend services that have lower cost recovery as off peak ridership is being established and from upfront operating cost investments to support future ridership expansion such as the Whitby Maintenance facility and the Network Operating Centre opening in 2018-19. 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.

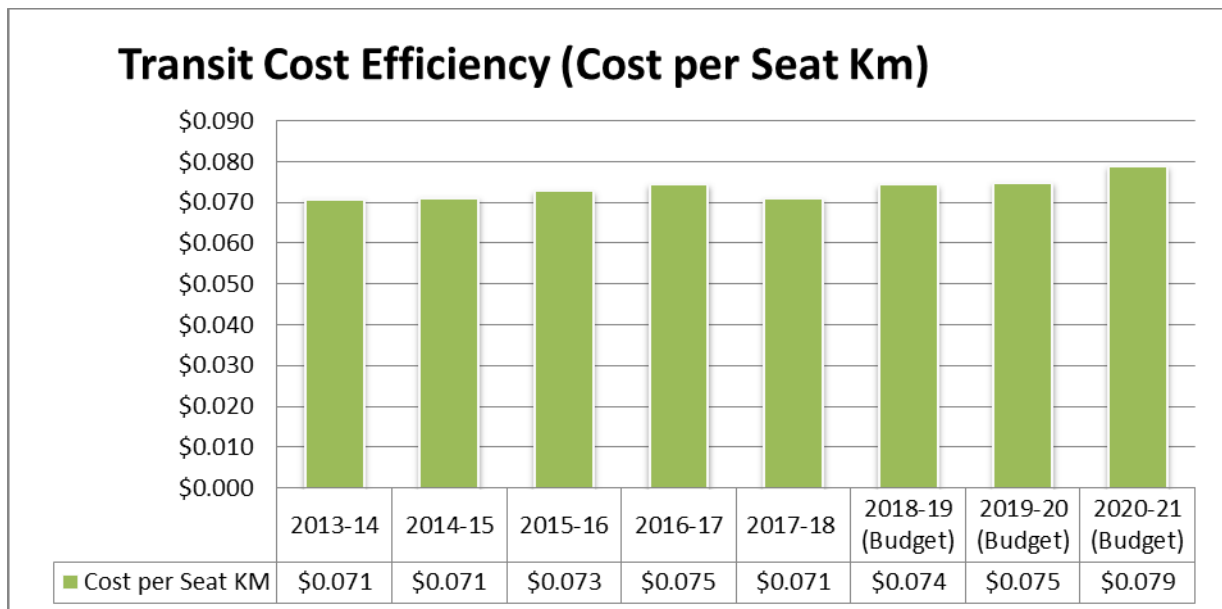
### **Exhibit 21: Cost Recovery Ratio**



### Cost Efficiency

The Cost Efficiency KPI measures the total transit operating expenses (Rail and Bus Operations) incurred per seat-kilometer (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 Fiscal 2018-19, Metrolinx is budgeting cost efficiency to be \$0.074/seat-km. This metric is expected to increase from 2018-19 levels as Metrolinx invests in new ridership infrastructure support and new services during off peak times.

**Exhibit 22: Cost Efficiency Multi-Year Breakdown**



## 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.

## Economic Impact

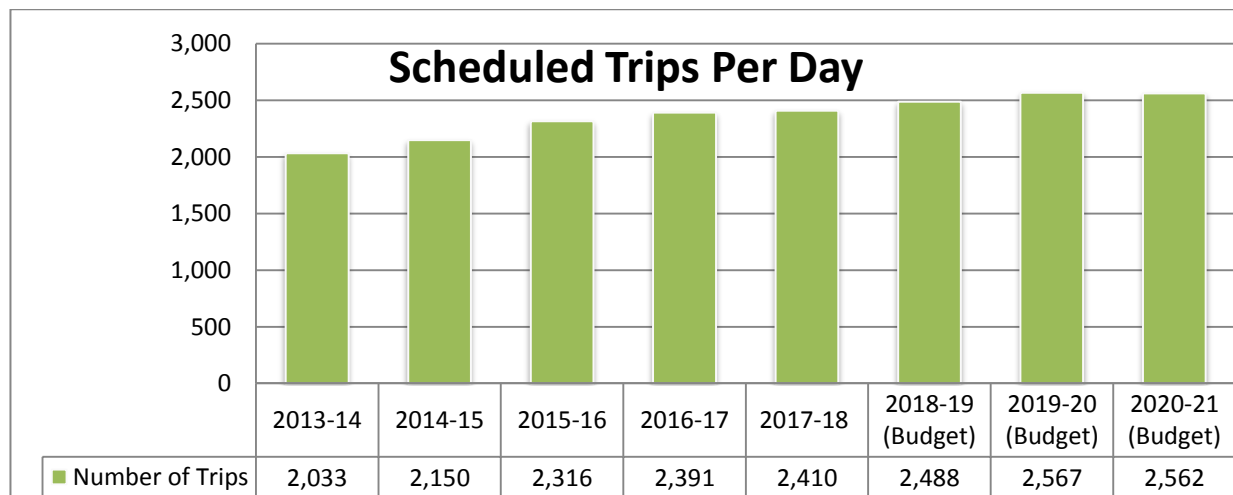
The Economic Impact KPI is currently under development but will measure the impact of Metrolinx's Capital Infrastructure Program spending on the region's economy.

