

To: Metrolinx Board of Directors

From: Robert Siddall
Chief Financial Officer

Date: September 14, 2017

Re: 2017-18 Metrolinx Business Plan

Executive Summary

Attached is the 2017-18 Metrolinx Business Plan, which has been reviewed by the Audit, Finance and Risk Management Committee at its June 27, 2017 meeting. Annually, Metrolinx is required to submit a business plan to the Minister for approval, outlining Metrolinx's projects and priorities for the coming year. This year, the 2017/18 Business Plan reflects the priorities of the Minister of Transportation's November 2016 Mandate Letter to Metrolinx. For the internal organization, the business plan bridges the Metrolinx Strategic Planning documents such as the Ten Year Capital Plan and Five Year Strategy, to business unit operating activities. The Metrolinx Business Plan was prepared with collaboration across the organization and with the Ministry of Transportation.

The Board of Directors received the Business Plan for review and comments on June 28. The Business Plan was also posted on Metrolinx's website. Board approval of the report was deferred in June to September to allow time for comments. Comments received to date are being considered by the management.

Since the June 28 Board meeting and posting, the cost recovery section (Pages 26-27) was updated to better explain the Key Performance Indicator (KPI) results.

Recommendation

THAT, on recommendation of the Audit, Finance and Risk Management Committee, the Board pass the following resolution:

RESOLVED:

THAT the 2017-18 Metrolinx Business Plan attached to the September 14, 2017 report of the Chief Financial Officer be approved for submission 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 prior to adoption.

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 in achieving progress on the *2017-2022 Metrolinx Five Year Strategy*. It also includes current and future views of projects, operations, capital and operating resource requirements, third party initiatives and identified risks.

Consistent with last year’s business plan, the 2017-18 Business Plan content has been organized to group respective business unit sections by the appropriate program grouping used for Metrolinx’s budget submission for the government’s annual planning process. In addition, this document includes three years of operating plan and five years of capital plan budgets as per the Directive. Following the introduction of Metrolinx KPI in last year’s business plan, the document continues to report on KPI information. Document appendices summarize the detailed deliverables and assumptions for fuel price, ridership, and fare increases.

Key Deliverables in the 2017-18 Business Plan:

- Continuing to expand and optimize the GO Transit network by supporting the Regional Express Rail roll-out;
- Implementing additional GO Transit service during the peak and off-peak period. Metrolinx ridership is forecasted to achieve 71.7 million passengers in 2017-18
- Continuing PRESTO implementation across Toronto Transit Commission (TTC) network and introducing a PRESTO retail channel for customers to purchase PRESTO cards, load funds and set fare types at convenient locations.
- Continuing the construction work for Eglinton Crosstown LRT, vivaNext bus rapid transit (BRT) and making progress on key rapid transit projects including the Finch, Hurontario and Hamilton LRTs;
- Working together with partner municipalities on the planning and design work for the Dundas Street BRT line, Durham-Scarborough BRT line, Brampton Queen Street Rapid Transit line, the Toronto Relief Line and the Yonge Subway Extension; and
- Providing support for regional fare integration and continuing the legislated review of the Regional Transportation Plan.

Building on Metrolinx's early successes of the Five Year Strategy, key achievements outlined in the 2017-18 Business Plan include:

- Advancing the procurement for various infrastructure projects as part of the RER program;
- Ground breaking of stations and the completion of the underground tunneling work for Eglinton Crosstown LRT and the completion of Gormley GO Station;
- Progressing on the construction of new East Rail Maintenance Facility in Whitby;
- Increasing the number of activated PRESTO cards from approximately 2.0 million to over 2.7 million over the past year; and
- Achieving significant milestones in the PRESTO rollout. The fare card system is now available across the TTC network, including on subway stations, streetcars and buses.

Once approved by the Board, the Business Plan will be submitted to the Minister of Transportation for approval. Ministry of Transportation staff were consulted in the development process for the Business Plan.

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

Respectfully submitted,

Robert Siddall
Chief Financial Officer

Attachment:
2017-18 Metrolinx Business Plan



METROLINX

Business Plan 2017-18

From Plan to Build



2017-18 Business Plan



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Executive Summary

Guided by the Minister of Transportation's Mandate Letter and the strategic framework of the Five Year Strategy, the 2017-18 Business Plan outlines Metrolinx's strategic direction and upcoming priorities as we and our partners continue planning, building and operating an integrated transportation network for the Greater Toronto and Hamilton Area (GTHA).

Metrolinx's annual Business Plan for 2017-18 was developed to conform to the requirements of the *Metrolinx Act, 2006*, Mandate Letter and the government's Agencies and Appointments Directive. This Business Plan highlights accomplishments from 2016-17 and describes the momentum that will take Metrolinx through 2017-18, as we and our partners update the Regional Transportation Plan (RTP).

With unprecedented investments in capital transit projects, Metrolinx is focusing on building and delivering on key Moving Ontario Forward commitments, including signature projects like the Regional Express Rail (RER) program, Hurontario and Hamilton LRT projects, as well as earlier investments, such as the Eglinton Crosstown Light Rail Transit (LRT), Finch West LRT, and VivaNext Bus Rapid Transit. Construction is also underway for the new Union Station Bay Concourse, which will address future capacity constraints at Union Station.

Significant progress has been made in the advancement of RER enabling works, using a combination of traditional delivery methods, as well as the Alternative Financing and Procurement (AFP) model with the assistance of Infrastructure Ontario (IO). Rapid Transit (RT) projects are also moving forward. Proof points include the completion of the Mississauga Transitway, major construction on the Eglinton Crosstown LRT and advancement in procurement on the Finch West, Hurontario and Hamilton LRT projects.

But the focus must always be on the end user, and to that end Metrolinx continues its strong focus on customer satisfaction. Metrolinx has reached a major milestone with more than 2.7 million activated PRESTO cards across the GTHA and Ottawa. Metrolinx started measuring PRESTO customer satisfaction metrics in 2012, and while overall satisfaction has softened somewhat over the past year—with 2016 values at 64% from 71% in 2015—we understand that no new initiative is without its growing pains. The data suggests that the recent roll-out of PRESTO across the TTC disrupted the transit user experience, which fuelled a lower satisfaction score. But we're always taking steps to improve our offering, and by the end of 2016 PRESTO was enabled at all Toronto Transit Commission (TTC) subway stations and surface vehicles.

Recognizing the importance of attracting and retaining customers and making them public transit advocates, Metrolinx established a Customer Experience & Marketing Division in November 2016. Primarily comprised of existing staff, this Division was formed with the goal of creating a seamless customer journey. Customer pain points are identified and resolved, and the customer experience is enhanced through value-added services and business development opportunities. The group promotes Metrolinx and its service brands, uses customer-centric research and analytics to inform evidence-based decision-making, and develops new and innovative programs and services such as retail opportunities and customer Wi-Fi.

To support the delivery of new public transit infrastructure, Metrolinx is also increasing visibility in communities and clearly outlining its commitment to social responsibility through the launch of a new Community Charter—a set of promises that commit Metrolinx to building the regional transportation system.

