

**To:** Metrolinx Board of Directors  
**From:** Jennifer Gray  
*Chief Financial Officer*  
**Date:** June 25, 2020  
**Re:** 2020-21 Metrolinx Business Plan

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## **Executive Summary**

Attached is the 2020-21 Metrolinx Business Plan. Annually, Metrolinx is required to submit a business plan to the Minister of Transportation for approval, outlining Metrolinx's projects and priorities for the coming year. While the Business Plan was largely developed prior to the onset of the COVID-19 pandemic, it reflects the budget approval received from the Ministry of Transportation, the province's rapid transit priorities, Metrolinx strategic planning documents such as the 25-year 2041 Regional Transportation Plan, and our commitment to continue working with the provincial government to monitor ongoing development of the COVID-19 pandemic to inform the work on planning for the recovery period.

The Metrolinx Business Plan was prepared with collaboration across the organization and with Ministry of Transportation staff. The operating expense and revenue information is in line with information presented to the Board on February 20, 2020.

In accordance with its mandate to assist the Metrolinx Board of Directors in fulfilling its oversight responsibilities with respect to financial reporting, the Audit, Finance, and Risk Management (AFARM) Committee has reviewed the 2020-21 Business Plan. Staff are recommending that the Business Plan be tabled for Board approval.

Subject to the Audit, Finance and Risk Management Committee's advice, the Board of Directors is responsible for reviewing and providing comments on the Business Plan. Once the Business Plan is approved by the Board of Directors, it will be sent to the Ministry of Transportation for approval.

## **Recommendation**

**RESOLVED**, on recommendation of the Audit, Finance and Risk Management Committee:

**THAT** the 2020-21 Metrolinx Business Plan attached to the June 25, 2020 report of the Chief Financial Officer, be adopted by Metrolinx and submitted to the

Minister of Transportation for the Minister's consideration and approval in accordance with section 32 of the *Metrolinx Act, 2006*;

**AND THAT**, in the event the Minister requests material amendments to the Business Plan, an amended Business Plan be brought back to the Board for further consideration.

## Background

The Metrolinx Business Plan is in line with the requirements set out in the *Agencies & Appointments Directive* (the "Directive"). It presents the Metrolinx mandate and strategic direction and includes current and future views of projects, operations, capital and operating resource requirements, third party initiatives and identified risks.

The 2020-21 Business Plan content has been organized thematically, to highlight Metrolinx's priorities in the areas of operations, PRESTO, capital projects, Transit Oriented Communities, regional planning and internal operations. In addition, this document includes three years of operating plan and five years of capital plan budgets as per the Directive. As in previous years, the document continues to report on KPI information.

Key Deliverables in the 2020-21 Business Plan:

- Continuing work to implement planned rail service extensions and GO bus strategy, while also enhancing customer service and safety;
- Continuing to work towards delivering capital project commitments, including by working together with Infrastructure Ontario (IO) in advancing enabling work and other critical procurements to support the GO Rail Expansion program, advancing preliminary work on the province's subway program and making progress on rapid transit projects;
- Continuing PRESTO improvements through system enhancements, implementing new forms of payments and continuing to work with municipalities to roll out new PRESTO devices;
- Continuing to pursue non-fare revenue initiatives, implementing fare changes and utilizing research and experience-driven customer insights to drive ridership growth;
- Advancing ongoing work with municipalities related to fare and service integration and improving station access.

Key achievements from 2019-20 outlined in the 2020-21 Business Plan include:

- Increased service on the Lakeshore East, Lakeshore West and Kitchener corridors, and improved off-peak service on the Stouffville, Barrie and Lakeshore corridors.

- Advanced procurement work for major capital projects including GO Expansion new stations, off-corridor and on-corridor works; finalized procurement process and started construction of the Hurontario LRT
- Implemented fare strategy that includes lower GO fares for short distance trips and Kids GO Free, launched new e-ticketing platform and introduced “Sunday Funday” e-ticketing promotion
- Implemented improvements to PRESTO customer experience including through web chat enhancements, reduced minimum card load, and elevated customer support provided via social channels

Once approved by the Board, the Business Plan will be submitted to the Minister of Transportation for approval.

When the approved Business Plan is implemented, Metrolinx will provide the Board of Directors and the Ministry of Transportation with quarterly reports and audited year-end statements at fiscal year-end.

Respectfully submitted,

Jennifer Gray  
Chief Financial Officer

Attachment:

2020-21 Metrolinx Business Plan

# 2020-21 Metrolinx Business Plan

# Table of Contents

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Message from CEO .....	4
Executive Summary .....	5
1.0 Introduction .....	6
1.1 Legislative Mandate.....	6
1.2 Metrolinx Overview and Key 2020-21 Priorities.....	6
1.3 Metrolinx Strategic Objectives.....	8
2.0 Business Context for 2020-21 .....	10
2.1 Coronavirus (COVID-19) Pandemic Plan .....	10
2.2 Environment Scan .....	11
3.0 Financial and Resource Summary.....	12
3.1 Operating Budget Summary.....	12
3.2 Capital Budget Summary .....	13
4.0 Ridership and Revenue Strategy.....	14
4.1 Ridership and Revenue Strategy Highlights.....	14
4.2 Fare Strategy .....	15
4.3 Customer Experience and Insights.....	15
4.4 Non-Fare Revenue .....	16
5.0 Operations.....	17
5.1 Operations Highlights .....	17
5.2 Rail Service Extension/Additional GO Rail Service .....	17
5.3 GO Bus Strategy Implementation.....	18
5.4 Safety.....	18
5.5 Security .....	19
5.6 Customer Service Strategy.....	19
6.0 PRESTO .....	21
6.1 PRESTO Highlights.....	21
6.2 PRESTO Customer Experience Strategy.....	21
6.3 PRESTO Business Model .....	22
6.4 Exploring New Forms of Payment.....	22
7.0 Capital Projects.....	23
7.1 Capital Projects Highlights.....	23
7.2 GO Rail Expansion .....	23
7.3 Expansion and Optimization.....	25
7.4 State Of Good Repair (SOGR).....	25

7.5 Subways .....	25
7.6 Rapid Transit Projects .....	26
7.7 Advancing Other Future Projects .....	26
8.0 Transit Oriented Communities Program .....	28
8.1 Transit Oriented Communities Program highlights.....	28
8.2 Transit Oriented Communities Program.....	28
9.0 Regional Transportation Planning .....	29
9.1 Regional Transportation Planning Highlights.....	29
9.2 Fare & Service Integration.....	29
9.3 Metrolinx Sustainability Strategy .....	30
9.4 Station Access .....	31
10.0 Metrolinx Internal .....	32
10.1 Metrolinx Internal Highlights .....	32
10.2 Human Resources & Enterprise Centres of Excellence .....	32
10.3 Business Technology Profile .....	33
10.4 Communication Plan .....	34
11.0 Multi-Year Financial Profile.....	35
11.1 Operating Budget.....	35
11.2 Capital Investment.....	37
11.3 Performance Measures and Targets .....	38
11.4 Managing Uncertainty.....	42
Appendix.....	43
Appendix 1: Metrolinx Quick Facts & Service Highlights .....	43

# Message from CEO

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This business plan for Metrolinx for the 2020-21 fiscal year was largely developed prior to the onset of the COVID-19 pandemic. Therefore, the context in which we will be working is far different than what was envisaged.

The broad goals for our organization are largely unchanged, despite the shifting context. We will continue to implement the largest transit expansion program in Canada. We will continue to work with municipalities to better integrate the transit network of the Greater Golden Horseshoe. We will continue to add more features to the PRESTO fare payment system. And we will of course continue to provide lifeline regional transit services through GO Transit and UP Express, which will support our region's recovery from this pandemic. However, given the significant impact of COVID-19 on our operations and ridership, we are actively exploring opportunities to improve our business and adapt to the changing environment. We are exploring new and innovative ways of reducing costs and improving customer satisfaction.

We will need to perform at an even higher level to achieve our goals. Our organization-wide focus on safety, both for our customers and employees, has never been more important. The need for clear, forthright, and transparent communication with our customers is paramount. We will work hard to recover our ridership, not only by providing safe and reliable services, but also by being clear about the steps we are taking to protect customers' health. And we must support the health and wellbeing of our employees during this challenging time, so they can do their best work as we achieve these goals.

I am so proud of the work our team has been doing to drive forward on Metrolinx's objectives during these most challenging of times. I know we are up to the task in 2020-21.

Phil Verster, President & CEO

# Executive Summary

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Guided by Metrolinx's strategic objectives and in alignment with the Province's direction, the 2020-21 Business Plan outlines our strategic direction and priorities as we continue working with our partners to plan, build and operate an integrated transit network for the Greater Golden Horseshoe.

The 2020-21 Business Plan was developed in accordance with the requirements of the Metrolinx Act, the government's Agencies and Appointments Directive and to reflect the regional transit priorities of the Government of Ontario. As a result of the COVID-19 global pandemic and the physical distancing restrictions still in place at the time of writing, which are having a significant impact on all aspects of Metrolinx's business, the Business Plan does not reflect the full impact of the pandemic on Metrolinx's 2020-21 finances and activities. Nevertheless, Metrolinx has made health and safety a key priority during the pandemic by taking measures to protect its customers and employees and minimize disruption to essential regional transit services. Metrolinx will continue to proactively review all areas of the organization affected by the pandemic and will be implementing lessons learned to prepare for the post-pandemic stage and contribute to the Province's economic recovery.

In 2020-21, Metrolinx will continue working towards a more commercial approach to its business and actively exploring opportunities and initiatives to grow back ridership and maximize revenues. This includes continuing to pursue non-fare revenue initiatives, implementing fare changes and utilizing research and experience-driven customer insights to drive ridership growth as seen in [Section 4.0 Ridership and Revenue Strategy](#). In meeting its commitment to growing ridership, Metrolinx will continue work to implement planned rail service extensions, continuing implementation of GO bus strategy while also enhancing customer service and safety to its customers, which is included under [Section 5.0 Operations](#).

Improvements are also being planned for PRESTO through system enhancements, implementing new forms of payments and continuing to work with municipalities to roll out new PRESTO devices. These planned improvements can be seen in [Section 6.0 PRESTO](#). In addition, Metrolinx will also advance ongoing work with municipalities related to fare & service integration and improving station access, as can be seen in [Section 9.0 Regional Transportation Plan](#).

For 2020-21, Metrolinx will continue work towards delivering its capital project commitments. This includes working together with Infrastructure Ontario (IO) in advancing enabling work and other critical procurements to support the GO Rail Expansion program, advancing preliminary work on the Province's New Subway Transit Plan and continue making progress on Rapid Transit projects. Details of Metrolinx capital projects are included under [Section 7.0 Capital Projects](#). In addition, Metrolinx will also continue implementing a market-driven strategy to deliver new GO stations under the Transit Oriented Communities program as seen in [Section 8.0 Transit Oriented Communities](#).

The successful implementation of this 2020-21 Business Plan can be achieved through the dedicated contributions of Metrolinx employees and Metrolinx's partners. With strong resources to support the work ahead, Metrolinx will continue to advance its mission to connect our communities.



# 1.0 Introduction

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## 1.1 Legislative Mandate

Metrolinx is an agency of the Government of Ontario, established under the Metrolinx Act (the “Act”). The Act mandates Metrolinx to coordinate, plan, finance, develop and implement an integrated transit network in the Greater Golden Horseshoe (GGH) in alignment with applicable growth plans and provincial transportation policies and plans. Metrolinx is also responsible for the operation of the regional transit system. The Metrolinx Board is responsible for setting Metrolinx’s strategic direction, identifying, managing and monitoring key risks, as well as providing oversight to operations. The Chair of the Board is accountable to the Minister of Transportation, supported by a Memorandum of Understanding.

## 1.2 Metrolinx Overview and Key 2020-21 Priorities

Metrolinx is undertaking the largest regional transit investment in Ontario’s history and is working with federal, provincial and municipal partners, the private sector and other stakeholders to create an integrated regional transit system that will support a higher quality of life, a more prosperous economy and a healthier environment.

Guided by an organizational mission to “Connect our communities” and a vision of “getting you there better, faster, easier”, Metrolinx delivers regional public transit through its three operating services. GO Transit carries over 70 million passengers a year, all across the GGH. Metrolinx also provides service between Toronto Pearson International Airport and downtown Toronto through UP Express, and provides an electronic payment system across local transit services through PRESTO. To deliver these services, Metrolinx has broadened its workforce to 4,335 employees as of March 31, 2020 and is currently assessing the COVID-19 pandemic impact to the planned hiring plan for 2020-21. In addition, Metrolinx places a high value on safety, customer service and innovation within its business practices, and strives to deliver high quality services to all clients and stakeholders.

Over the last year and prior to COVID-19 pandemic, GO Train service has been expanded, including through the addition of approximately 213 new weekly GO train trips across the Kitchener, Lakeshore East and Lakeshore West lines, while trip extensions occurred on Lakeshore West, Kitchener, Barrie, and Stouffville, as well as making weekend train service to Niagara Falls and St. Catharines a year-round offering. Metrolinx will continue to assess options for expanding and extending its services to improve connections between population and job centres, while ensuring projects deliver value. Since the COVID-19 pandemic, Metrolinx has implemented service adjustments in response to lower ridership and is working on plans for revenue and ridership recovery, working with our transit partners to continue to deliver critical service across the region and contribute to its economic recovery.

Metrolinx continues to improve the customer experience for PRESTO users through investments that include improved issue resolution, enhanced customer communications and an improved card loading process. In addition, PRESTO continues to implement new forms of payment, including open payment implementation, with a planned pilot in 2020-21.