## **Safe, High Quality & Connected Customer Experience**

### Scheduled Trips per Day

The Scheduled Trips per Day KPI represents the average number of scheduled train and bus trips offered per day to the public for the period measured. In 2018-19, scheduled trips per day are expected to increase by 6.4% to 2,488 for both bus and rail services. One of Metrolinx' Strategic Objectives for 2018-19 is to increase its rail service capability by 25% to deliver mobility solutions which connect people.

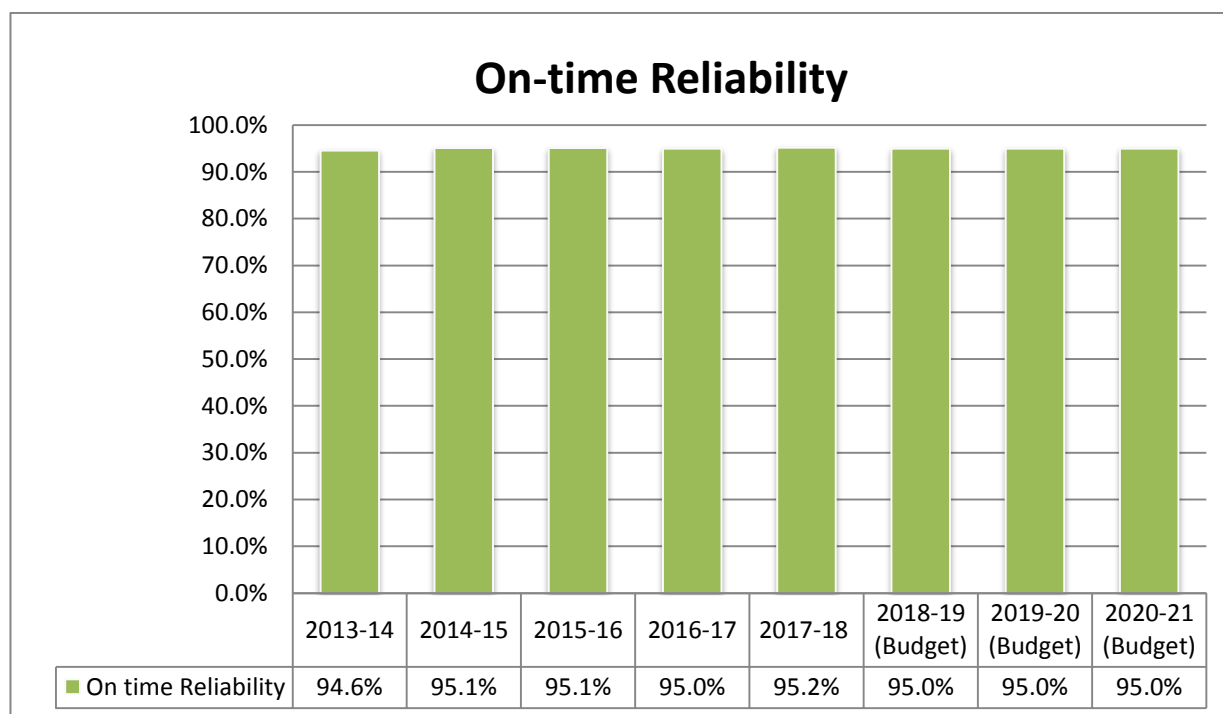
**Exhibit 23: Scheduled Trips per Day Multi-Year Breakdown**



### 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 2018-19 weighted average target for rail and bus service is 95%.