Metrolinx continues its emphasis on increasing ridership and expanding services. Ridership for transit operations grew to 70.2 million in 2016-17—5.4 percent higher than actual ridership in 2015-16—and is expected to see growth of 2.1 percent in 2017-18. Over the last year, Metrolinx announced many improvements for GO customers including:

- The addition of 12 future new GO stations as part of the Regional Express Rail program;
- Additional train service to the Milton, Stouffville and Richmond Hill lines;
- New service to Gormley GO Station;
- Year-round weekend service on the Barrie line;
- New GO bus service to Brantford;
- An on-time train performance of 95%, exceeding its target despite the many challenges posed by construction and weather; and
- New GO rail service expansion to Kitchener, Bowmanville and Niagara.

Metrolinx also broke ground on a new Network Operations Centre. When staffed, it will eventually enable all GO trains to be dispatched by our own resources, improving on-time train performance.

In 2017-18, Metrolinx will introduce new services, including new weekday, evening, and weekend train service to accommodate new demand. In addition Metrolinx will introduce select peak and off-peak bus services and realignment of select bus services to take advantage of the opening of the new Highway 407 TTC subway station; and the new East Mississauga Transitway and Renforth Gateway station.

Building on the success of the safety systems put in place to support transit operations, Metrolinx will broaden its focus through the creation of a new Safety and Security unit.

Metrolinx will also continue to monitor its performance against key performance indicators (KPIs) from financial to customer service measures. We will deploy mitigation strategies to ensure successful outcomes and to better support strategic management decision making.

The successful implementation of this 2017-18 Business Plan can be achieved through the dedicated contributions of Metrolinx employees and its partners. With strong resources to support the work ahead, Metrolinx is implementing an enterprise shift from 'planning' to 'building'.

1.0 Introduction

1.1 Legislative Mandate

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

1.2 Organization Profile

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

Through investments in its transit operations and PRESTO, Metrolinx oversees the largest transit capital expansion program in Canada. The approved Metrolinx 10-year Capital Plan for 2017-18 is over \$43 billion.

The organization has built over \$17 billion in capital infrastructure since 2006-07, including projects that are currently underway. Rapid growth continues, with a capital budget of approximately \$5.1 billion this year. That includes beginning work on the next round of key projects, such as the Bowmanville, Niagara and Kitchener service expansions, as well as Hurontario and Hamilton LRTs and the GO RER program—representing approximately \$13.5 billion (2014\$) in planned investments. To support the delivery of these capital projects, Metrolinx is implementing a comprehensive community engagement strategy, as well as developing strong stakeholder partnerships, as part of its communication focus.

Operationally, Metrolinx expects to transport 71.7 million passengers this year, as measured by ridership. Metrolinx has broadened its expertise and has grown to over 3,500 employees at the end of 2016-17.

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

1.3 Metrolinx Quick Facts & Service Highlights

Exhibit 1: Metrolinx Quick Facts & Service Highlights

	Actual March 31 2016	Actual March 31 2017	Target March 31 2018
Transit Operations			
GO Train Service:			
Lines	7	7	7
Stations	64	65	65
Route kilometres	452	458	458
Route kilometres on owned corridor	366	366	366
Weekly train trips	1,601	1,699	1,916
Active train sets (typical weekday)	52	58	63
Locomotives	75	75	91
Bi-Level passenger railcars	630	685	762
GO Bus Service:			
Route kilometers	2,709	2,785	2,825
Weekly bus trips	14,197	14,099	13,482
Single-level buses	383	326	282
Double-decker buses	127	186	230
Stations Served by buses	48	49	51
Terminals Served by buses	15	22	22
Park & Ride / Carpool Served by buses	25	25	26
Schools served by buses	10	11	12
UP Express:			
Stations	4	4	4
Route kilometres	25	25	25
Weekly Train Trips	1,097	1,089	1,106
Active train sets (typical weekday)	5	5	5
Diesel multiple unit railcars	18	18	18
GO Station Access:			
Rail Parking spaces	69,217	71,168	¹
Bus Park and Ride lot spaces	3,418	3,418	3,418
Parking Structures	10	10	10
Stations with Carpool Parking	49	49	51
Carpool Parking Spaces	520	590	600
Carpools to GO formed	2,585	2,342	2,700
Stations with Carshare Services	14	17	17
Stations with Electric Vehicle Charging	10	11	11
Parking Spaces with Electric Vehicle Charging	20	22	22
Bicycle Stalls	3,823	3,975	²

¹ Future parking projections by station are included in the GO Rail Station Access Plan, 2016

² Future bicycle parking projections by station are included in the GO Rail Station Access Plan, 2016

PRESTO:			
Cumulative cards activated (in '000s)	1,986	2,711	3,000
Transit Service Providers using PRESTO	11	11	11
Number of devices (in '000s)	>9	12	No target
e-purse and period passes processed from PRESTO to service providers (in \$Ms)	595.1	715.8	No target
Number of fare payments collected by PRESTO for service providers (in millions) ³	136.6	169.4	No target
Rapid Transit Implementation⁴:			
New Rapid Transit kilometers under construction:	45.2	43.8	39.8
• New BRT kilometres under construction	26.2	24.8	20.8
• New LRT kilometres under construction	19.0	19.0	19.0
New Rapid Transit kilometres brought into service:	2.6	1.8	4.0
• New BRT kilometres brought into service	2.6	1.8	4.0
• New LRT kilometres brought into service	0	0	0
Smart Commute Workplace Program:			
Employers participating in Smart Commute workplace program:	330	318	330
Commuters participating in Smart Commute workplace program:	720,900	710,655	720,000
Users of Smart Commute online tool	10,000	27,346	28,000
Transit Procurement Initiatives:			
Participating transit service providers	34	40	43
Cumulative buses purchased ⁵	1,085	1,290	1,390
Environmental:			
Leadership in Energy and Environmental Design (LEED) Certified Facilities			
Gold	5	5	6
Silver	2	2	3
Pending	1	2	6
Electricity generated by solar panels (cumulative, MWh)	1,937	3,128	4,743
Green power installations	6	6	8
Hybrid and electric corporate fleet vehicles	24	24	24

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

⁴ Values reflect yearly totals to March of the indicated year and are not cumulative across the years

⁵ Cumulative buses purchased is not considered the same as delivered

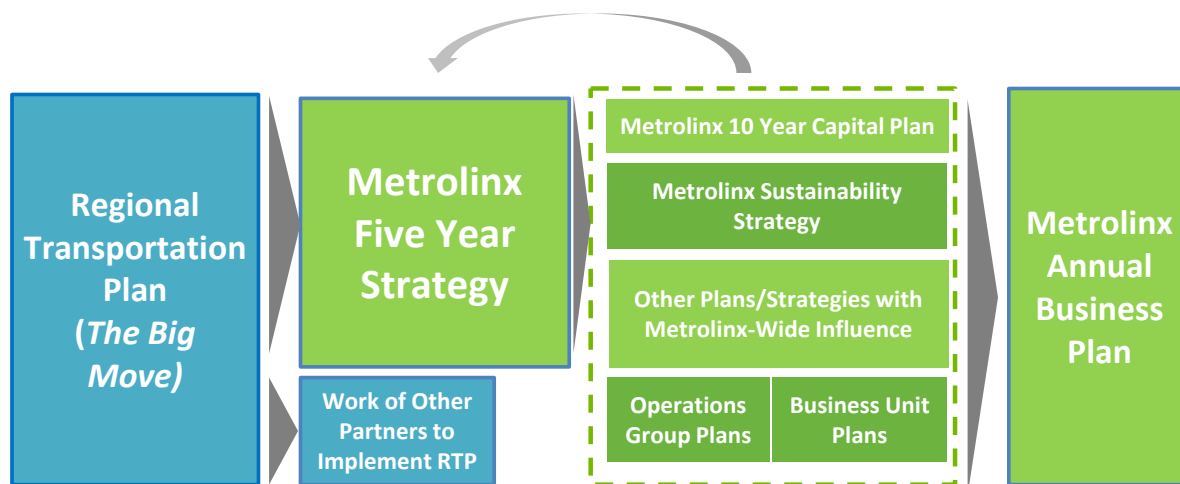
⁶ 9 stations or facilities targeting LEED Gold or Silver are currently under design or construction