Metrolinx oversees the largest transit capital expansion program in Canada through its 10-year Capital Plan of approximately \$50 billion beginning in 2020-21. The capital plan includes the GO Rail Expansion Program

that will transform the GO Transit rail network into a comprehensive, all - day rapid transit network, as well as the delivery of the provincial subway program and Light Rail Transit (LRT) projects in Toronto and Peel Region. To support the delivery of capital projects, Metrolinx is implementing a market-driven strategy to deliver new GO stations under the Transit Oriented Communities (TOC) program. Metrolinx is committed to ensuring that the initial benefits and value identified as the rationale for investing in a project are achieved through the project lifecycle through stage-gated approval points and relying on business cases to provide the evidence to support investment decisions.

As the work advances on overcoming regional transit challenges, Metrolinx will continue working with municipalities and local transit agencies across the GGH to integrate fare and services across the region. Metrolinx will also continue its work in improving access across its existing and planned stations, while also delivering its commitment to environmental sustainability. In addition, the Transit Procurement Initiative continues to provide tangible benefits and efficiencies of over \$32 million since 2006 to 52 local transit agencies through joint procurement process for transit goods and services. This program helps municipalities to leverage buying volume of transit goods and services, and making it easy for municipal transit agencies to expedite purchases from federal and provincial transit funding sources, such as the Investing in Canada Infrastructure Program and Gas Tax program.

Metrolinx also has a number of internal activities and programs that support the delivery of public-facing services, including a strong human resource, reliable business technology, and a dedicated safety program. To support the delivery of all its projects and programs, Metrolinx has been implementing a comprehensive community engagement strategy, as well as developing strong stakeholder partnerships as part of its communication focus.

Metrolinx is also a key partner for the Province and municipalities in delivering rapid transit projects and the provincial subway program. Metrolinx will be collaborating with the Province, Infrastructure Ontario, the City of Toronto, and other municipalities to deliver these projects, including expanding upon the implementation of a joint governance framework for cross-jurisdictional regional transit programs, and will continue to partner with municipalities in advancing the planning and design work of several other future projects.

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

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

### **OUR VISION**

Getting you there better, faster and easier.

### **OUR VALUES**

Serve with passion  
Think forward  
Play as a team

### **OUR CAPABILITIES**

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

### **OUR SUCCESS FACTORS**

Everyone safe  
Engaged people  
Trusted business partner  
Customer focused

## 1.3 Metrolinx Strategic Objectives

Metrolinx's annual Business Plan for 2020-21 presents our strategic direction, business context, financial profile, priority initiatives and planned deliverables from every aspect of our organization. Our mission – we connect our communities – is realized in how Metrolinx chooses to plan, build, operate and connect the region. The annual Business Plan articulates how Metrolinx will do this through 2020-21, guided by the mandate to deliver on the GO Rail Expansion program, the government's subway program, rapid transit priorities and other objectives for the region, the agency's strategic objectives and Metrolinx strategic planning documents such as the 2041 Regional Transportation Plan (RTP).

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

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

## 2.0 Business Context for 2020-21

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### 2.1 Coronavirus (COVID-19) Pandemic Plan

In 2020-21, Metrolinx and the Province of Ontario, along with the rest of the world, are faced with an unprecedented and uncertain situation caused by the coronavirus (COVID-19) global pandemic. This pandemic impacts all aspects of our business and in particular, has significantly impacted our services and operations, ridership and revenues. In response, Metrolinx activated a COVID-19 Incident Command Team and implemented a Pandemic Plan that included strategic and tactical measures required to execute an appropriate pandemic response. These measures have included:

- **Protecting Metrolinx employees, customers and the public** by implementing layers of protection while continuing to offer a lifeline transit service in the region. These safety actions include sanitizing GO Transit and UP Express vehicles and stations, installing plexiglass barriers and face shield protection for bus drivers, no longer accepting cash fares, encouraging customers to add funds to their PRESTO account automatically using Autoload feature, not having drivers handle luggage, blocking the seats behind the driver and developing seating guide for train customers;
- **Minimizing disruption to essential Metrolinx services** through the development of Business Continuity Plans within each division. This includes adjusting services (e.g. less frequent services, shorter trains) and engaging with third-party vendors, contractors and consultants to ensure they are pandemic prepared. It also includes ensuring our construction sites, that have been declared essential and are still operating, are working safely and in line with public health direction;
- **Coordinating Metrolinx's response to ensure effective, timely action and communication**, through the development of comprehensive internal and external communications plans that increase awareness and improve understanding of the organization's pandemic response and safety measures with Metrolinx staff, business partners and the public; and
- **Outlining staff responsibilities according to the level of pandemic stages** potentially affecting Metrolinx operations (Alert Stage, Pandemic Stage, Post-pandemic stage), and reviewing existing Human Resources policies (e.g., telework) and developing new policies to address the changing staffing situation (e.g., staff returning to work after visiting a high transmission risk region)

COVID-19 physical distancing has a significant impact on ridership and has resulted in reductions in service across the network. Metrolinx will continue adjusting its services and operations in response to the pandemic. The organization's main goals in response to COVID-19 will continue to be:

- Protecting the health of Metrolinx employees, customers and the public;
- Minimizing disruption to essential Metrolinx services as a result of COVID-19; and
- Coordinating Metrolinx's response to the pandemic threat to ensure effective, consistent and timely action and communication across all Business Units.

Planning for the post-pandemic recovery period has commenced at all levels of government. The Province has launched a new Ontario Jobs and Recovery Committee which will focus on getting businesses up and running and people back to work after the COVID-19 pandemic is over. Throughout the 2020-21 fiscal year, the Metrolinx COVID-19 Incident Command Team will also prepare for the post-pandemic stage to guide the organization in its recovery from the pandemic. This includes assessing resources, re-stocking supplies and equipment, offering appropriate levels of services on GO and UP Express in line with provincial re-opening policies, preparing our employees for return to their office environments and documenting lessons learned. This also includes plans for revenue and ridership recovery, working with our transit partners to continue to deliver critical service across the region and preparing new ways of doing business in a post-COVID-19 world.

Metrolinx will continue working with the provincial government and monitor recent development of the COVID-19 outbreak to inform the work on planning for the recovery period

With a focus on safety, and the customer, services will return as physical distancing measures relax. Metrolinx offers a lifeline service for the region, and will contribute to its economic recovery. This recovery will focus on building customer confidence, and putting the customer first.

## 2.2 Environment Scan

In addition to adjusting how we conduct our operations as a result of the COVID-19 pandemic, Metrolinx is reducing its reliance on government subsidy by taking a more commercial approach to conduct its business. To achieve this Metrolinx has been focusing on finding efficiencies, increasing revenue, ensuring sustainable funding sources, and taking a more commercial approach to our business. This includes, among other things, maximizing non-fare revenue through various promotional and partnership initiatives and implementing a market-driven strategy to deliver new GO stations under the Transit Oriented Communities program, leveraging private sector investment and expertise to maximize Metrolinx's asset and revenue potential.

In the coming year, Metrolinx is also committed to increase service and grow ridership. In order to meet these commitments Metrolinx will focus on several measures including continuing to improve its operational readiness and on-time performance while also investigating a more holistic approach to its pricing strategy by taking into account the entire cost of travel to the customer. Metrolinx will also be enhancing customer experience including through improvements on PRESTO devices and equipment as well as exploring additional methods for riders to pay for transit.

With an increased commitment to deliver new provincial subway programs, in addition to existing capital projects, Metrolinx will continue to face the challenges that come with delivering large and complex infrastructure projects. One of the measures that Metrolinx will take to overcome this challenge is continuing to conduct preparatory work to ensure readiness of Metrolinx transit networks through signalling, track and grade separations work, and focus on commercial solutions and value engineering from public-private partnership contracts to deliver projects efficiently. In addition, Metrolinx will continue to leverage expertise from Infrastructure Ontario and private sector partners to deliver projects within the planned timeframe.

Finally, with an increased mandate that covers the GGH, Metrolinx will face challenges in managing a wider service area and the complexities that arise between multiple public transit systems within the expanded mandate area. To address this challenge, Metrolinx will continue to work together with the Ministry of Transportation (MTO) and municipal transit agencies on issues such as fare and service integration.



## 3.0 Financial and Resource Summary

### 3.1 Operating Budget Summary

With the COVID-19 pandemic and the physical distancing restrictions still in place at the time of writing, the financial impact of the pandemic has not been fully understood nor quantified. As such, Metrolinx's 2020-21 operating budget plan reflects our planned revenues and expenses as originally submitted to the government pre-pandemic. Metrolinx's 2020-21 operating budget illustrates our plan to continue delivering on the government's key priorities while finding efficiencies and generating new revenue opportunities.

Despite a constrained fiscal environment, Metrolinx is delivering on an expanded mandate that includes increasing services and delivering on the province's subway program. Metrolinx has been implementing strict expense controls and monthly expense reporting that has resulted in more robust budgeting practices. Throughout 2020-21, Metrolinx will continue to find efficiencies within its operating budget.

The 2020-21 operating 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.

**Exhibit 2: 2020-21 Operating Budget Plan**

<b>Revenue (\$M)</b>	<b>2020-21</b>
Fare Revenue	650.0
PRESTO Non-Fare Revenue	130.6
Other Non-Fare Revenue	66.8
<b>Total Revenue</b>	<b>847.4</b>
<b>Operating Expense (\$M)</b>	<b>2020-21</b>
Transit Operations	956.9
PRESTO	157.4
Rapid Transit	0.2
Regional Transportation Planning	6.6
Subways	1.8
Metrolinx Internal	97.7
<b>Total Expense</b>	<b>1,220.6</b>
<b>Net Operating Requirement</b>	<b>373.2</b>
Capital through Operating	8.1
Bid Fees	64.5
Proceeds from Sale of Assets	41.4
<b>Planned Subsidy Approvals</b>	<b>404.3</b>
<b>Projected Budget Surplus (Shortfall)</b>	<b>0.0</b>

Note: Capital through operating figures represent long-term interest expense for capital projects. Bid fees represent expenses associated with capital project procurement. Proceeds from sale of assets consist mostly of proceeds from Transit Oriented Communities program

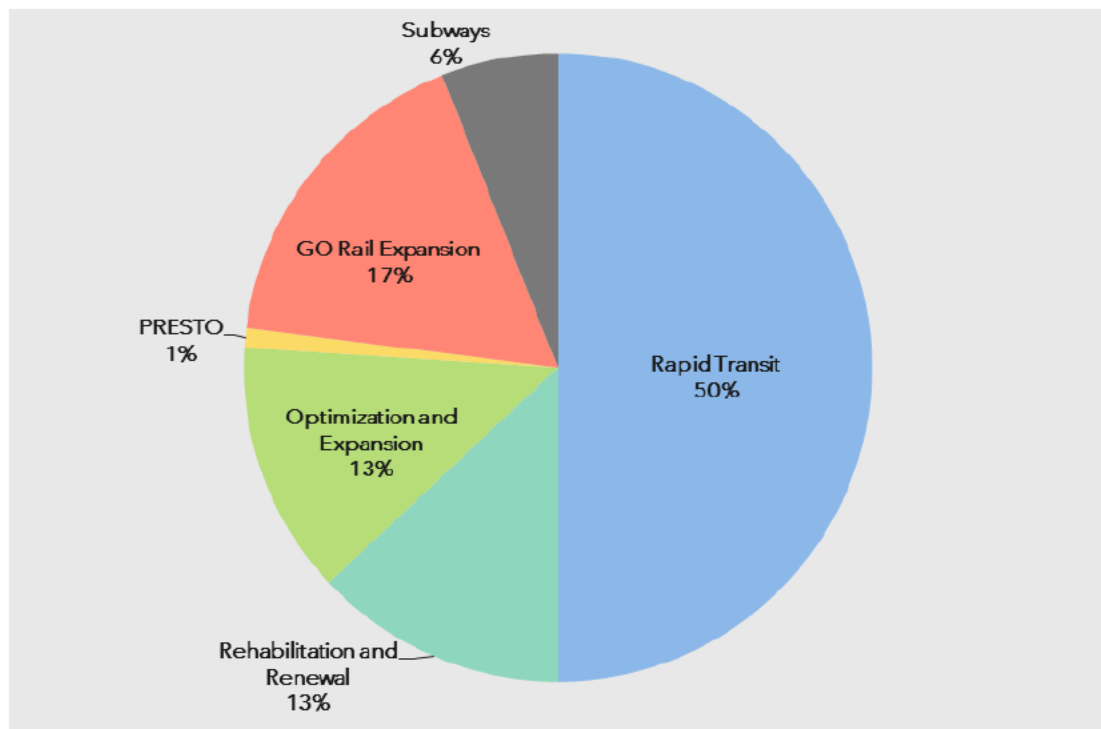
As with many public transit organizations across the globe, the COVID-19 pandemic will have a significant impact on Metrolinx's 2020-21 operating budget, in particular on ridership and fare revenue (see section 4.1 Ridership and Revenue for more detail). However, prior to the COVID-19 pandemic, total revenue for 2020-21 was forecasted at \$847.4 million and proceeds from sales of assets of \$41.4 million. For further details on the proceeds from sale of assets please refer to section 8.0 Transit Oriented Communities. Total expenses for 2020-21 were projected at \$1,220.6 million. The total provincial operating subsidy requirement for 2020-21 was projected at \$404.3 million. Metrolinx will continue to monitor and analyze the impacts of the COVID-19 pandemic on the 2020-21 operating budget plan and will develop appropriate mitigation strategies and action plans to support pandemic recovery efforts.