**Exhibit 24: On-time Reliability Multi-Year Breakdown**



## **Earn and Maintain Trust**

### GHG Emissions

The Greenhouse Gas (GHG) Emissions KPI metric measures operational GHG emissions. Metrolinx has established an intensity-based target of 15% reduction in mobile GHG emissions per revenue seat km by 2020 (from a 2012 baseline). Currently the dataset to measure GHG emissions is under development with expected delivery by the end of 2018-19.

## **11.5 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. In 2017-18, Metrolinx reviewed and updated its ERM Policy and Framework, which were subsequently approved by the Board in September 2018. The ERM Policy and Framework outlined stronger risk management processes for risk identification and assessment, improved the risk reporting and monitoring structure, and provided revised, detailed risk scoring criteria. The frequency of internal risk reporting is being increased from quarterly to monthly, and the risk report format has been redesigned to focus on key risks, and include additional information on mitigation strategies and response plans for better management discussion.

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In 2017-18, Senior Management participated in a comprehensive exercise to take a fresh look at Metrolinx's top risks, and has identified the key areas of focus for ongoing monitoring and reporting in achieving Metrolinx's strategic objectives and priorities. These are expected to evolve over 2018-19 as the ERM process is further refined. Metrolinx continues to actively monitor and develop mitigation strategies to manage risk down to an acceptable level. Risks reported on within our new process relate to project, safety, operational, financial, and strategic risk exposures

- *Project risks: Project risks are the risks inherent in the delivery of large infrastructure projects, including risks to on-time and on-budget delivery of projects and performance of technical experts or contractors. These risks can lead to schedule delay and/or cost overruns and reputational impact for Metrolinx. Significant project risks include:*
  - Delay to Package 3 RFP release;  
Description: Potential for the delay to Package 3 DBFOM procurement given the timeline for RFP Release in Q1 2019. Significant work effort is required in respect to scope and estimate finalization.
  - Inability to reach agreement with freight operators;  
Description: If Metrolinx is unable to reach an agreement with freight operators regarding switching rights and diversionary routes, there is the potential this may impact the delivery schedule of certain capital projects.
- *Safety risks: Safety risks are the risks to the safety of Metrolinx's customers, staff, contractors and communities in which we operate and build. These risks can lead to serious adverse outcomes for our people, our customers or our community. Metrolinx has exposure to both likely and less than likely but high impact safety risks, including:*
  - Cyber security;  
Description: Major technology failure and/or significant loss of sensitive data caused by catastrophic technology failure, terrorism or major cyber security breach.
  - Platform/stairwell crowding at Union Station;  
Description: Risk of injury to customers due to overcrowding in stairwells and platforms at Union Station. The design, age and accessibility of the platform along with the closure of the Bay concourse may impact customer circulation.
- *Operational risks: Operational risks are the risks inherent in the ongoing delivery of rail and bus services and PRESTO. These risks can lead to interruptions in the service reliability and availability. Major operational performance risks include:*
  - 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.
  - PRESTO availability and 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.
  - Leadership of the organization and organizational change;



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Description: The failure to achieve change adoption across the organization due to the volume and speed at which the organization is changing.

- *Financial risks:* Financial risks relate to operational and capital funding, liquidity, financial reporting, movements in price, interest rates, and commodities. These risks can impact funding of projects or operations. Top financial performance risks include:
  - RER Budget sufficiency following refinement and re-baselining of scope;  
Description: There may be budget pressures following the completion of the rail corridor utility study and foundational train planning work, which identified additional scope items which are expected to be required to meet the committed future service levels.
- *Strategic Risks:* Strategic risks are systemic risks that are internal or external to Metrolinx and may be linked to our ability to meet our organizational strategy and mandate. The strategic risks may be organizational-wide, or outside of Metrolinx's control, and include economic and political risks. A strategic risk identified is:
  - Premature commitment to projects without adequate evidence;  
Description: 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.

Risk-based decision-making continues to be imbedded in other key processes, for example, in the updated 2018-19 Business Planning process, each area incorporated their top risks to the achievement of their strategic objectives or their core business deliverables into their business plan response.

In 2018-19, Metrolinx will focus on developing a culture of risk-informed, evidence-based approach to decision-making, by continuing to focus on the assessment of key risks against strategic objectives and corporate priorities, developing an effective risk education plan for all levels across the organization, approving a formal risk appetite, and further strengthening components of the ERM Policy and Framework.