2.0 Strategic Direction

2.1 Advancing our Five Year Strategic Objectives

Corporately, Metrolinx is guided by a rolling Five Year Strategy that identifies strategic priorities, key deliverables and key performances indicators (KPIs). As the diagram below illustrates, the Five Year Strategy informs key Metrolinx planning documents, including the annual Business Plan, the 10-Year Capital Plan and business unit operating plans.

Exhibit 2: Metrolinx Planning Process



An updated Metrolinx Five Year Strategy for 2017-2022, adopted by the Board in June 2016, underpins this 2017-18 Business Plan.

The updated strategy reinforces the desired outcomes of the transportation system as a connector and supporter of growth and prosperity. Through this strategy update, we have brought greater focus to our Vision and Mission, and we have updated priorities to reflect new provincial investments. We have also clarified our approach and reconfirmed our commitment to build strong relationships with communities and partners, and to earn the confidence and trust of the public.

Our Vision:

To link communities across the region, creating connections that support sustainable growth and prosperity.

The updated Vision specifically includes growth—meaning economic growth (supporting business and jobs), as well as social growth (accommodating a growing population, providing more equitable access to jobs and opportunities, and meeting mobility needs at every life stage).

The Vision clarifies that growth must be sustainable—environmentally, socially and economically—to ensure that the region will continue to thrive well into the future.

Our Mission:

To champion and deliver mobility solutions which connect people, places and communities throughout our region.

The updated Mission places a greater emphasis on why we do what we do. Improving mobility is not an end in itself, but rather a means by which we create connections and enable residents and visitors to access what they need.

In addition to updating the vision and mission of the organization, the 2017-2022 Five-Year Strategy adds a fourth element—connect—to the description of the Metrolinx role. Applying our unique region-wide perspective, we:

- **PLAN** for regional transportation needs in the short, medium and long term, using evidence-based criteria to recommend priority projects and services. And, we work to connect across municipal boundaries and between modes of transportation;
- **BUILD** new regional rapid transit lines throughout the GTHA and technology, such as the PRESTO fare card and the TripLinx traveler information system;
- **OPERATE** regional transit services—including bus and rail service—and programs such as Smart Commute. In the future, we will continue to consider how we will operate in conjunction with the private sector and local transit agencies; and
- **CONNECT** the region by coordinating work, enabling stronger and more comprehensive solutions to create synergy

Strategic Priorities:

To deliver the new Vision and Mission, Metrolinx developed four Strategic Priorities adapted from those in the previous Five-Year Strategy. This is not a complete rethink of our priorities, but instead a refinement that will help better identify and communicate our mission.

Exhibit 3: Metrolinx Four Strategic Priorities



Priorities I and II focus on what we aspire to achieve, and what we commit to deliver over the next five years. Priorities III and IV identify principles and approaches we will apply to ensure that what we deliver is of the highest quality, undertaken with the greatest integrity, and genuinely considers the benefits and impacts of our projects at both regional and local levels.

The new Strategy recognizes the principles of sustainability as an underpinning of all our work, and creates a tie in to the Metrolinx Sustainability Strategy adopted in September 2016.

The Five-Year Strategy sets out key deliverables and foundational projects for the 2017-2022 period. These initiatives, which are aligned to our strategic priorities, act as the corporate anchors for the annual Metrolinx Business Plan as well as the business plans of individual Metrolinx business units. (Detailed deliverables are presented in Exhibit 26 in the Appendix.)

3.0 Business Context 2017-18

Metrolinx Business Context is shaped by:

- Minister of Transportation's Mandate Letter to Metrolinx
- Minister of Transportation's Letter of Direction on Oversight and Accountability
- Momentum from 2016-17 results
- Recent new GO Rail and Bus Announcements
- Auditor General Report on Capital Improvement
- Business Environment Scan

3.1 Minister of Transportation's Mandate Letter

As part of the new annual requirement in the Agencies and Appointments Directive for Board governed agencies, the Minister of Transportation issued a Mandate Letter to Metrolinx in November 2016 (available at metrolinx.com/en/aboutus/publications/nov2016_mandateletter.aspx). The Mandate Letter includes priorities for Metrolinx in 2017-18, including:

- Progressing in the implementation of priority rapid transit projects under Moving Ontario Forward and Other Next Generation Transit Investments;
- Continuing delivery of priority regional transit projects, Supporting government initiatives to optimize the regional transit network;
- Ensuring accountability and value for money in implementing specific priorities; and
- Implementing a comprehensive community engagement strategy as part of GO RER, GO rail service expansions and extensions to Kitchener, Niagara and Bowmanville, and regional rapid transit projects.

These priorities shape the business context for 2017-18 as Metrolinx continues to implement specific project commitments, including:

- Delivering the Regional Express Rail program by 2024-25;
- Continuing the construction work for Eglinton Crosstown LRT and VivaNext BRT;
- Starting construction on the Finch West LRT;
- Continuing to deliver enhanced functionality and upgrades for PRESTO;
- Providing support for regional fare integration, completing the legislated review of the Regional Transportation Plan; and
- Finalizing the work plan with partner municipalities on the planning and early design work for Dundas Street BRT, Durham-Scarborough BRT, Brampton Queen Street Rapid Transit, the Relief Line and the Yonge Subway Extension.

3.2 Minister of Transportation's Letter of Direction on Oversight and Accountability

On March 9, 2016 the Minister of Transportation issued a Letter of Direction to Metrolinx directing the agency to work with the Ministry of Transportation to ensure the optimization of resources, value-for-money and strong collaboration and communication between Metrolinx and MTO. As a response to this letter, Metrolinx in collaboration with MTO submitted a final report to the Minister on September 30, 2016. The report sets out improvements made in

several areas, such as: enhancement of internal communications between Metrolinx and MTO; greater awareness of promotional sponsorships; strengthened reporting requirements to further enhance MTO's understanding and oversight; enhanced efficiencies and value-for-money assessments; and new reporting on key performance indicators.

3.3 Momentum from 2016-17 Results

Major infrastructure commitments have shown progress throughout 2016-17. They include key milestone achievements on the Eglinton Crosstown LRT—such as ground breaking for stations and the completion of the underground tunneling work—progress on the construction of the new East Rail Maintenance Facility in Whitby that will accommodate increased service capacity, advancement of the procurement for various infrastructure projects as part of the RER program, and the completion of Gormley GO Station.