## 3.2 Capital Budget Summary

Metrolinx's capital plan reflects a focus on commercial solutions and value engineering to avoid, where possible, the need for additional Government investment, while still achieving the desired service outcomes and commitments.

Metrolinx has a capital budget in 2020-21 of approximately \$3.5 billion for the delivery of various capital programs, including: GO Rail Expansion, Optimization and Expansion, Rehabilitation and Renewal, Provincial Subways and Rapid Transit. Exhibit 3 provides a breakdown of the types of investments in the capital plan by percent of total.

**Exhibit 3: 2020-21 Metrolinx Capital Investments by Percent of Total Capital**





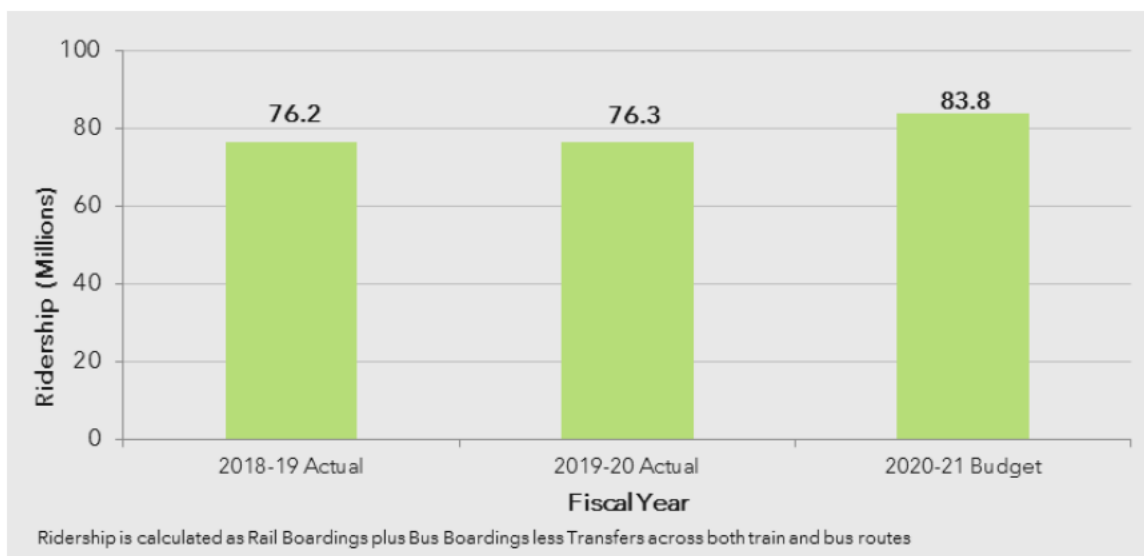
## 4.0 Ridership and Revenue Strategy

### 4.1 Ridership and Revenue Strategy Highlights

Metrolinx is working to reduce its reliance on provincial operating subsidy by taking an augmented commercial approach to its business and actively exploring opportunities and initiatives to increase ridership and maximize revenues.

Metrolinx is committed to continue increasing ridership and fare revenue through planned service expansions, enhanced customer experience and implementing a fare strategy. In 2019-20, Metrolinx increased service on the Lakeshore East, Lakeshore West and Kitchener corridors, and improved off-peak service on the Stouffville, Barrie and Lakeshore corridors, as well as making weekend train service to Niagara Falls and St. Catharines a year-round offering. In April 2019, Metrolinx also implemented lower short-distance fares for GO Transit, and launched digital e-tickets to increase customer convenience. Growth in off-peak travel is further supported with event partnerships, and the Sunday Funday pilot (See Section 4.2 Fare Strategy for further details). These initiatives were having the desired effect in ridership growth in most of 2019-20 except for the last weeks in March where ridership declined significantly due to the COVID-19 pandemic.

**Exhibit 4: Metrolinx Ridership**



Without the impact of COVID-19, ridership for 2020-21 was estimated at 83.8 million. However, ridership has decreased by approximately 95% since mid-March, 2020 due to the COVID-19 pandemic. This major ridership decrease and impact from COVID-19 has largely affected Metrolinx's revenue during the pandemic period. Metrolinx continues to actively respond to the situation by working together with the Province, while continuing to build customer confidence and promote safety as part of our service. Metrolinx will update the forecasts as new information becomes available.

## 4.2 Fare Strategy

Metrolinx's fare strategy continues to build off-peak and discretionary ridership with 2019-20 achievements including:

- **Lower GO fares for short distance trips (10 km or less) and Kids GO Free (children 12 and under ride for free).** Since April 2019, these two initiatives resulted in increasing boardings by 13% at stations close to Union (and 22% on weekends).
- **New e-ticketing platform** was launched as a pilot to support growth in seasonal and infrequent travel markets. Since July 2019, approximately 180,000 e-tickets were sold.
- **"Sunday Funday" e-ticketing promotion**, which allowed customers unlimited travel on GO Transit for \$10. Since December 2019, approximately 15,000 Sunday Funday passes were sold, increasing Sunday e-tickets sales by 40%.

Fare strategies for 2020-21 will focus on:

- **Helping to rebuild ridership and revenue** as a result of the impact of COVID-19.
- **Making transit more affordable**, especially for our younger customers and students, helping to build lifelong customers.
- **Launching new promotions and programs** to provide more reasons to use GO throughout the week and to continue to build off-peak discretionary travel.

## 4.3 Customer Experience and Insights

Customer experience is at the core of building confidence for Metrolinx customers, and this includes supporting ridership as we recover from COVID-19 pandemic. Metrolinx's focus on customers stems from research and data driven insights, which are engrained in our decision-making processes. Building our understanding of current and potential customers leads to more targeted strategies and the identification and removal of barriers, which increases ridership and revenue.

Metrolinx's focus on customers is shown in our 2019-20 achievements, such as:

- **Bus and rail services offered:** implementing service changes where and when there's demand
- **Pricing:** informing fare changes and pricing promotions (i.e., Sunday Funday)
- **Marketing and Partnerships:** heightening the focus on specific event marketing and partnerships

In 2020-21, Metrolinx will continue to focus on meeting customer needs and expectations, with plans that include:

- Build on our **targeted approaches to service changes and marketing**, with a greater awareness of our potential customers, and where there's greatest demand for our services
- Implement **fare strategies that build ridership and revenue**, attracting customers back to GO
- Form a **deeper awareness of our customers**, and ridership drivers, informing partnership and marketing strategies, and customer experience elements across our network

Metrolinx will continue to build on customer research to identify pain points and barriers to choosing transit, and then developing mitigation measures. As we shift to a focus on recovery from the COVID-19 pandemic, customer experience and insights will be pivotal to building confidence with the public and contributing to our economic recovery.

## 4.4 Non-Fare Revenue

Non-fare revenue includes advertising and partnership revenue, track usage fees from corridor ownership, interest on working capital, reserved parking fees, and commercial space rent. It also includes PRESTO commission fees collected from transit providers for the use of the PRESTO system.

Building off of significant growth and development in 2019-20, Metrolinx will continue to strive to increase non-fare revenue through the expansion and transformation of our advertising network through digital infrastructure, the acquisition of partnerships that deliver multiple objectives including increasing non-fare revenue and enhancing customer experience, and commercialization of key customer amenities such as retail and Customer Wi-Fi.

Some highlights from Metrolinx's partnership and non-fare sales achievements in 2019-20 include: New advertising revenues through the addition of modernizing signage at six (6) key GO Stations which saw the addition of 37 new digital screens;

- Building of five (5) new digital billboards along the 400 Series Highways that are now live and revenue generating;
- Signing of multi-year partnership agreements with CAA (Canadian Automobile Association), Interac, Audible, and one-year agreements with Commissionaires, and Canada Goose; and
- Completed a pilot partnership with Ride Share company Lyft that provides GO customers with discounted Lyft rides to gauge interest and test incentives to modify customer journey patterns to and from GO Stations.

For 2020-21, Metrolinx will continue to deliver partnership and non-fare initiatives including:

- **Advancing a multi-year Retail Strategy** by continuing to work with existing vendors and acquire new retail partners. We will also look to test a variety of enhanced and modern vending machines;
- **Upgrading existing advertising assets**, creating new advertising assets and further expand its digital advertising network assets across GO Stations and Metrolinx properties to generate additional incremental non-fare revenue;
- **Completing construction of four (4) new digital billboards** on Metrolinx owned properties along the 400 series highways;
- **Acquiring corporate partners and sponsors** through opportunities around naming rights of stations, services, and amenities, while continuing to build on the success of value-in-kind partnerships with media partners that provide Metrolinx with additional marketing channels;
- **Deploying free customer Wi-Fi onboard buses and trains** along with content portal (e.g. free videos, shows, music, e-books) launching in 2020. The full rollout is scheduled to be complete by the early 2021; and
- **Continuing to build on past successes** such as, pursuing business-to-business opportunities, special events, and large conferences together with increased focus on driving prepaid major conference travel ticket sales, increasing existing promo-code sales and growing the corporate ticket program for GO and UP Express.

Metrolinx originally anticipated an increase in revenues from digital billboard development in 2020-21; however, due to the impact of COVID-19, construction timelines and revenue will be impacted significantly.

## 5.0 Operations

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### 5.1 Operations Highlights

Metrolinx Operations provides regional public transit service for the Greater Golden Horseshoe through train and bus service that carry more than 70 million riders annually. To meet projected longer-term ridership and demand for regional transit service, in 2020-21 Metrolinx will continue extending its rail service, implementing a GO bus strategy, while also enhancing service and safety to its customers.

### 5.2 Rail Service Extension/Additional GO Rail Service

Metrolinx provides regional rail service through its GO Transit network corridors: Lakeshore West, Lakeshore East, Milton, Kitchener, Barrie, Richmond Hill and Stouffville. Over the last year, service along the Stouffville corridor has improved significantly, including expanded mid-day train service, expanded evening train service, the introduction of weekend service on the Stouffville corridor between Mount Joy Station and Union Station, along with new weekday service from Lincolnville Station to Union Station. The expansion of weekend rail service throughout the region will help offset the impacts of increasing highway congestion and make transit a more attractive option every day of the week.

Customers across most of the GO network saw significant increases in service throughout the year as well, continuing on the pathway to planned two-way all day service on core GO Transit segments. Customers on the Lakeshore West line enjoyed more rush-hour service, more two-way weekend service, and a few added late-night options. Weekend rail travel to/from St. Catharines and Niagara Falls is now available year-round. Those travelling on the Kitchener line were also introduced to more peak train service, along with expanded off-peak / evening services and trip extensions. Lakeshore East customers were introduced to new weekday mid-day train service, as well as adjustments to offer more travel options in Scarborough. Finally, Barrie customers benefitted from further weekend service extensions on their corridor.

Metrolinx will continue to work towards implementing rail service recovery and expansion throughout 2020-21, including longer-term service increases for Kitchener, Niagara and Bowmanville, with the release of Business Cases for these services.

In November 2019, the Metrolinx Board of Directors reviewed the updated Initial Business Cases for Kitchener and Niagara, and endorsed options to proceed to Preliminary Design Business Cases. For Kitchener customers, the new expansion will result in more trains during the weekday peak and off-peak periods, as well as two-way weekend service. For Niagara customers, the new expansion will increase the frequency of the newly introduced weekday and weekend services.

The Bowmanville updated Initial Business Case was released in February 2020. The Initial Business Case identified four (4) unique options to deliver additional GO Rail service and recommended proceeding with an option that balances the ridership with overall project costs, but using existing rail infrastructure, to provide both transit and community benefits.

## 5.3 GO Bus Strategy Implementation

The GO Bus Strategy establishes a new direction for GO bus service in the next 10 years, with the primary goal to grow ridership and revenue in the suburb-to-suburb regional travel market and increase the cost-effectiveness for delivering GO bus services.

With the continued growth of bi-directional off-peak GO train service on most corridors, Metrolinx will continue work to redeploy resources from Train-bus (which serve GO rail customers at times when rail service is not operating) and Train-meet (which feed regional customers into the GO rail network) services to high-demand corridors, particularly along Highways 401, 403, and 407. The desired outcome is to create a high-frequency (15 minute), fast, and direct east-west circumferential service that connects customers between suburban communities, complements the network of GO rail, subway, LRT and BRT network expansion currently underway across the region.

The strategy also includes actions to improve speed and frequencies on these corridors to better compete with the automobile, integrate with local transit services, and explore other operating models that meet the varied needs of our regional customers. These strategic actions were developed in alignment with the goals of the 2041 Regional Transportation Plan (RTP) to implement a Regional Express Bus network providing long-distance regional travel in areas not well-served by the 15-minute GO rail service, with specific aims to expand the length of the Frequent Rapid Transit Network, gain a greater share of trips by transit, and improve access to people and jobs in the across the region.

The strategy will be implemented in phases over a period of five-to-ten years as infrastructure and the LRT network is developed. The initial phase over the next two-to-three years includes transitioning routes not requiring infrastructure and continue to meet current customer needs.

## 5.4 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. The key objective of the safety program is to improve the organization's capability to safely manage the interfaces between employees, customers, operations and maintenance, construction and the public and to reduce injuries to employees and contractors and to reduce rule violations.