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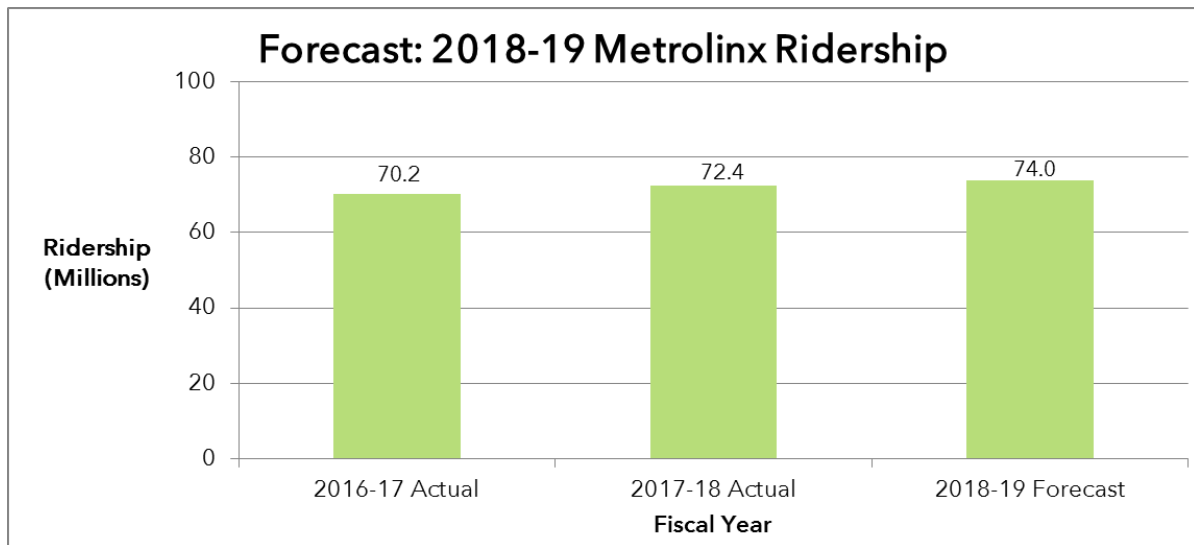
## Appendix

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### Key Assumptions

#### Key Assumptions: Transit Operations Ridership

##### Exhibit 25: Metrolinx Ridership



In fiscal year 2017-18, Metrolinx Transit Operations has continued to implement a number of service enhancements to improve its quality of service, convenience and value. Metrolinx has added two-way midday and evening train service on the Stouffville corridor, new peak trains and trip extensions on the Barrie corridor, new stations connecting to the Toronto York Spadina Subway Extension, as well as new and improved bus services across the GO Transit network.

The 2017-18 actual ridership is 0.9% percent higher than forecast, with strong growth in weekend rail boardings compared to last year. For fiscal year 2018-19, total Metrolinx transit operations ridership growth is forecasted to be 2.2 percent higher than the 2017-18 actual ridership. UP Express ridership has increased by 26.8% from 2016-17 to 2017-18 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 fare increase in its transit operations on September 2, 2017. The September 2, 2017 fare adjustment has increased the base adult single fare by 3% for all fares greater than \$5.65. All fares up to and including \$5.65 are frozen. The new fare revenue helps to meet the needs of growing customer base, expand service, and provide well-maintained facilities and equipment, and reliable service.

PRESTO users would continue to pay less than paper ticket users. 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. All single ticket fares are rounded to the nearest nickel. The loyalty discounts for PRESTO card fares would remain unchanged.

### 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 2018-19 budgeted volume, rising unit price for diesel could lead to a potential budget shortfall of \$3.8 to \$11.4 million, or more, depending on the percentage increase.

Exhibit 26 below lists the fuel prices used in the 2018-19 Business Plan and corresponding budget shortfalls resulting from possible diesel fuel price increase.

#### Exhibit 26: Metrolinx Fuel Price Volatility

##### FY18-19 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	0.8991	1.0000	24.73	\$22.45	-\$1.12	-\$2.25	-\$3.37
Rail	0.8991	1.0000	56.57	\$50.86	-\$2.54	-\$5.09	-\$7.63
UP	0.8991	1.0000	2.78	\$2.50	-\$0.13	-\$0.25	-\$0.38
<b>Grand Total</b>			84.08	\$75.82	-\$3.79	-\$7.58	-\$11.37

Note: Differences due to rounding.