A significant milestone in the rollout of PRESTO was also achieved in 2016-17, with the payment card system now available across the TTC network—including at subway stations and on streetcars and buses. More than 2.7 million activated PRESTO cards have been distributed across the GTHA and Ottawa and, for the first time in February 2017, Metrolinx processed more than one million transactions in a single day—a strong indication of continuing growth throughout the system.

3.4 Recent new GO rail and bus service expansion implementation

In 2016-17, GO Transit implemented several rail service expansions, including:

- Doubling the number of weekday GO train trips between Kitchener and downtown Toronto;
- New rush-hour train service on the Stouffville GO line;
- New year-round weekend GO train service on the Barrie line; and
- New GO train trips along the Milton GO corridor.

In addition, Metrolinx implemented new bus service expansions, including:

- Extended GO bus service from Barrie to meet train service at Aurora GO Station throughout the day;
- A new express bus service running all day between Kitchener and the Bramalea GO Station in Brampton to connect with GO rail and bus services to and from Toronto's Union Station;
- New GO bus service between downtown Brantford and Aldershot GO Station in Burlington that stops at McMaster University along the way; and
- The introduction of service to the new Gormley GO Station.

3.5 Recent transit investment announcements

To deliver capacity upgrades in support of the RER program, new investments were announced in 2016-17. They include building 12 new stations that will service communities in Waterloo, Simcoe, York Region and Toronto, new multi-level parking structures to help address the parking demands at Maple and Rutherford GO stations and improvements to the Don Yard train service and storage facility.

In addition, several planning and preliminary design projects are underway for various rail extension projects, including achieving two-way, all-day GO Transit rail service to Waterloo Region, new weekday GO rail service between Hamilton and Niagara Falls and new train service from Oshawa to Bowmanville.

3.6 Auditor General Report on Capital Improvement

The 2016 Auditor General Annual Report findings include a section titled Metrolinx Public Transit Construction Contract Awarding and Oversight. Audit work was primarily carried out between December 2015 and July 2016 and raised concerns regarding Metrolinx procurement and vendor management processes.

Issues discussed in the Auditor General's report include the need for stricter contractual agreements and vendor oversight (including work contracted with CN or CP). Metrolinx is documenting the implementation of existing and new processes and practices that will improve value-for-money:

- To ensure stronger contractual agreements, Metrolinx has developed a more stringent tender process, which focuses on qualifications over price, a liquidated damages (LD) calculation process and a Vendor Performance Management (VPM) system. The VPM system will incentivize good contractor performance and support Metrolinx in considering past contractor performance when awarding future work.
- To improve vendor oversight, Metrolinx has enhanced processes to identify and document design or construction non-compliance. In addition, a scheduling management tool will track contractors' progress. With this improvement, Metrolinx will be aware if a contractor is trending late on project delivery and will be able to respond earlier with mitigations.
- To ensure safety in all Metrolinx projects, Metrolinx has implemented the Certificate of Recognition (COR) program, so that contractors must have a comprehensive health and safety management system in place.
- To improve consistent and comprehensive review of CN or CP invoices, Metrolinx is applying our payment procedure to CN or CP contracted work and initiating request of additional levels of detail to avoid the potential overpayment of invoices.

3.7 Business Scan: Challenges and Opportunities

Exhibit 4: Business Scan: Challenges and Opportunities

Regional Transit Business Environment: Challenges and Opportunities	
PRESTO Cost Recovery with Transit Service Providers	Existing PRESTO agreements with 905 service providers have been extended to October 2017 to allow for negotiations with municipalities to be finalized. This presents the opportunity for Metrolinx to establish a new pricing approach with transit providers to reach a more equitable cost sharing agreement. In December 2016, Ottawa agreed to high-level agreement terms, with the 905 municipalities following suit in the spring of 2017. Detailed contract negotiations with all parties are close to conclusion and a new 10 year contract is expected to be in place by October 2017

Federal Funding	Federal government funding has played a key role in enabling large capital projects across Ontario including recently announced support for RER of \$1.9B. This funding is from the Provincial Territorial Infrastructure Component (PTIC) of the Building Canada Fund (BCF) for the purpose of funding the Barrie, Kitchener, Lakeshore East and Lakeshore West RER corridors. Metrolinx is looking forward to working with the Ontario and Federal Governments to benefit from the proposed Canada Infrastructure Bank (CIB) for future infrastructure projects.
Constrained Government Spending	Through targeted, measured and fiscally responsible decisions, Ontario has restored its fiscal and economic strength by eliminating its deficit. The balancing strategy includes a significant year-end savings target for ministries and their agencies. The benefits of balanced budgets and a strengthening economy are providing the government with the fiscal flexibility to do more for Ontarians.
Integration of SmartTrack and RER	Work on new stations, including SmartTrack locations, will continue to progress in 2017-18. Six SmartTrack station location were approved for integration into the RER program at the June 28, 2016 Metrolinx Board meeting.
Uncertainty in Oil Prices	A sustained drop in oil prices in 2016 was followed by a mixed trend in 2017, reflecting market uncertainty. This uncertainty was intensified with the introduction of the cap and trade program on January 1, 2017. This program presents opportunities and challenges for GO Transit, both from an operational cost and ridership as customers will assess the attractiveness of driving compared to GO Transit.
Land Value Capture	Land Value Capture (LVC) is intended to engage the private sector to help fund some of the capital costs of transit projects. The implementation of GO RER and other future projects will provide opportunities to move forward with a strategic land development program. Initiating projects like the Port Credit GO Station joint development project demonstrates that there are opportunities to maximize the value and utility of public assets and translate Metrolinx's vision of transforming the way the region moves and creating connections that support sustainable growth and prosperity into reality by working with the private sector.

Project Management	<p>Managing the delivery of the largest transit investment in Ontario's history, including the Georgetown South project at approximately \$1.5B, presents complex program management challenges. Community engagement, stakeholder involvement, property acquisitions and utility coordination are all activities to manage in a coordinated and expedited manner to be able to deliver on time. Experience and insight gained from this work will be valuable for future projects.</p>
Fare Integration	<p>As rapid growth continues in the GTHA, trips between municipalities form an increasingly large share of total travel. Currently, more than 55,000 riders a day currently pay two fares for one trip creating a "barrier" that discourages transit use. In a competitive market, travellers increasingly expect fares that reflect the value of their trip. Metrolinx is currently working with GTHA municipal/transit partners on a business case of long-term regional fare integration structure concepts. As part of this work, analysis is being undertaken to remove barriers to integration such as access and equity impacts for riders, fare concessions and approaches to implementation. Metrolinx is also working with municipal/transit partners on short- to medium-term fare integration measures that would contribute to the long-term GTHA fare integration strategy.</p>
Municipal & Community Engagement	<p>As Metrolinx continues to make significant progress on major capital projects across the GTHA, many municipalities and communities are impacted. With such a large, rapidly growing and diverse region, Metrolinx needs a variety of engagement tools and opportunities to connect with its stakeholders in meaningful ways. To address this, Metrolinx is engaging extensively with the communities that these projects impact to capture the necessary feedback and continue to maintain mutually beneficial partnerships with municipalities.</p>

4.0 Metrolinx Deliverables

4.1 Direction for 2017-18

There have been many key initiatives and milestones this year that were critical to the success of our mandate to plan, build, operate and connect regional transit. The provincial government has recently made a series of exciting announcements about transit investments, and Metrolinx will lead the planning, design, public engagement and construction work for many of these projects, ensuring they operate efficiently. These initiatives will transform the regional transportation system by providing significant new travel choices across the GTHA.