The delivery of an enterprise safety management system to provide the processes and procedures to assist in the development of a positive and progressive safety culture is fundamental to providing a safe workplace for employees and contractors and improving public and passenger safety. The safe delivery of the capital program and the additional services will rely on excellent safety assurance. The maturing of this safety assurance capability will enable the transition into both an operational and an oversight safety assurance role for Metrolinx. The Safety Division's main focus for 2020-21 will include:

- **The delivery of the Metrolinx' 2020-21 Safety Plan** that will cover Capital Projects Safety, Public and Passenger Safety, Accident Investigation and Safety Assurance, Standards and Practices, and Occupational Health and Safety and Environment;
- **Enhanced safety performance** through annual enterprise performance reporting and implementation of new Safety Management Information System for automated reporting of safety incidents, analysis and evaluation of trends and risk;
- **Improve safety across the organization** through implementation of Enterprise Safety Management System to govern the way safety is managed across the organization, Health and Safety Manual on all workplace safety requirements and Construction Safety Manual for construction and maintenance contractors;



- **Develop Metrolinx Rule Book** for the separation and movement of trains and the protection of our people and passengers;
- **The rollout of Personal Track Safety Program** for contractors and employees combined with a new competence management system to track individuals' capability and authority to work in the rail corridor;
- **Updating Personal Protective Equipment requirements** for all Metrolinx staff and contractors;
- **Implementing a Level Crossing Safety Management Program** to provide a standardized framework for the oversight of grade crossing infrastructure throughout Metrolinx owned corridors; and
- **Enhancing our Fit for Duty program** with a Fatigue Management program.

## 5.5 Security

As Metrolinx continues to provide new weekday, off-peak and weekend services, transit security has also become one of the key components of the business plan. Over the last year, Metrolinx has achieved milestones in key areas of transit security, including implementation of an enhanced fare protection approach, which includes additional officers, an alternative dispute resolution and hearing process, as well as aligning fare enforcement policies across GO Transit and UP Express. Metrolinx has also implemented a Canine Explosive Detection Program that is responsible for patrolling both Union Station and the rest of our network. In addition, Metrolinx is implementing enhanced crime detection and prevention using data and analytics to mitigate potential criminal activity affecting our network. In parallel, we continue to provide support to victims of crime on our network.

Looking ahead towards 2020-21 and keeping on with current activities in the key areas of transit security, Metrolinx will be:

- **Developing a more robust fraud prevention program** in response to PRESTO becoming an attractive target for fraudsters that use stolen credit cards to purchase PRESTO cards and then refund the cards for cash.
- **Continue taking on numerous internal investigations** using a multi-disciplined approach to workplace violence and harassment cases; and
- **Bringing onboard a new crime reporting system and computer aided dispatch service** that will allow better deployment of resources and increased officer safety, while at the same time making reporting more accurate, secure and predictive. Metrolinx has completed phase 1 of the project and have access to the Canadian Police Information Center to allow query of criminal records, wanted persons, stolen property and court orders. This requires strict compliance with RCMP regulations and regular audits. The roll out for phase 2 & 3 is scheduled for June.

## 5.6 Customer Service Strategy

Metrolinx continues to expand its commitment to improving customer satisfaction. After launching the Metrolinx Customer Charter in 2018, Metrolinx enhanced its customer satisfaction program in 2019 to improve customer satisfaction with GO Transit, UP Express and PRESTO services by focusing on short-term actions to complement long-term customer improvements. This balance provided customers with improvements that they could experience sooner rather than later.

Over the past few years, a number of programs have been developed with the goal of enhancing the customer experience on GO Transit and UP Express. Programs like GO Expansion, implementation of digital signs, PRESTO Device Refresh Program and changing the way we serve customers at stations, among others, are highly complex programs that aim to deliver significant customer experience benefits. Ensuring these

programs continue to be delivered successfully while keeping safety at the forefront is critical to ensure that customer needs are met.

To continue delivering an exceptional experience in 2020-21, a new Customer Service Delivery Strategy is in motion to align all of our priorities with the needs of customers, while keeping staff prepared for future changes. Highlights of the customer service enhancements underway include:

#### Exhibit 5: Customer Service 2020-21 Enhancements

Priority	We Will
Customer Service Through Construction	<ul style="list-style-type: none"> <li>• Maintain customer satisfaction at stations undergoing construction by ensuring the least possible disruption to customers. This includes the use of customer impact assessments to minimize the effect of construction on customers travelling through the station.</li> </ul>
Fare Program Improvements	<ul style="list-style-type: none"> <li>• Enhance GO/UP fare devices to make it easier for customers and staff to use</li> </ul>
Communication Improvements	<ul style="list-style-type: none"> <li>• Improve customer communications technology by procuring a new "On the GO" vendor that will provide technology with additional functionality, enhanced performance, and improved system reliability.</li> <li>• Establish an action plan with timeframes to deliver on the Service Communication Strategy that will achieve our objectives around Quality Management, Technology Enablers, and Increased Self-Service.</li> </ul>
Improved Customer Parking Options	<ul style="list-style-type: none"> <li>• Explore improvements to parking choices and parking experience for customers while considering affordability and customer trends.</li> </ul>
Implementation of Digital Signs	<ul style="list-style-type: none"> <li>• Continue with digital sign installation at train and bus platforms across the Metrolinx network; develop an integrated digital management system (DMS) to enhance service information for customers; and start sharing service information on Metrolinx digital signage with municipal transit providers.</li> </ul>
Changing the way we Serve Customers at Stations	<ul style="list-style-type: none"> <li>• Provide more convenient self-serve options for customers to purchase tickets and PRESTO products enabling staff to provide more personalized assistance.</li> </ul>
Improving Signage and Wayfinding	<ul style="list-style-type: none"> <li>• Update signage and wayfinding across all Metrolinx platforms at Union Station and five priority stations to ensure customers can find where they are going quickly and efficiently.</li> </ul>

## 6.0 PRESTO

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### 6.1 PRESTO Highlights

PRESTO is Metrolinx's fare payment system with a mandate to enable and encourage greater transit ridership. Currently, 11 transit agencies utilize PRESTO across the Greater Toronto and Hamilton Area and in Ottawa. As of February 2020, there were over 2.2 million unique PRESTO cards in use, an increase of 300,000 over the same time last year. At this same time, the overall PRESTO adoption rate had reached 70%, reflecting an increase of 5 points over the past year, with the TTC adoption reaching approximately 71%.

Over the past year, PRESTO has made significant progress including the implementation of multiple cost savings initiatives that are mostly from vendor efficiencies and operations optimization. In addition, PRESTO steadily improved equipment availability and continued to deliver new forms of payment through the launch of PRESTO Tickets on the TTC, which have exceeded one million uses so far.

For 2020-21, PRESTO will focus on the following strategic priorities:

- Enable recovery of transit ridership impacted by COVID-19 and encourage further adoption of PRESTO
- Enhance the customer & client experience and increase customer satisfaction to 78%
- Continue evolving the business model with a strong focus on continuing to reduce costs
- Extend the system's footprint by exploring opportunities to expand PRESTO's transit agency client base

### 6.2 PRESTO Customer Experience Strategy

Metrolinx is committed to ensuring an excellent PRESTO customer experience and has continued to prioritize improvements to customer products and services. Last year, the organization moved from measuring customer satisfaction annually to bi-annually through our deep dive surveys and implemented a monthly pulse check survey to gain greater and more frequent insights from our customers.

Currently PRESTO has a customer satisfaction score of 73% on average, measured across our two bi-annual deep dive surveys. Our customer satisfaction progress throughout 2019-20 included a number of key improvements to the PRESTO customer experience, including PRESTO web chat enhancements to include customer authentication, reduced minimum card load from \$10 to 5 cents, elevated customer support provided via social channels, customer communications enhancements through training, improved automated email responses and improved menu options that customers hear when they call in to the PRESTO Contact Centre enabling more effective self-service.

2020-21 marks a year of continued growth for PRESTO, as we look to place customers at the centre and forefront of our business success. To accomplish this goal, we are focusing on both short-term and longer-term improvements to the transit payment experience. Three primary areas for short-term improvement have been identified:

- **Reducing PRESTO Card loading time**, including the time it takes to load funds, and the experiences with loading and running out of funds
- **Improving Issue Resolution**, which includes resolving customer issues, such as machines not working, incorrect fares, cards not tapping, and lost cards with the intent to improve overall satisfaction for customers that encounter problem



- **Improving PRESTO customer communication**, including improving communication frequency, customer service, ease of finding information, information about changes, information about how PRESTO works

Over the longer-term, PRESTO is focusing on improving customer experience across four key categories:

- **Digital experience:** improving web and app content, user experience and service design
- **Fare payment:** piloting open debit / credit card payments
- **Perks and loyalty:** broadening and expanding PRESTO's offering to customers for incremental value
- **Policy:** pursuing cardholder policy changes that will unburden the customer of unnecessary fees or effort

## 6.3 PRESTO Business Model

PRESTO has evolved from a project-focused organization to one that brings a greater focus on driving customer experience and client outcomes. In doing so, a new PRESTO operating model was developed that introduced a scheme governance and compliance oversight function, and ensured a balanced focus on customer and clients, technology, and delivery and operations.

In 2020-21, PRESTO will continue to evolve its business model with particular focus on maturing scheme governance and compliance oversight as well as our 2022 Procurement Program, which will address the coming expiry of our contracts with PRESTO's key current suppliers and drive long term cost reduction of evolving and maintaining the payment system:

- **Scheme Governance and Compliance Oversight:** This function is responsible for ensuring good governance amongst the participants in the PRESTO payments ecosystem, and overseeing compliance to interoperability, privacy, cyber security, fraud and PRESTO brand rules. In 2020-21, PRESTO will continue to define and implement common standards, with the focus on fraud reduction, data governance, Payment Card Industry compliance and shared communication with transit riders.
- **PRESTO 2022 Procurement Program:** October 2022 marks the expiry of PRESTO's primary technology and operational supplier agreement. With this agreement coming to an end, PRESTO is taking the opportunity to align contracts to the evolution of the business model to better serve customers, transit agencies, and stakeholders, as well as reduce the total cost of ownership of the provincial transit payments business. In late 2019-20, PRESTO completed a market sounding exercise, which will help refine procurement strategy in 2020-21 for retendering outsourced functions in time for the 2022 contract expiry.

## 6.4 Exploring New Forms of Payment

PRESTO is currently exploring other complementary forms of payment that can be introduced to customers to provide more choice and flexibility in how they pay for transit, while also addressing common complaints such as load wait times. Metrolinx will continue to work with municipal transit agencies to explore this opportunity.

## 7.0 Capital Projects

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### 7.1 Capital Projects Highlights

Metrolinx continues to advance the largest transit expansion program in Canadian history, which will transform the way the region moves. The three major flagship programs are:

- **GO Rail Expansion**, which will bring two-way, all-day, service to the core segments of our network through various packages of early works, station works and on-corridor works;
- **Subways program**, which will see extension of the existing subway network, as well as the new Ontario Line through the downtown core and extension of the Eglinton Crosstown LRT westward towards Renforth Drive with potential future connection to Pearson Airport.
- **Rapid Transit program**, which is well under construction to bring Light Rail Transit (LRT) and Bus Rapid Transit (BRT) to the Greater Toronto Area and York Region.

Further details of each program are described in their respective sections.

### 7.2 GO Rail Expansion

Metrolinx through the GO Rail Expansion Program is committed to transforming the existing GO Transit rail network into frequent all-day, two-way service on core segments of the network. Capital costs associated with the GO Rail Expansion program are estimated to be \$26.8B (\$Year Of Expenditure), which includes investments for State of Good Repair (SOGR) and Optimization and Expansion for existing assets and expansion of the rail network and passenger facilities.

In the 2020-21 fiscal year, Metrolinx will be investing approximately \$1.6 billion in the GO Rail Expansion program which includes investments in SOGR and optimization and expansion to advance numerous projects, including, but not limited to: Davenport Diamond Grade Separation, Rutherford Grade Separation and Station, Stouffville Second Track and Signals, Stouffville Stations; On Corridor Works, Lakeshore East Expansions, Lakeshore West, Utility Preparatory Activities, Barrie Corridor Expansion and Union Station Rail Corridor Improvements. The implementation of the GO Rail Expansion Program is divided into different packages of work, based on when and how the infrastructure is required.

#### GO Rail Expansion Enabling Works

The Enabling Works Program includes projects that will prepare the rail network for the implementation of the GO Rail Expansion Program. These works include utility relocations, grade separations, track work and modifications, grading, retaining structures, noise mitigation measures, and upgrades to bridges, stations, and signaling and communications infrastructure. Work will continue in 2020-21 to deliver this program through both public-private partnership contracts and traditional procurement methods:

- **Public-private partnership contracts:** Metrolinx will continue to make progress in delivering 10 of the GO Rail Expansion Enabling Works projects using this approach and work with Infrastructure Ontario as the procurement lead through an integrated team. Six contracts have already been awarded and are in the implementation phase (design and construction), including Davenport Diamond Rail Grade Separation, Cooksville GO Station, Highway 401/409 Tunnel, Kipling Station Bus Terminal, Stouffville Stations and Grade Separations, and Rutherford Station and Grade Separation. The remaining five are in various stages of development and procurement.

- **Traditional procurement methods:** Metrolinx will continue to deliver other enabling works through Design-Build (DB) and Design-Bid-Build (DBB) contracts. Ongoing work will also incorporate routine annual maintenance investments of fixed assets, like surface parking, stations, and operating facilities.

In 2020-21, Metrolinx will also continue advancing to deliver the Union Station Rail Corridor and Signaling Enabling Works to deliver the GO Rail Expansion service and major work required at Union Station. The majority of the projects within this program are being delivered through the traditional DBB contracts. However, the Union Station Enhancement Project, which includes a new platform and concourse, will be delivered using a separate procurement model, the agreement is expected to be awarded by the end of the year.

#### **GO Expansion New Stations and Off-Corridor Works**

Metrolinx is undertaking modernization and improvement of passenger facilities at more than 29 existing stations through a DB contract for Early Stations Improvements. The DB construction contract with Grascan was executed in January 2019. Throughout 2019, procurement planning of the Off-Corridor Works Program continued for renovations at existing stations on the GO network, including upgrades to station buildings, platforms, signage, bus loops, parking, accessibility, and passenger pick-up and drop-off facilities.

In 2020-21 Metrolinx will continue to deliver work related to the Off-Corridor Works Program and Early Stations Improvements, including the new Caledonia GO Station on the Barrie Corridor to accommodate two tracks with a pedestrian connection into the Eglinton Crosstown LRT station.

#### **On-Corridor Works**

Metrolinx is committed to advance with the next stages of delivering the GO Rail Expansion Program. A key component of the delivery of the GO Rail Expansion Program are the on-corridor works required to deliver the enhanced service levels outlined in the Full Business Case for GO Expansion. On-Corridor works are being delivered as a DBFOM contract using the P3 model based on a qualitative analysis considering feedback from the market, capacity, program interfaces, project size, flexibility for future change and experience on local and international projects.

Procurement of on-corridor works was initiated in spring 2018 through the release of a Request for Qualifications (RFQ) and Request for Proposals (RFP) in spring 2019. In 2020-21 Metrolinx will continue working together with Infrastructure Ontario and advancing on the procurement, which includes the following scope:

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

## 7.3 Expansion and Optimization

In 2020-21, investments of approximately \$609 million are towards GO Transit expansion and optimization projects, significant progress is planned including:

- Cooksville GO Station and parking garage;
- Stouffville Stations Improvements;
- Kitchener Expansion;
- GO Transit Train Control System;
- Kennedy and Mount Dennis GO Station renovation;
- Kipling Station Bus Terminal; and
- Purchase of new bi-levels and locomotives.

## 7.4 State Of Good Repair (SOGR)

To ensure GO Transit assets remain in a safe and reliable condition, Metrolinx continues to invest in infrastructure rehabilitation. Approximately \$601 million of the capital plan for 2020-21 will be dedicated to SOGR projects, including GO Transit and enterprise IT initiatives.

In 2020-21, Metrolinx is aiming to deliver its SOGR Program within 5% of its approved capital budget, as part of achieving the organization's strategic objectives. In 2020-21 Metrolinx will be focusing on projects such as: Maintenance and rehabilitation work to GO owned structures, track and signals;

- Train Control System Program – Union Station Rail Corridor;
- Fare systems program;
- Bi-level vehicle refurbishment; and
- Customer Digital Transformation and other enterprise I&IT work

## 7.5 Subways

In 2020-21, Metrolinx, in partnership with the Province and Infrastructure Ontario, and in collaboration with the City of Toronto and other municipalities, will continue to advance the delivery of four new priority subway projects. The projects identified in the Province's New Subway Transit Plan for the GTHA are:

- **Ontario Line** – Work underway includes preliminary design business case work, environmental assessment and preparation for delivery for a new 15.5km subway from Ontario Science Centre to Exhibition/Ontario Place;
- **Yonge North Subway Extension** – Work underway includes initial business case for a 7.4km extension from Finch Station to Richmond Hill/Langstaff Gateway Urban Growth Centre;
- **Eglinton Crosstown West Extension** – Work underway includes preliminary design business case, advancing procurement of an advanced tunnel contract and preliminary design work for a 9.2km extension of the Eglinton Crosstown LRT from the future Mount Dennis Station to Renforth Drive.;
- **Scarborough Subway Extension** – Preliminary design business case has been completed and the project is advancing to the next stage to deliver an approximately 8km long extension planned three-stop continuation of the existing TTC's Bloor Danforth Line 2 from the existing terminal at Kennedy Station; and
- **Sheppard East Subway extension** - Province will begin exploratory work on cost estimate for the Sheppard subway to McCowan following the completion of the Scarborough Subway Extension.

## 7.6 Rapid Transit Projects

The Eglinton Crosstown LRT project is being delivered through a Design-Build-Finance-Maintain (DBFM) contract, which was awarded to Crosslinx Transit Solutions (Crosslinx) in July 2015. Construction has been underway since March 2016. For 2020-21, Metrolinx will work with Crosslinx and continue making progress on the surface alignment as well as completion of the first two underground stations. Work will continue on track installation (with currently over 50% installed), stop installations and the overhead catenary and traction power substations.

The Finch West LRT project is being delivered through a DBFM contract, which was awarded to Mosaic Transit Group in May 2018. Design of the project is well underway and preparatory works have been ongoing since mid-2018, including onsite designs surveys and geotechnical investigations. Under a separate contract, Metrolinx has also been relocating gas lines and completing property negotiations. In 2020-21, further preparatory work and construction work is expected to begin on several sections of the corridor including the Maintenance and Storage Facility, Humber College Station, Toronto Hydro Electric System pole line relocation, Highway 400 bridge work and watermains and storm sewer replacements.

The Hurontario LRT project is being delivered through a Design-Build-Finance-Operate-Maintain (DBFOM) contract, which was awarded to Mobilinx in October 2019. Preparatory construction activities by telecommunication and utility companies (Rogers, Bell, PSN and Alectra) are ongoing and on schedule. Phase 1 of Enbridge Preparatory works were completed in early 2020 with the remaining works continuing as planned. Despite limitations imposed by the recent pandemic, Enbridge crews continue to work on the project and are on schedule to complete their scope by the end of 2020.

Construction commenced in March 2020, including median removal works along Hurontario Street between Matheson Boulevard and 407 ETR, as well as site preparatory works (e.g. investigation, demolition, compound set up) at the Operation, Maintenance & Storage Facility lands.

Four segments of the vivaNext BRT Program are currently in service: Davis Drive, Highway 7 from Richmond Hill Centre to Warden Avenue, Highway 7 - Vaughan Metropolitan Centre and Highway 7 - Vaughan to Richmond Hill. Yonge Street from Mulock to Davis Drive was placed into service in early 2020. Metrolinx will continue to work with Mobilinx on the remaining Yonge Street segments, which are expected to be in service in December 2020.

## 7.7 Advancing Other Future Projects

In addition to the rapid transit projects already underway, in 2020-21 Metrolinx continues to partner with municipalities in advancing the planning and design work of several other potential future projects, including:

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



- Downtown Mississauga Transitway and Terminal - Initial Business Case for the completion of the Mississauga Transitway through downtown Mississauga as well as a consolidated bus terminal bringing GO Bus, MiWay, and the Hurontario LRT together.
- Technical review of Hamilton Task Force recommended options with Infrastructure Ontario for consideration for transportation infrastructure in the City of Hamilton, from the Province's \$1 Billion on capital funding commitment. Working with Infrastructure Ontario to conduct a technical review of the options recommended by the Hamilton Transportation Task Force that can be fully or partially supported by the Province's \$1 billion capital funding commitment for transportation infrastructure in the City of Hamilton.

## 8.0 Transit Oriented Communities Program

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### 8.1 Transit Oriented Communities Program highlights

Metrolinx is transforming its approach to be more commercial, by focusing on its goals of increasing service and generating revenue while being cost efficient. Metrolinx is continuing to advance innovation by the adoption of a market-driven approach to station infrastructure through the Transit Oriented Communities (TOC) Program (formerly referred to as Transit Oriented Development). This approach enables Metrolinx to leverage third-party investment to reduce public funding for transit expansion and offer new opportunities to deliver more transit services faster and at a lower cost to taxpayers.

With the COVID-19 pandemic and the physical distancing restrictions still in place at the time of writing, the financial impact of the pandemic has not been fully understood nor quantified. As such, the TOC 2020-21 revenue target (please refer to Section 11.1 Operating Budget for details) will be reviewed against the current and future projections for the development market with focus on government's key priorities and new revenue generation. Going forward, Metrolinx is committed to looking at more innovative approaches to lower expenses and increase revenue in the outer years.

### 8.2 Transit Oriented Communities Program

The Guiding Principles of the TOC Program are: (a) fair exchange of value; (b) increasing transit ridership; (c) improve customer experience; and (d) city building. Further, the objectives of the TOC Program are to achieve: (a) increase in transit ridership and reduced traffic congestion; (b) increase in housing supply and jobs; (c) catalyse complete communities based on good planning principles; and (d) positive value capture for the Province and reduced costs to taxpayers for transit expansion.

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

The TOC Program creates opportunities to work with the private sector to generate value as a result of public investment in transit. By achieving the Program goals, Metrolinx is achieving the overall strategic objective of pursuing a more market-oriented approach to the delivery of the Metrolinx broader mandate. Metrolinx and Infrastructure Ontario together have put in place the processes and systems that can enable more responsiveness and have demonstrated the capability to be a trusted business partner with the development industry.

The TOC Program has enabled the development, expansion, and execution of TOC real estate deals and transactions, including fee simple and land lease dispositions, for Metrolinx-owned or managed lands, on the commercial viability of all development partnerships. Mimico and Woodbine GO stations are current projects that are being delivered using this strategy.

The TOC program now has the foundation needed to carry it forward into the next natural phase for both Metrolinx and Infrastructure Ontario (IO). The program has distinct approaches and workstreams based on asset class.

## 9.0 Regional Transportation Planning

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### 9.1 Regional Transportation Planning Highlights

The 2041 RTP was published in March 2018 and sets out the vision for the regional transportation system in the GTHA. With the new mandate to focus on transit while expanding our planning area to the GGH, the 2041 RTP continues to serve as Metrolinx's guiding document and blueprint for an integrated transit network for the region.

In 2020-21, Metrolinx continues to advance the transit-supportive elements of the 2041 RTP while also beginning the process of expanding our transit planning work to the GGH. Key actions related to advancing the regional transit planning in 2020-21 includes:

- Convening stakeholders and partners through our regional consultation framework;
- Proceeding with the Annual Review phase of Metrolinx's project Prioritization Framework;
- Developing analysis and options for a Priority Bus program;
- Supporting and providing input to transit option development and evaluation as part of MTO's GGH Transportation Plan;
- Engaging with municipal planning and transit staff in Metrolinx's expanded GGH mandate area, in coordination with MTO, to understand transit needs and opportunities;
- Documenting, measuring, and taking a 'pulse check' on the progress and gaps in implementing the transit vision expressed by the 2041 RTP; and
- Researching, collecting data, and developing an understanding of the medium to longer-term implications of the COVID-19 crisis on travel behaviour and transit mode choice decisions

In addition, Metrolinx continues to advance the implementation of broader transit-supportive RTP components including overcoming regional challenges through integrating fares and service, implementing adaptive strategies such as reducing greenhouse gas emissions and becoming more sustainable, as well as the implementation of the 2016 Station Access Plan to achieve higher shares of station access by walking, cycling, transit, passenger pick-up and drop-off, and carpooling. In conducting these works, Metrolinx will continue to coordinate closely with MTO and collaborate with municipal planning and municipal transit stakeholders across the region.

### 9.2 Fare & Service Integration

#### **Fare Integration**

Fare and Service Integration continue to be an important part of the Metrolinx mandate and is vital to the creation of a seamless regional transit network. Short, medium and long-term options for both fare and service integration are being developed and modelled. Options will be further refined in collaboration with municipalities, transit agencies and the MTO in the coming year. Fare Integration Initiatives being implemented includes:

- Continuing to work with the Fare Integration Forum to build ridership, support transit expansion, and enhance the regional customer experience;
- Local transit agencies across GGH have committed to fare harmonization on child, youth and senior concession definitions and are working towards implementation; and
- The development of a set of recommended approaches for regional fare integration. A robust analysis of the current opportunities for integration and system efficiencies is in process and options to advance positive opportunities are being modelled.



Metrolinx will continue working in partnership with municipalities and transit agencies through public transit and regional forums to raise critical and strategic issues and work at the staff level to coordinate and implement policy and operational changes.

#### **Service Integration**

Metrolinx's Service Integration strategy includes short term efforts with local transit agencies to continuously improve the coordination of service frequency and capacity at GO stations, as well as longer-term initiatives aimed at optimizing the regional network.

Analytical work is under way to understand the impacts of imperfect regional service integration and the opportunities to significantly improve it and save costs while improving customer satisfaction. This initial work includes identification of unmet transit demand and feeder capacity, identification of critical travel markets and addressing cross-boundary pain points through operational and policy changes.

As part of this strategy, Metrolinx will work with local transit agencies to identify opportunities and barriers to service integration, and create solutions that support a seamless regional travel experience for customers. This includes a new Mobility Testing Program where Metrolinx is partnering with a number of local transit agencies to pilot new mobility projects and test their suitability for longer term operations. The program comprises:

- On-Demand Transit: Pilot projects underway and in development with Grand River Transit (Kitchener) and Durham Region Transit (Pickering Go and north Durham); and
- Automated Vehicle Shuttle pilots: Pilot projects in development with TTC (centred around Rouge Hill GO and scheduled to launch in September; and Durham Region Transit (centred around Whitby GO and scheduled to launch in July)

Both components seek to understand how these emerging services can operate within the context of regional transit and station access, and provide future opportunities for integrated transit.

## **9.3 Metrolinx Sustainability Strategy**

2041 RTP presents a common vision for the region that includes a sustainable transportation system at its core. Sustainability at Metrolinx is embedded throughout our core functions. Sustainability at Metrolinx is about ensuring our long-term viability as a business and as an organization by reducing our environmental footprint, strengthening our economic bottom-line and enhancing our responsibility to our customers, communities and employees.