The Minister of Transportation's Mandate Letter to Metrolinx outlines specific priorities for Metrolinx to pursue in the 2017-18 fiscal year. The mandate letter and the strategic priorities outlined in the Five-Year-Strategy shape the major deliverables and key initiatives. Previously, Metrolinx has been primarily focused on its planning and operating processes, but moving forward into the 2017-18 fiscal year, the focus is transitioning from planning to building.

In line with the Minister's Mandate Letter, key initiatives this year include:

- **Continuing to progress in the implementation of priority rapid transit projects under Moving Ontario Forward and other next generation transit investments**, including: expanding and optimizing the GO Transit network by delivering GO Regional Express Rail (RER) by 2024-25; implementing a comprehensive community engagement strategy as part of GO RER; working towards GO rail service expansions and extensions to Kitchener, Niagara and Bowmanville; reaching an Agreement in Principle with Canadian National Railway (CN Rail) that will allow two-way all-day train service to be introduced along the Kitchener GO corridor; and advancing procurement of the Hurontario LRT and Hamilton LRT projects.
- **Progressing on the construction of the Eglinton Crosstown LRT**, which will run approximately 19 kilometres along Eglinton Avenue, between the Mount Dennis (Weston Road) and Kennedy Stations, and will include up to 25 stations and stops. Ten kilometres of tunneling work has been completed and construction is now underway at each of the 15 underground stations. The line is expected to be in service by 2021.
- **Progressing on the construction of the Finch West LRT**, which will bring 11 kilometres of modern, reliable, rapid transit to Toronto from the new Finch West subway station on the Toronto-York Spadina subway extension at Keele Street to Humber College in Toronto's northwest corner. The Finch West LRT will provide crucial connections to many of the region's existing transit lines, including GO Transit bus services, as well as Mississauga and Brampton local bus services at Humber College. Construction for Finch West LRT is expected to start in 2018.
- **Continued delivery of priority regional transit projects, PRESTO and GO Transit services**, including: continuing the PRESTO implementation across the TTC network; introducing the PRESTO retail channel through Metrolinx's partnership with Loblaws/Shoppers Drug Mart that will expand opportunities for customers to purchase PRESTO cards, load funds and set fare types at convenient locations across Toronto (with future plans for expansion throughout the rest of the GTHA and Ottawa); completing construction of the East Rail Maintenance Facility in Whitby; continuing to invest in parking infrastructure rehabilitation and expansion at GO stations; and maintaining high quality GO Transit and Union Pearson (UP) Express service.

-
- **Supporting government initiatives to optimize the regional transit network**, including: supporting the provincial government in working with our municipal partners to establish appropriate cost-sharing arrangements on grade separations and PRESTO operating agreements; continuing to support the provincial government in developing a strategy for regional fare integration; ensuring provisions for a Community Benefits Program are included as part of project procurement for future rapid transit projects; and completing the legislated review of the Regional Transportation Plan.
 - **Ensuring we provide value for money and meet accountability and transparency best practices as set out in the Letter Of Direction Final Report**, including: managing agency expenditures according to the government's fiscal objectives and priorities, strengthening third-party contracts, focusing public funds on front line services and timely project delivery; development of processes to ensure appropriate oversight and approval of agreements with external parties; standardized reporting into the Ministry of Transportation with timely and accurate financial information; creating a Vendor Performance Management system and development of Key Performance Indicators.

In addition to the initiatives noted, there are approximately 300 construction projects ongoing concurrently and approximately 60% of the network's GO stations are currently under construction (Detailed deliverables are presented in Exhibit 26 in the Appendix).

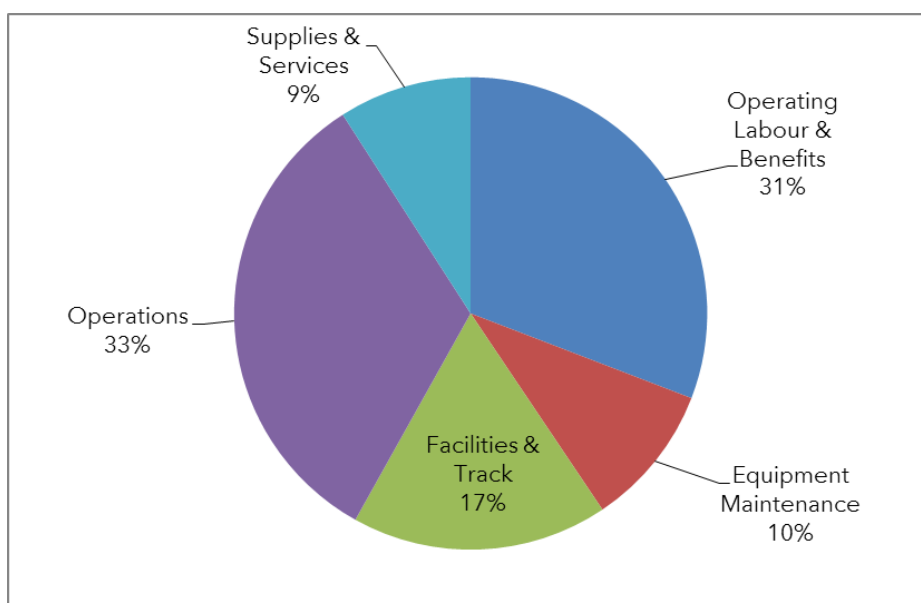
5.0 Financial Profile

5.1 Operating Budget

The development of the 2017-18 operating budget is guided by key Business Plan objectives and other assumptions, such as ridership, fare increases and diesel fuel prices (please see Appendix). The budget is presented by operating division and program, with direct costs of shared services being allocated to the respective business areas. The organization continues to make progress on the cost allocation model that allocates overhead costs to each division and program based on key cost drivers.

The total expenses for fiscal 2017-18 are projected at \$993.1 million. The total revenue is forecasted at \$632 million, with fare revenue of \$537 million and non-fare revenue of \$94.8 million.

Exhibit 5: 2017-18 Operating Budget Table



In the 2017-18 operating budget, the largest allocation is operations expense, which accounts for 33 percent of total operating budget. This includes items such as support train crew wages, train control dispatch, PRESTO operations and smaller programs like Smart Commute.

Next, labour and benefits account for 31 percent of the operating budget, supporting transit ridership growth. Facilities and tracks account for 17 percent of the operating budget, and include rent, property taxes, hydro, winter maintenance and other facility repairs. Equipment maintenance accounts for 10 percent, covering support services, inventory, inspections and yard operations. Finally, supplies and services represent nine percent of the budget, which includes all types of professional services, bank fees, staff development and advertising.

Transit operations fare revenue is based on a year-over-year increase in ridership and a fare increase for longer-distance trips across our network that is proposed to be implemented September 2, 2017. Fares for trips that currently cost more than \$5.02 with PRESTO and \$5.65 without PRESTO would increase by approximately three per cent. Examples of trips that

would be affected include a GO train trip from Union to Cooksville or Rouge Hill. Fare increases are intended to be moderate and consistent over time and allow Metrolinx to offset annual increases in operating costs due to the addition of new services and increasing market costs.