Building on the achievements gained in Metrolinx's first Sustainability Strategy for 2015-2020, Metrolinx is undertaking the development of a new Sustainability Plan for the 2021-2026 period. This plan will advance a suite of sustainable themes, consistent with the United Nations Sustainable Development Goals. Within the Metrolinx context, this includes Climate Resiliency, Energy Management and GhG emissions, Engaged workforce, Sustainable procurement and including indigenous voices and perspectives in our ways of working.

Through the 2020-2021 year, Sustainability at Metrolinx will be further progressed by:

- **Developing a 2021-2026 Sustainability Plan.** This plan will deepen the reach of the sustainability thinking in project design, delivery and operations. The focus will be on activating sustainability throughout the project and program lifecycles.

- **Enhance the Climate Resilience Program** by establishing processes that direct accountability for the implementation of Metrolinx's Climate Adaptation Strategy (published in May 2018), to ensure alignment with and assessing climate risks across the entire network.

Efforts to enhance the transparency of our sustainability performance will be advanced by publishing an independently verified energy consumption and emissions report, in the Annual Sustainability Report, using the Global Reporting Initiative (GRI) sustainability framework for the second year. The Sustainability Report is published within the Metrolinx Annual Report. Tracking energy consumption and emissions will help us to generate insights on consumption patterns and drive the reduction of energy use.

## 9.4 Station Access

The GO Rail Expansion program is delivering increased rail service across the region, and the number of weekday daily trips is forecasted to increase significantly, from approximately 240,000 in November 2019 to 630,000 in 2031. The 2016 GO Rail Station Access Plan was developed to support GO Expansion, and ensure Metrolinx can grow ridership in a sustainable and financially efficient way. The Station Access Plan is focused on improving options for customers to get to GO stations by walking, local transit, cycling, passenger pick-up and drop-off (PPUDO) and carpooling, and to reduce dependency on single-occupancy vehicles. Station access improvements and requirements are also being delivered through the TOC Program.

Significant progress is being made to deliver station access improvements, including the implementation of recommended bus bays, bike parking, PPUDO facilities and car parking, updated Bicycle Infrastructure Standard, developing updated guidelines to support transit station area planning, promoting off-site station access improvements and optimizing the parking supply and support multi-modal options for customers

To continue advancing implementation of the Station Access Plan in 2020-21, Metrolinx will:

Prepare an Action Plan for delivering the remaining Station Access Plan infrastructure and programming recommendations by 2031;

- Complete the update of transit station area guidelines to assist municipalities, developers and others in improving station access;
- Implement 'quick wins' for station access at five stations, such as new pedestrian pavement markings at walkways and crosswalks, and improved wayfinding signage;
- Complete the new GO Station Site and Landscape Design Standard and PPUDO Standard;
- Continue to pursue new infrastructure, programs, and customer tools to support multi-modal station access.
- Continue developing Functional Station Requirements for new stations and station improvements being delivered through the TOC Program; and,
- Continue participating in municipally-led MTSA studies to promote transit supportive community planning, including station access improvements in surrounding communities.

Metrolinx will also continue working together with GTAA through 2020-21 to:

- Study transit connection to the proposed transit center at Toronto Pearson Airport; and
- Understand travel trends and needs amongst airport travelers, employees, airport area and corporate center employees as well as the broader regional traveler, through the Airport Area Transportation Planning Study.

# 10.0 Metrolinx Internal

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## 10.1 Metrolinx Internal Highlights

With ongoing service expansion and delivery of large and complex capital projects, Metrolinx is committed to putting a strong internal supporting function in place. This includes a strong and capable human resource, reliable business technology and effective communication that will allow the organization to effectively deliver its service commitments. Over the last year improvements have been made within these internal supporting functions and in 2020-21 continued improvements will play a key role for the organization in meeting its strategic objectives.

## 10.2 Human Resources & Enterprise Centres of Excellence

This division plays an important role in providing transit service to customers, delivering major complex infrastructure projects and supporting various functions of the organization to meet its mandate and strategic objectives. Metrolinx is committed to the talent, culture and organizational effectiveness of its workforce. To improve its workforce, Metrolinx is planning to achieve the following objectives in 2020-21:

- a. **Engage our people** through various initiatives, including employee engagement surveys, establishing a cross-functional Employee Engagement Council, focus groups / workshops, inclusion initiatives such as Employee Resource Groups which provide opportunities for groups of employees with shared characteristics of life experiences who voluntarily meet and support one other, and in-depth analysis and reporting on employee feedback data;
- b. **Improve gender balance across Metrolinx (all employees and for those at senior manager and above levels)** through the implementation of gender strategy approved in early 2020 that includes education, enhanced talent acquisition strategies and a purposeful outreach campaign;
- c. **Ensure competent and confident employees through training / development** by accelerating the new Employee and People Leader Orientation and Onboarding programs within the first six months at Metrolinx, while providing leadership development for people leaders that meet the new and emerging needs of the organization and the introduction of a High-Potential Program with the goal of identifying, developing, retaining and promoting the future senior leaders of Metrolinx;
- d. **Support the organization's project delivery** through the development and launch of a general project management framework and ensuring its adaption across all Metrolinx project management disciplines; and
- e. **Cultivate an organic change of working practices at Metrolinx by launching and implementing a Lean approach across the organization.** This requires engaging and empowering employees to change their behaviours and applying the techniques such as identifying and solving problems, implementing improvements and continuous improvement.

As of March 31, 2020, total headcount of active unionized and non-unionized employees on the payroll was 4,335; consisting of 3,814 regular full-time ("FT"), 377 regular part-time ("RPT"), 61 long-term contract ("CLT") and 83 short-term contract ("CST") employees. In addition, there are 192 employees on leaves of absence (including medical, parental, maternity, Workplace Safety & Insurance Board "WSIB" and other leaves) and 93 students (comprised of co-op students, summer students, interns, research fellows and articling students).

Metrolinx respects the role of bargaining agents as representatives of its employees and meets frequently with its officers to share information and proactively resolve potential disputes. Collective agreements have

been negotiated freely and without any history of work stoppages and with a view to ensuring that employees are compensated fairly.

Informal benchmarking surveys are conducted regularly on specific benefit elements and recent results indicate Metrolinx is competitive among the participating comparator groups. Our salary range structure is reviewed on an annual basis against our approved comparator group and compensation philosophy, which is at the 50th percentile. Refinements to the comparator group of 34 organizations used last year were made this year to better reflect the comparable broader public sector organizations (including more commercially-oriented public sector enterprises) and to ensure that we have all reference jobs covered by our comparator group of organizations, reducing the number to 24 organizations. This comparator group is used to review Metrolinx's position to market and inform any changes to the salary structure and compensation programs.

Metrolinx will continue managing compensation, implementing performance management, recognition programs, monitoring effectiveness and competitiveness of these programs with external benchmarks to attract, retain and motivate talent, while also managing pension, health and wellness programs for its employees.

## 10.3 Business Technology Profile

Metrolinx relies on strong business technology to provide transit services to its customers, deliver large and complex infrastructure projects and support other functions throughout the organization. This is done through the delivery and integration of business solutions, products, and services while managing, operating and supporting customer-facing, enterprise-wide and business unit IT solutions and equipment. This includes managing 400 applications and services across over 164 offices and 3 data centres while continuously transforming its business technology delivery model to better align with business capabilities, keeping pace with technological breakthroughs (e.g. cloud computing, automation) to reap benefits of industry trends and opportunities.

Over the last year, Metrolinx has continued to advance business technology initiatives related to enterprise resource planning, enterprise-wide portfolio, program and project management, cybersecurity and risk management, and an enterprise asset management program all designed to enable transparency, increase operational efficiency, prevent data loss and increase security and build governance.

In addition to building on the progress achieved over the last year, Metrolinx is pursuing a number of key business technology deliverables in 2020-21, including:

- **Implementing a transformative technology program** that will support readiness for transition to the GO Expansion On-Corridor project partner, which includes providing information management and data analytics to guide and align the strategic decisions for the Transit Operation OnCorr program;
- **Delivering functionality to support Union Station Bus Terminal (USBT)** in a phased delivery approach. The first phase will allow the terminal to be operated manually by Bus Operations through customer signage, public address system, monitoring function and the second phase will include automated system for terminal management, traffic control and platform allocation;
- **Implementing Transit Operations Technology Modernization Program (TOTM)** that will upgrade or replace existing core services such as schedule changes, equipment assignments, real-time schedule arrival and departure information that support Transit Operations to increase On-Time Performance; and
- **Modernizing digital signage** through the Digital Signage System Initiative (DSSI) program that will implement new and upgrading existing digital signage on all Metrolinx assets.

## 10.4 Communication Plan

Metrolinx is committed to engaging and building positive partnerships with our communities, our customers, the media, elected officials, our employees and other stakeholders. This Communications work supports all teams across Metrolinx in maintaining and improving Metrolinx's reputation as a trusted business partner.

The communications mandate for this year builds on the 'Trusted Business Partner' strategic objective. New communications business objectives for 2020-21 are anchored in a broader regional measure of trustworthiness, as well as media sentiment, to supplement existing stakeholder satisfaction metrics. Through our work, we will seek to demonstrate transparency, develop meaningful relationships to help tell our story, and build a network of champions among residents, stakeholders and employees.

We will utilize new dynamic tools to track and report real-time sentiment to better gauge impacts of earned media, social media, stakeholder and community plans. Our mission for the coming fiscal year is to:

- Create platforms for two-way dialogue with residents, stakeholders and employees
- Get feedback and take action
- Share the exciting Metrolinx story with all of our audiences

Metrolinx's communications objectives for 2020-21 are to:

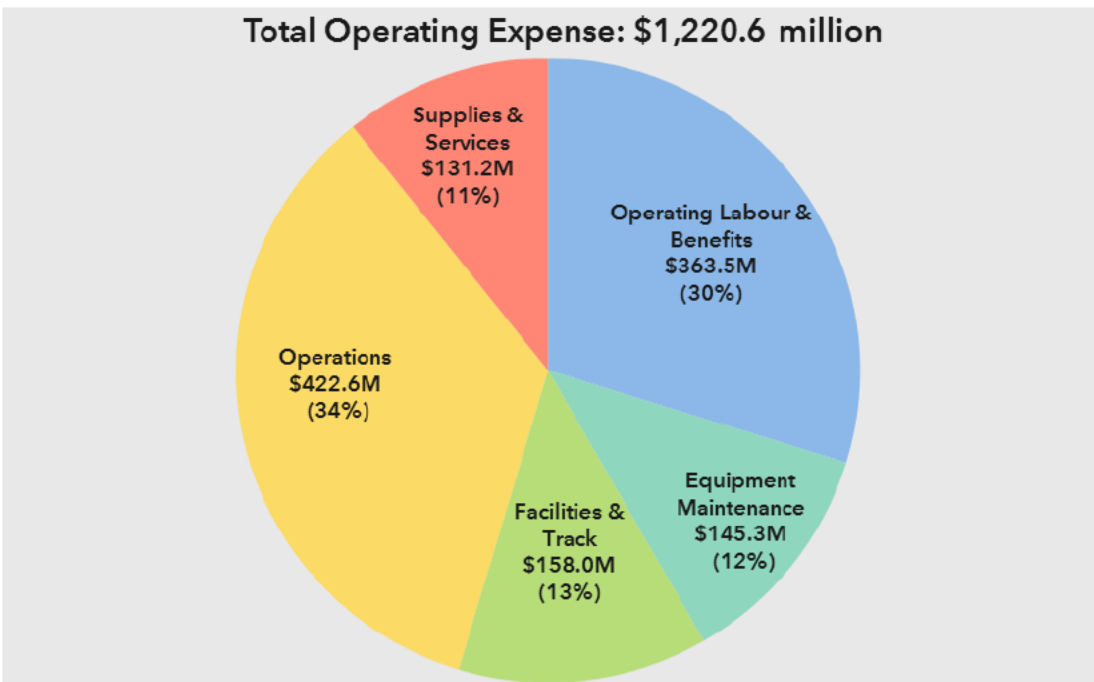
- Build confidence among our customers, residents, business partners and our employees in the efforts we continue to make to keep everyone safe and healthy as they return to transit and the workplace.
- Mobilize our community consultation strategy
- Refine our stakeholder, media, citizenship, indigenous, employee and corporate reputation strategic plans



# 11.0 Multi-Year Financial Profile

## 11.1 Operating Budget

Exhibit 6: 2020-21 Operating Budget



Metrolinx's 2020-21 operating budget plan is allocated into five main expense categories. Operations expense is the largest allocation and accounts for 34% of the total operating budget. This expense category includes items such as support train crew wages, train control dispatch, diesel fuel and PRESTO operations.

Next, the operating labour and benefits expense category accounts for 30% of the operating budget and supports transit ridership growth. Facilities and tracks account for 13% of the operating budget and include rent, property taxes, hydro, winter maintenance and other facility repairs. Equipment maintenance accounts for 12%, covering support services, inventory, inspections and yard operations. Finally, supplies and services represent 11% of the budget, which includes all types of professional services, bank fees, staff development and advertising.

Diesel fuel is one of the key drivers of the non-labour budget and due to its nature as a petroleum-based commodity, diesel prices fluctuate with the supply and demand forces of the oil market. For 2020-21, Metrolinx is assuming a budgeted diesel volume of 95.4 million litres. Metrolinx engages in some hedging to provide cost certainty against the budget and provide stable fuel price assumptions for annual planning. In 2020-21, Metrolinx is projecting fare revenues of \$650.0M based on a ridership forecast of 83.8 million riders. This projected revenue takes into account the service expansion announced over the last year,

including increased service on the Lakeshore East, Lakeshore West and Kitchener corridors, and improved off-peak service on the Stouffville, Barrie and Lakeshore corridors.