Non-fare revenue sources typically include billboard advertising, track usage fees from corridor ownership, transit operations partnerships on UP Express line , interest on working capital and reserved parking fees. In addition to fare and non-fare revenue, the total PRESTO fee revenue including revenue from TTC implementation is projected to be \$21.6 million for 2016-17.

Metrolinx is a consolidated entity to the Province of Ontario. As such, the fiscal impact of Metrolinx on the Province is equivalent to the operating subsidy, amortization of capital assets and the cost of borrowing for Metrolinx capital expense. The operating budget of Metrolinx for 2017-18 is \$993.1 million in expenses, offset by \$631.5 million in revenue. In addition, there is realignment of capital to operating funding of \$21.4 million in 2017-18, resulting in an approved provincial subsidy requirement of \$383.2 million for 2017-18. The amortization expense in 2017-18 is estimated to be \$601.2 million.

For 2018-19 and 2019-20, Metrolinx is planning to spend \$1,108.7 million and \$1,200.9 million, respectively, in operating expenses to support planned increase in services as well as other initiatives in place.

Exhibit 6: 3-Year Operating Budget Outlook by Program

Revenue (\$M)	2017-18	2018-19	2019-20
Transit Operations	572.7	611.7	643.3
PRESTO	21.6	43.2	68.9
Metrolinx Internal	37.3	2.8	2.8
Total Revenue	631.5	657.7	715.0
Operating Expense (\$M)	2017-18	2018-19	2019-20
Transit Operations	780.1	867.7	930.3
PRESTO	129.9	149.2	159.1
Rapid Transit	2.6	4.6	4.8
Regional Transportation Planning	12.7	13.2	14.1
Metrolinx Internal	67.8	74.0	92.5
Total Expense	993.1	1,108.7	1,200.9
Net Operating Requirement	-361.6	-451.0	-485.9
Capital to Operating: East Rail Maintenance Facility Long-term In	-1.4	-8.3	-8.2
Capital to Operating: Eglinton Crosstown LRT Battery Backup	-20.0	-15.0	
Less: Planned Subsidy Approvals	383.0	432.4	451.5
Expense Savings Target	0.0	41.9	42.5
Projected Budget Surplus (Shortfall)	0.0	0.0	0.0

Exhibit 7: 2017-18 Operating Budget Table by Program

(Dollars in Millions)	Transit Operations	PRESTO	Rapid Transit	Regional Transportation	Metrolinx Internal	Metrolinx Total
<u>Revenue</u>						0.0
Fare Revenue	551.8					551.8
Less: Fare Integration	-13.5					-13.5
Less: Fare Guarantee	-1.6					-1.6
PRESTO Fee Revenue		21.6				21.6
Non-fare Revenue	35.9				2.3	38.2
Proceeds from Sale of Assets					35.0	35.0
Total Revenue	572.7	21.6	0.0	0.0	37.3	631.5
<u>Expenses by Type</u>						
Labour & Benefits	241.0	21.7	0.1	5.0	38.5	306.2
Operations	232.4	88.4		2.7	2.3	325.8
Facilities & Track	161.5	0.3	2.3	0.7	9.1	173.9
Equipment Maintenance	96.9				0.0	96.9
Supplies and Services	48.3	19.6	0.3	4.3	17.8	90.3
Total Expenses	780.1	129.9	2.6	12.7	67.8	993.1
Excess of Expenses over Revenue	-207.4	-108.4	-2.6	-12.7	-30.5	-361.6
Net Operating Requirement	-207.4	-108.4	-2.6	-12.7	-30.5	-361.6
Capital to Operating: East Rail Maintenance Facility Long-term Interest						-1.4
Capital to Operating: Eglinton Crosstown LRT Battery Backup						-20.0
Less: Planned Subsidy Approvals						383.0
Projected Budget Surplus (Shortfall)						0.0
Amortization Expense						601.2

5.2 Capital Investment

The Metrolinx 2017-18 capital budget is approximately \$5.1 billion, with the majority of the required funding provided by the Province of Ontario. Other funding sources include \$25.0 million from the Canada Strategic Infrastructure Fund (CSIF), \$27.5 million in municipal contributions and \$10.7 million from the Building Canada Fund (BCF). Significant portions of the budget are related to rapid transit expansion projects (mainly the Eglinton Crosstown LRT), the advancement of the GO Regional Express Rail (RER) program, and the state of good repair (SOGR) program.

Metrolinx Major Capital Projects with significant progress expected in 2017-18 include:

- Steeles to Rutherford double track extension on the Barrie rail corridor
- Expansion of the Allandale (Barrie) and Bradford Layover sites
- Kitchener GO bus maintenance facility
- Ajax GO station parking expansion and pedestrian bridge on the Lakeshore East rail corridor
- New Oshawa GO station building on the Lakeshore East corridor
- New Lewis Road Layover Facility (Stoney Creek) on the Lakeshore West rail corridor
- Modernization of Bronte and Burlington GO stations on the Lakeshore West rail corridor
- Hamilton rail service expansion on the Lakeshore West corridor
- East Rail Maintenance Facility in Whitby
- Mississauga Transitway Airport Renforth Gateway Hub
- Trainshed Restoration project at Union Station

- Completion and opening of the 407/Jane GO Bus Terminal
- Fuel system upgrade at the Willowbrook Rail Maintenance Facility

With the Province's investment in the RER program, growth in the capital plan has been significant in recent years. The capital budget has grown from less than \$1 billion in 2008-09 to approximately \$5.1 billion in 2017-18.

Exhibit 8 shows the growth in capital investment since 2008-09.