Other non-fare revenue for 2020-21 is projected at \$66.8M, which is generated from activities such as billboard advertising, track usage fees from corridor ownership, transit operations partnerships on UP Express line, interest on working capital and reserved parking fees. In addition to these more typical sources of non-fare revenue, the total PRESTO fee revenue and proceeds from sale of assets to support the Transit Oriented Communities Program are projected to be \$130.6 million and \$41.4 million for 2020-21, respectively. These projected fare revenue and non-fare revenue figures do not take into account the negative impact resulting from the COVID-19 outbreak.

For 2021-22 and 2022-23, Metrolinx is projecting to spend \$1,285.9 million and \$1,323.0 million, respectively, in total operating expenses to support planned increases in services and other initiatives in place. Revenues are forecast to increase to \$906.1 million in 2021-22 and \$942.1 million in 2022-23, representing year-over-year increases of 6.9% and 4.0% respectively.

#### Exhibit 7: Multi-Year Operating Budget Plan and Outlook

(\$M)	2020-21 Plan	2021-22 Outlook	2022-23
Total Revenue	847.4	906.1	942.1
Total Expense	1,220.6	1,285.9	1,323.0
<b>Net Operating Requirement</b>	<b>373.2</b>	<b>379.8</b>	<b>380.9</b>
Capital through Operating	8.1	7.9	7.8
Bid Fees	64.5	129.2	0.0
Proceeds from Sale of Assets	41.4	39.7	40.0
<b>Planned Subsidy Approvals</b>	<b>404.3</b>	<b>477.2</b>	<b>348.6</b>
<b>Projected Budget Surplus (Shortfall)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

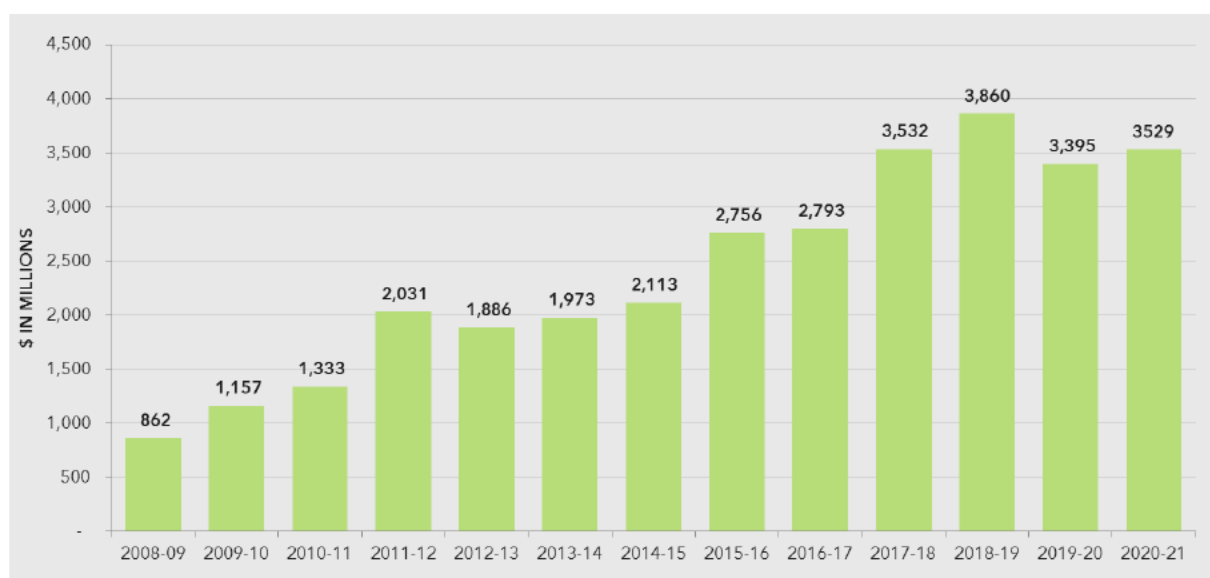
Note: operating budget figures do not take into account the impact resulting from the COVID-19 pandemic

## 11.2 Capital Investment

Metrolinx has a capital budget in 2020-21 of approximately \$3.5 billion, with the majority of the required funding provided by the Province of Ontario. Other funding sources include \$30 million in municipal contributions. With the Province's investment in the GO Rail Expansion and Subway's Program, growth in the capital plan has been significant in recent years. The capital budget has grown from less than \$1.0 billion in 2008-09 to approximately \$3.5 billion in 2020-21. Exhibit 8 shows the growth in capital investment since 2008-09.

Significant portions of the budget are related to rapid transit expansion projects (such as the Eglinton Crosstown LRT, Finch West LRT and the Hurontario LRT), the advancement of the GO Rail Expansion Program, the Subways program and the State of Good Repair (SOGR) Program.

**Exhibit 8: Capital Investment Growth**



Note: Amounts prior to 2019-20 represent actual incurred costs. 2019-20 figures are interim actuals and 2020-21 are budget outlook.

Metrolinx major capital projects with significant progress planned in 2020-21 include:

- Rapid Transit programs (Eglinton Crosstown, Finch, Hurontario, Viva)
- Subways programs (Ontario Line, Scarborough Subway Extension, Yonge North Subway Extension, Eglinton Crosstown West Extension);
- Kitchener Expansion
- Highway 401/409 rail tunnel;
- Stouffville corridor station upgrades (Agincourt, Milliken, Unionville) and Steeles Avenue grade separation;
- Stouffville Track Expansion;
- Redevelopment of Cooksville and Bramalea stations;
- Rutherford station, grade separation, and parking structure;
- Union Station restoration and enhancements;
- Bloomington and East Harbour stations;
- Kipling bus terminal;



- GO Transit train control system;
- On-corridor planning works;
- Property acquisition to support GO Rail Expansion projects;
- Train Control System at USRC;
- PRESTO modernization;
- New fleet and refurbishment of existing train and bus fleet; and
- Utilities work to support the GO Rail Expansion projects.

Exhibit 9 provides a five-year rolling capital plan.

**Exhibit 9: Metrolinx Five-Year Capital Plan**

(\$ Millions)	2020-21	2021-22	2022-23	2023-24	2024-25
Total	3,529	3,653	4,437	5,452	6,558

**Exhibit 10: Capital Asset Growth**

Capital Assets	\$ Billions
Net Book Value - March 31, 2020	25.099
Add: Capital Budget 2020-21	3.529
Less: Estimated Amortization 2020-21	(0.949)
Estimated Net Book Value - March 31, 2021	27.679

## 11.3 Performance Measures and Targets

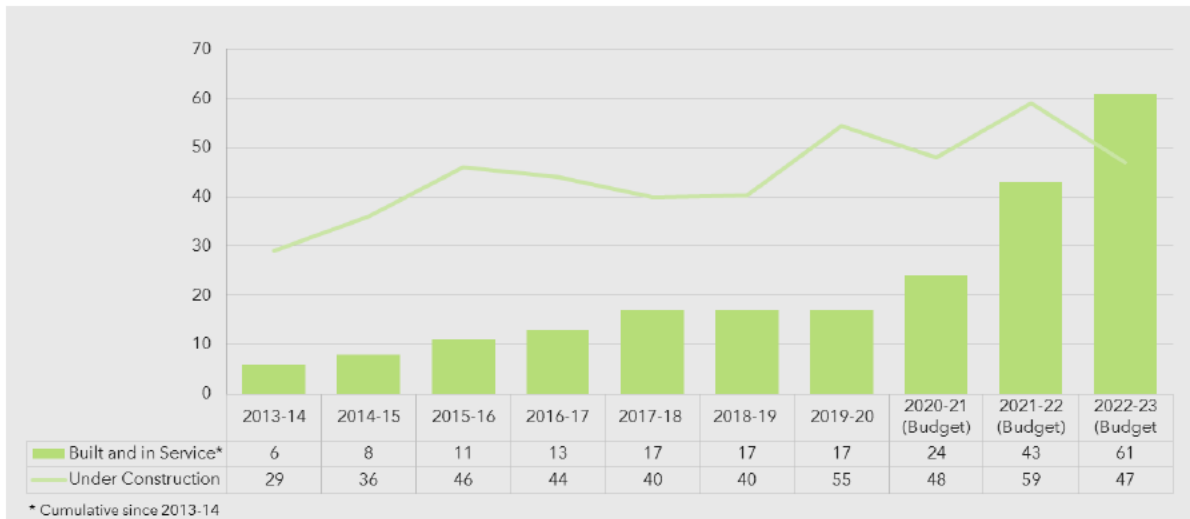
Our Corporate Key Performance Indicators (KPIs) measure and report the organization's performance to Metrolinx's major stakeholders: the public and Ontario's Ministry of Transportation. These Corporate KPIs are reported against targets which are a product of the Annual Business Planning process. A more detailed set of KPIs are used internally to manage day-to-day business operations. The Corporate KPIs measure both our operations performance in delivering service and our capital infrastructure build performance.

### Capital Infrastructure

#### New Rapid Transit Corridors

New Rapid Transit Corridors KPI measures the number of kilometres of Rapid Transit Corridors that are under construction and built and in-service. Metrolinx has built and placed in service 17 kms of Rapid Transit since 2013-14. Metrolinx has begun construction on 54.5 kms of Rapid Transit corridor as of 2019-20. This includes 18 kms on the Hurontario Corridor, 19 kms on the Eglinton corridor, 6.5 kms on the vivaNext BRT corridor and 11 kms on the Finch corridor. More kilometres of rapid transit will be under construction as the priority subway projects advance through the design phase into procurement and construction.

**Exhibit 11: New Rapid Transit Corridors (Kms)**

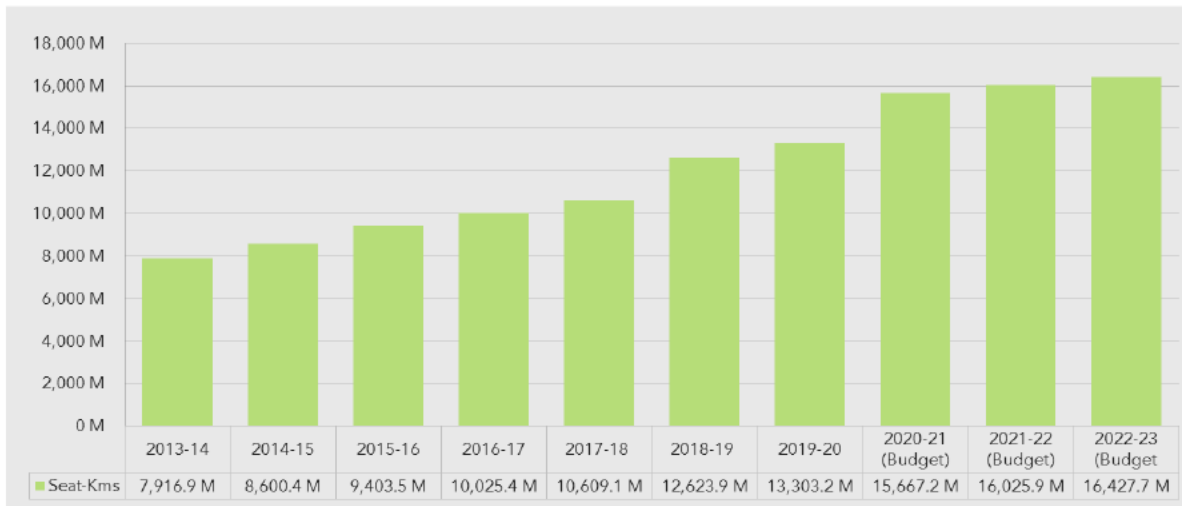


## Operations Delivery

### Service Capacity - Seat-Kms

The Seat-Kilometres KPI represents the service capacity provided to the public for the period reported and is measured using weighted average seats per consists / vehicle and the total of revenue generating Kms. In 2020-21, Seat-Kilometres are expected to increase by 17.7% to 15,667.2 million for both bus and rail services. The impact of COVID-19 on the services is being estimated and will reflect the government informed COVID-19 staged recovery, as well as anticipated customer change behaviours and planned operational health and safety measures.

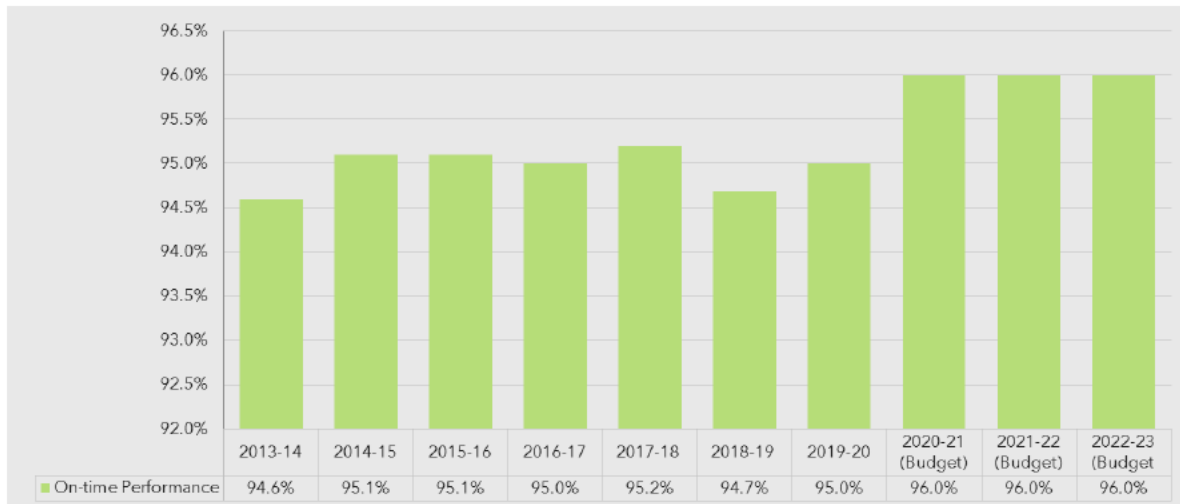
**Exhibit 12: Service Capacity - Seat-Kms**



### On-time Performance

The On-Time Performance 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 2020-21 weighted average target for rail and bus service is 96%. Metrolinx will strive to achieve the 96% target during the COVID-19 pandemic period while taking measures to ensure customer health and safety.

**Exhibit 13: On-time Performance**



## **Financial Stewardship and Accountability**

### Cost Recovery Ratio

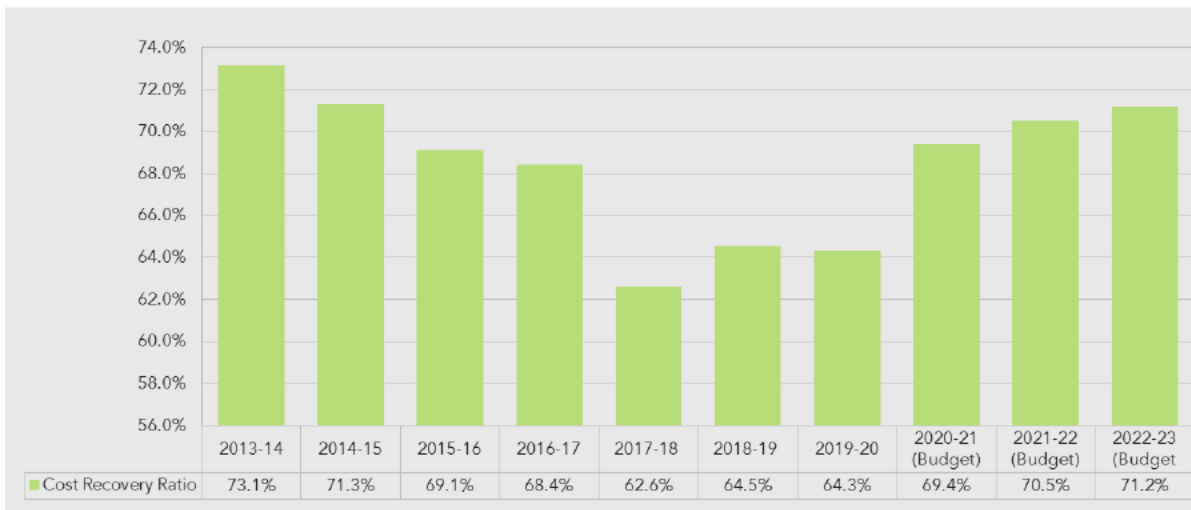
The cost recovery ratio (CRR), measured as the ratio of total revenues to total operating costs (excluding capital adjustments and procurement bid fees due to accounting policy changes)), represents the extent to which the organization's operations are self-funded.

For fiscal year 2020-21, Metrolinx is budgeting for a cost recovery ratio of 69.4% reflecting the organization's commercial mindset to manage operating expenses while investing in revenue growth. Current Cost Recovery Ratio excludes any impact of COVID-19. COVID-19 has impacted fiscal year 2019-20 CRR and will significantly impact budgeted numbers moving forward. Revenue forecasts continue to be fine-tuned to reflect the government informed COVID-19 staged recovery, anticipated customer change behaviours and planned operational health and safety measures. Operating expenses are being scrutinized to maximize cost efficiency during this pandemic time period.

Metrolinx compares its cost recovery ratio to its historic results as well as to industry benchmarks. Metrolinx consistently has one of the best cost recovery ratios among its North American industry peers. For example, TransLink in Metro Vancouver has reported a cost recovery ratio of 56.9% for budget year 2020 for its Scheduled Transit Service<sup>1</sup>.

<sup>1</sup> Translink 2020 Business Plan Operating and Capital Budget

**Exhibit 14: Cost Recovery Ratio**

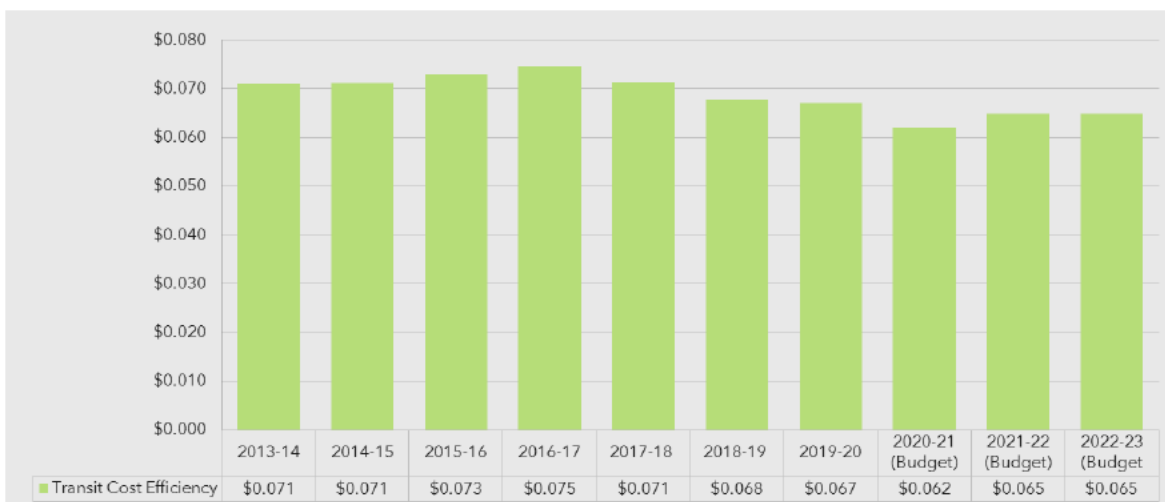


### Cost Efficiency

The Cost Efficiency KPI measures the total transit operating expenses (Rail and Bus Operations) incurred per seat-kilometre (km) of service provided for the period reported. This KPI is a measure of how efficiently the organization delivers its transit services.

For 2020-21, Metrolinx is budgeting for a cost efficiency of \$0.062/seat-km, demonstrating a consistent improvement over prior years. For reference, TransLink's budgeted 2020 Operating Cost per Capacity Km is \$0.095<sup>1</sup>. Cost per Seat-Km budget currently excludes the impact of COVID-19. Metrolinx expects COVID-19 to affect Cost per Seat Km with reduction of service. Cost per Seat-Km will be affected by COVID-19. The organization is investigating ways of reducing its cost structure during the pandemic period to manage costs while ensuring that health and safety measures are implemented to keep customers safe.

**Exhibit 15: Transit Cost Efficiency**



## 11.4 Managing Uncertainty

Metrolinx continues to enhance its Enterprise Risk Management (ERM) Program to support risk-informed decision-making, assess opportunities and ensure that the organization complies with the Government of Ontario requirement for all provincial agencies to use a risk-informed approach in managing business. The identification, assessment, management, monitoring and reporting of risks is vital to the successful ongoing achievement of the organization's strategic objectives.

In 2019-20, Metrolinx developed and refined risk appetite statements that guides the decision-making and strategic planning processes, and reviewed the organization's risk tolerance level. Formalizing these, along with the ongoing training on a variety risk concepts including risk identification, action plans, risk appetite and tolerance, will further embed risk awareness across the organization and better influence strategic and day to day operational decisions.

In 2020-21 Metrolinx will continue to review all appropriate risks on a monthly basis and ensure appropriate mitigation plans are developed and in place. Risks reported fell within the following risk categories:

- **Safety** which includes risks related to employee fit for duty, climate resiliency, rail crossings, bus station pedestrian areas, business continuity and pandemic planning;
- **Customer Experience** which includes risks related to PRESTO customer experience;
- **Financial** which includes risks related to ridership, revenue forecasting and data governance;
- **Operations** which includes risks related to on-time performance;
- **Cyber** which includes risks related to technology cyber risk; and
- **Projects** which include risks related to delivery of capital projects such as Eglinton Crosstown, Union Station Enhancement Project, project scope packaging for GO Expansion Program and Corridor Extension and market capacity to deliver capital projects.

Metrolinx will also continue to focus on delivering on its ERM maturity plan. The risk education plan will continue to expand to different areas of the organization using different modalities. The risk reporting tool will be upgraded to improve key reporting functions and enable better reporting across the enterprise. The integration between business units, program and project risks will continue to be an area of focus. The ERM function will continue to identify, assess and report on current and emerging risks and ensure ongoing discussion of risks at all levels of the organization.

# Appendix

## Appendix 1: Metrolinx Quick Facts & Service Highlights

Exhibit 16: Quick Facts & Service Highlights

	Actual March 31 2019	Actual March 31 2020	Target March 31 2021
<b>GO Train Service:</b>			
Lines	7	7	7
Stations	68	68	69
Route kilometres	536	536	540
Route kilometres on owned corridor	367	367	367
Weekly train trips	2,163	2,391	2,519
Active train sets (typical weekday)	67	73	N/A <sup>[1]</sup>
Locomotives	69	75	91
Bi-Level passenger railcars	756	817	968
<b>GO Bus Service:</b>			
Route kilometers	2,765	2,577	N/A <sup>[2]</sup>
Weekly bus trips	13,422	8,687	N/A <sup>[2]</sup>
Single-level buses	255	200	200
Double-decker buses	277	312	312
Stations served by buses	51	50	50
Terminals served by buses	22	19	18
Park & Ride / carpool served by buses	30	30	31
Schools served by buses	12	12	12
<b>GO Station Access:</b>			
Rail parking spaces	70,462	70,796	N/A <sup>[3]</sup>
Bus Park & Ride lot spaces	4,538	4,460	N/A <sup>[4]</sup>
Parking structures	9	9	11
Stations with carpool parking	51	51	51
Carpool parking spaces	928	953	N/A <sup>[5]</sup>
Carpools to GO formed	2,642	3,811	N/A <sup>[5]</sup>
Stations with carshare services	17	9	N/A <sup>[6]</sup>
Stations with electric vehicle charging	11	-	N/A <sup>[6]</sup>
Parking spaces with electric vehicle charging	22	-	N/A <sup>[6]</sup>
Bicycle stalls	N/A <sup>[3]</sup>	N/A <sup>[3]</sup>	N/A <sup>[3]</sup>
<b>UP Express:</b>			
Stations	4	4	4
Route kilometres	25	25	25
Weekly train trips	1,120	1,120	1,120
Active train sets (typical weekday)	5	5	5
Diesel multiple unit railcars	18	18	18
<b>PRESTO:</b>			
Unique cards (in '000s)	1,964	1,917	No Target <sup>[7]</sup>
Transit Service Providers using PRESTO	11	11	11
Number of devices (in '000s)	17	20	No Target
e-purse and period passes processed from PRESTO to service providers (in \$ millions)	1,262	1,606	No Target
Number of fare payments collected by PRESTO for service providers (in millions) <sup>[8]</sup>	316.7	392.7	No Target



	Actual March 31 2019	Actual March 31 2020	Target March 31 2021
<b>Rapid Transit Implementation [9]:</b>			
New Rapid Transit kilometers under construction:	40.3	54.5	48.0
· New Subway kilometres under construction	0	0	0
· New BRT kilometres under construction	21.3	6.5	0
· New LRT kilometres under construction	19.0	48.0	48.0
New Rapid Transit kilometres brought into service:	0	15.0	6.5
· New Subway kilometres brought into service	0	0	0
· New BRT kilometres brought into service	0	15.0	6.5
· New LRT kilometres brought into service	0	0	0

**Transit Procurement Initiative:**

Participating transit service providers [10]	48	52	54
Cumulative buses purchased [11]	1,769	2,021	2,225

**Environmental:**

Leadership in Energy and Environmental Design (LEED) Certified

Facilities:

Gold [12]	7	7	8
Silver	2	2	2
Registered but Pending Certification [13]	2 new (16 total)	16	16
Electricity generated by solar panels (cumulative, MWh) [14]	5,850	7,390	8,774
Sustainable power installations (renewable & cogeneration)	8	8	8
Hybrid and electric corporate fleet vehicles	41	35	35

Notes:

[1] 2020-21 active train sets information are being re-assessed due to the impact of COVID-19 Pandemic on Metrolinx ridership

[2] GO Bus route kilometres and weekly bus trip information are currently being re-assessed due to the impact of COVID-19 pandemic on GO Bus operations

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

[4] Details about future Park and Ride carpool lots are included in the Draft Park and Ride Strategy

[5] Carpool spaces are allocated based on demand up to a cap. Carpool groups are formed based on customer demand

[6] The Transportation EOI led by Strategic Partnerships with support from Planning will determine the car-share and EV opportunities on-going. Existing programs have expired

[7] Planned unique cards for 2020-21 are currently being re-assessed due to the impact of COVID-19 pandemic on Metrolinx ridership

[8] 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)

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

[10] 2020-21 targets depend on Transit Agencies budget and approvals

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

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

[13] Registrations in 2019-20 are the East Rail Maintenance Facility

[14] Target is estimated based on electricity generated from solar Photovoltaic (PV) systems