Exhibit 8: Metrolinx Capital Investment Growth

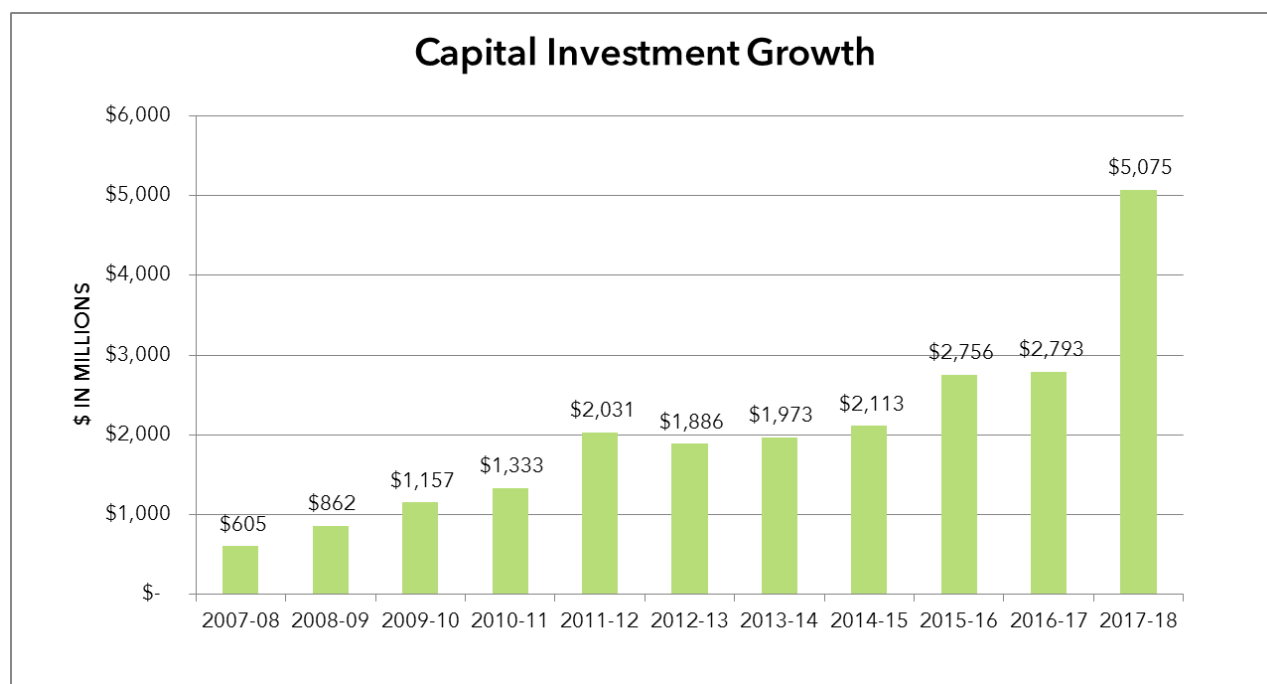


Exhibit 9 provides a high level breakdown of capital investments over the next five years.

Exhibit 9: Metrolinx Capital Investments 5-year Plan

STRATEGIC ALIGNMENT (\$M)	2017-18	2018-19	2019-20	2020-21	2021-22
Rapid Transit	\$1,861	\$2,215	\$2,391	\$1,587	\$1,385
State of Good Repair	\$763	\$989	\$833	\$497	\$230
Optimization & Expansion	\$1,017	\$1,221	\$1,359	\$1,228	\$1,049
PRESTO	\$196	\$117	\$50	\$35	\$35
GO RER	\$1,199	\$2,071	\$3,376	\$3,132	\$2,515
Other Future Projects	\$39	\$32	\$61	\$68	\$54
GRAND TOTAL	\$5,075	\$6,645	\$8,070	\$6,547	\$5,268

Exhibit 10 provides a breakdown of the types of investments in the capital plan by percent of total and Exhibit 11 offers additional details about the types of projects in the capital plan.

Exhibit 10: 2017-18 Metrolinx Capital Investments by Percent of Total Capital

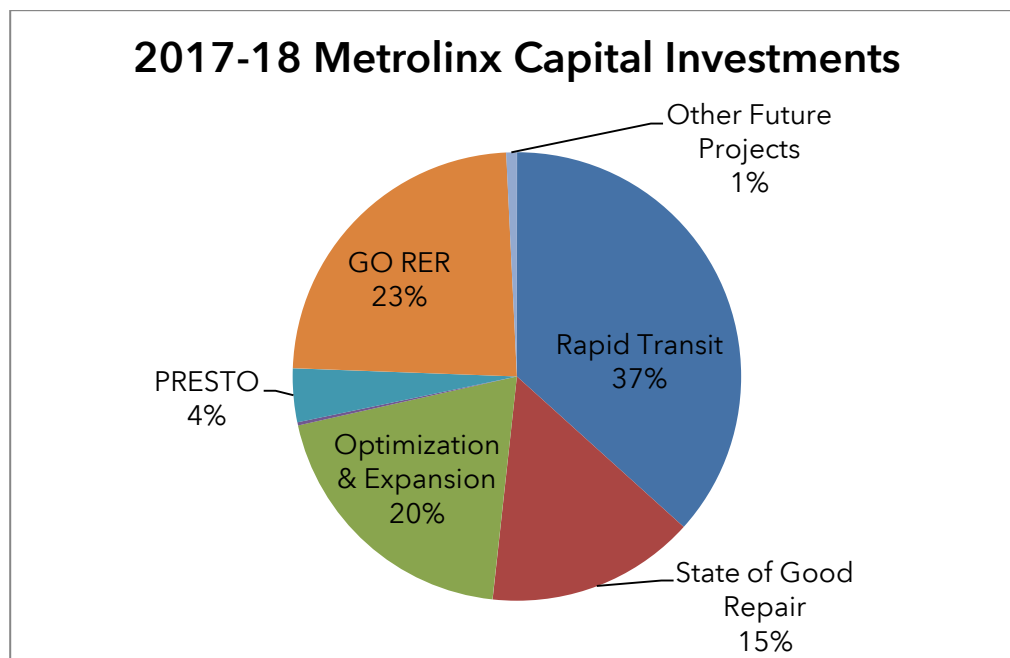


Exhibit 11: 2017-18 Metrolinx Detailed Capital Investments

CAPITAL INVESTMENT BY STRATEGIC ALIGNMENT (\$Millions)		Budget 2017-18
Regional Rapid Transit Expansion	Eglinton Crosstown LRT	1,285
	Finch LRT	167
	Sheppard LRT	5
	VIVA BRT	239
	Hurontario LRT	135
	Hamilton LRT	30
REGIONAL RAPID TRANSIT EXPANSION TOTAL		1,861
STATE OF GOOD REPAIR TOTAL		763
Optimization and Expansion	Optimization & Expansion	778
	Building Canada Plan	11
	East Rail Maintenance Facility	172
	Niagara Extension	12
	Bowmanville Extension	11
	Kitchener Expansion	19
	Greenhouse Gas Reduction Account Initiative	3
	UP Express	6
	Georgetown South Corridor	6
OPTIMIZATION AND EXPANSION TOTAL		1,017
PRESTO		PRESTO Implementation & State of Good Repai
		196
PRESTO TOTAL		196
GO Regional Express Rail		Regional Express Rail Projects
		1,199
REGIONAL EXPRESS RAIL TOTAL		1,199
Other Future Projects	Planning Provincial	12
	Planning Municipal	27
OTHER FUTURE PROJECTS TOTAL		39
GRAND TOTAL		5,075

5.3 Capital Asset Growth

Capital Assets

Net Book Value – March 31, 2017
Add: Capital Budget – 2017-18
Less: Estimated Amortization 2017-18
Estimated Net Book Value – March 31, 2018

\$Billions

16.109
5.075
(0.601)
20.583

5.4 Performance Measures and Targets

Metrolinx introduced its Corporate Key Performance Indicator (KPI) program in the 2016-17 Business Plan in response to the Minister of Transportation's Letter of Direction. The Corporate KPI program includes two suites of KPIs: a public-facing suite, and an executive management suite, both of which are reported to MTO on a quarterly basis. These KPI suites are aligned with the strategic priorities within the Metrolinx Five Year Strategy and will be used in organizational financial and business planning, risk management and reporting. The public-facing suite, which is designed to tell the Metrolinx story to the public, is included in the Metrolinx Business Plan.

In 2017-18, Metrolinx will roll out the KPI program and its governance structure to the organization at large. Metrolinx will continue to address and refine the KPIs for which no data currently exists, and it will also begin the target-setting process. Targets will initially be used for internal performance monitoring only, but once well-established, they will be included within public-facing documents.

5.5 Financial Performance

The Public-Facing KPIs are made up of Five Regional Outcomes and Nine Metrolinx Achievements. The Five Regional Outcomes measure overall progress in the development of transit across the region. Metrolinx intends to influence these metrics but does not control them as they are also influenced by the other municipal transit and provincial stakeholders in the region. Accordingly, Metrolinx will be tracking the progress of these outcomes against prior periods and will not be setting targets for them. The information for these outcomes is obtained from surveys which are published every five years. The results of the latest survey for 2015-16 will not be available until later in 2017-18 and therefore these metrics have not been included in this year's Business Plan.

The Nine Metrolinx Achievement KPIs measure both our service delivery (Operations) and our capital infrastructure build performance. They are aligned with their respective strategic priorities from the Metrolinx Five Year Strategy (2017-2022).

Metrolinx Achievements KPIs

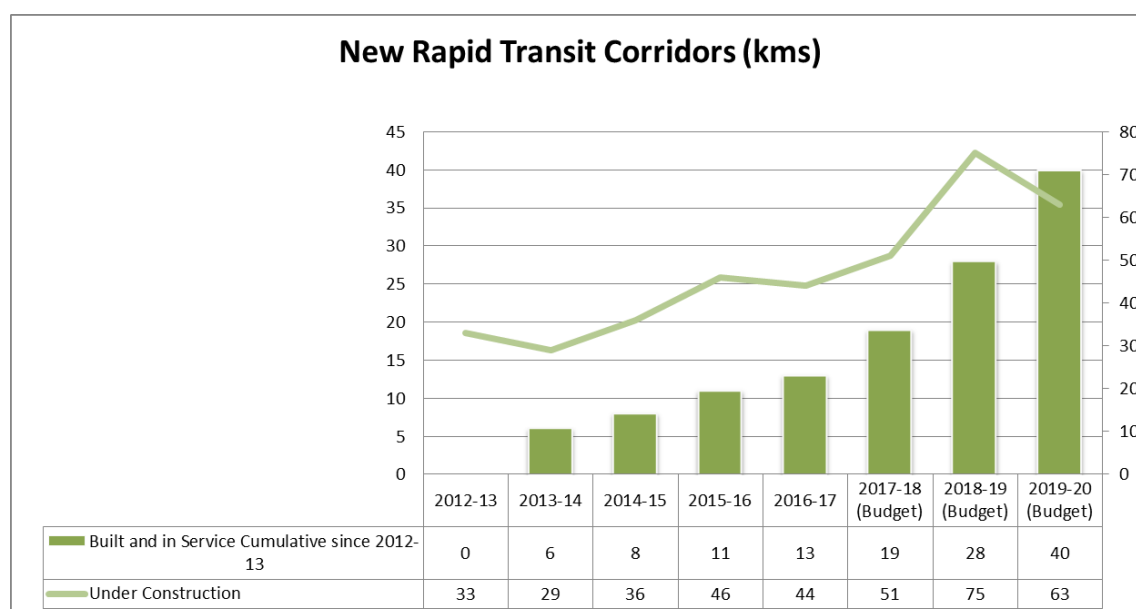
Transformation of Regional Mobility

New Rapid Transit Corridors

There are two KPIs which measure our progress in building new rapid transit for the region: New Rapid Transit Corridors – Built and In Service (kms), and New Rapid Transit Corridors – Under Construction (kms). Metrolinx has built and placed in service 13 kms of Rapid Transit since 2012-13. Metrolinx will build and place into service an additional 6 kms of Rapid Transit corridor by the end of 2017-18. This includes 4 kms on the VivaNext BRT corridor and 2 kms on the Mississauga Transitway.

Additionally, Metrolinx will have 51 kms of Rapid Transit corridor under construction at the end of 2017-18. This includes 19 kms on the Eglinton corridor, 11 kms on the Finch corridor and 21 kms on the VivaNext BRT corridor.

Exhibit 12: New Rapid Transit Corridor Build Multi-Year Breakdown



Financial Stewardship and Accountability

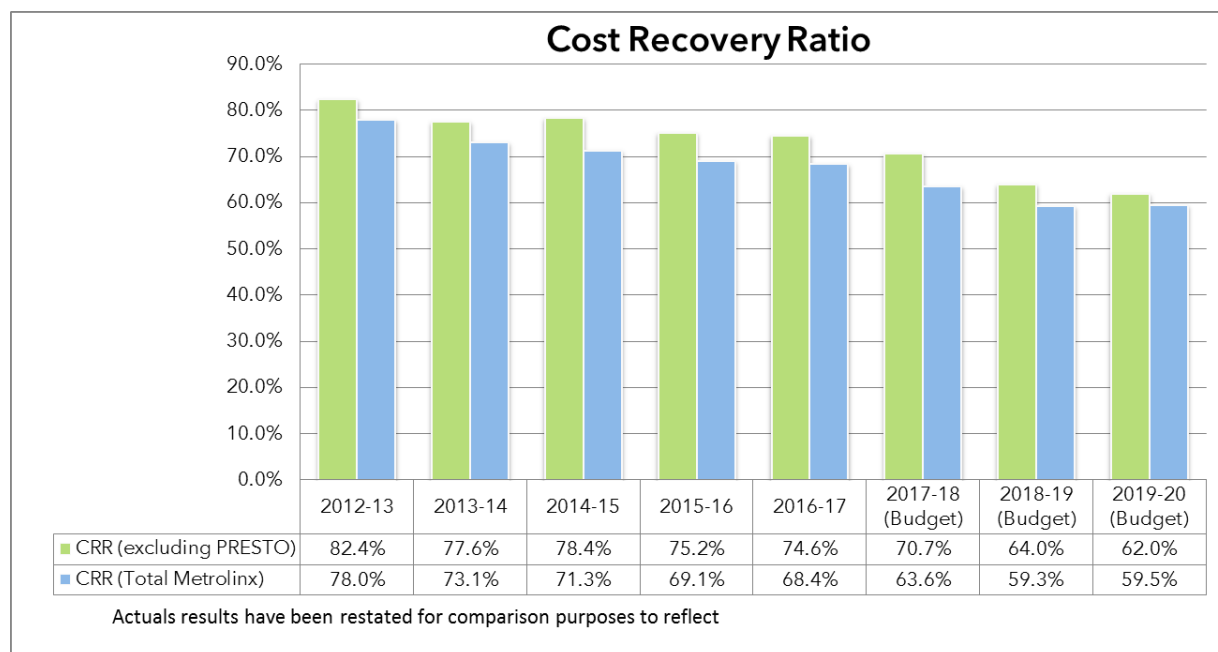
Cost Recovery Ratio

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

For fiscal 2017-18, Metrolinx is budgeting a cost recovery ratio of 70.7 percent (excluding PRESTO). If PRESTO revenue and operating costs are included, the budgeted cost recovery ratio decreases to 63.6 percent, reflecting the impact of the more highly-subsidized PRESTO farecard system business model. The decrease in cost recovery metrics in 2017-18 and into the out years primarily results from the addition of new off peak weekday, evening and weekend services that have lower cost recovery and from increased operating costs related to investments that support future ridership and expansion like the East Rail Maintenance facility.

Metrolinx compares its cost recovery ratio to its historic results as well as to industry benchmarks. Historically, Metrolinx has consistently had one of the best cost recovery ratios among its North American peers. For example, Translink in Metro Vancouver has reported a cost recovery ratio of 55.0 percent for the year ended December 31, 2016 for its scheduled Transit Service.

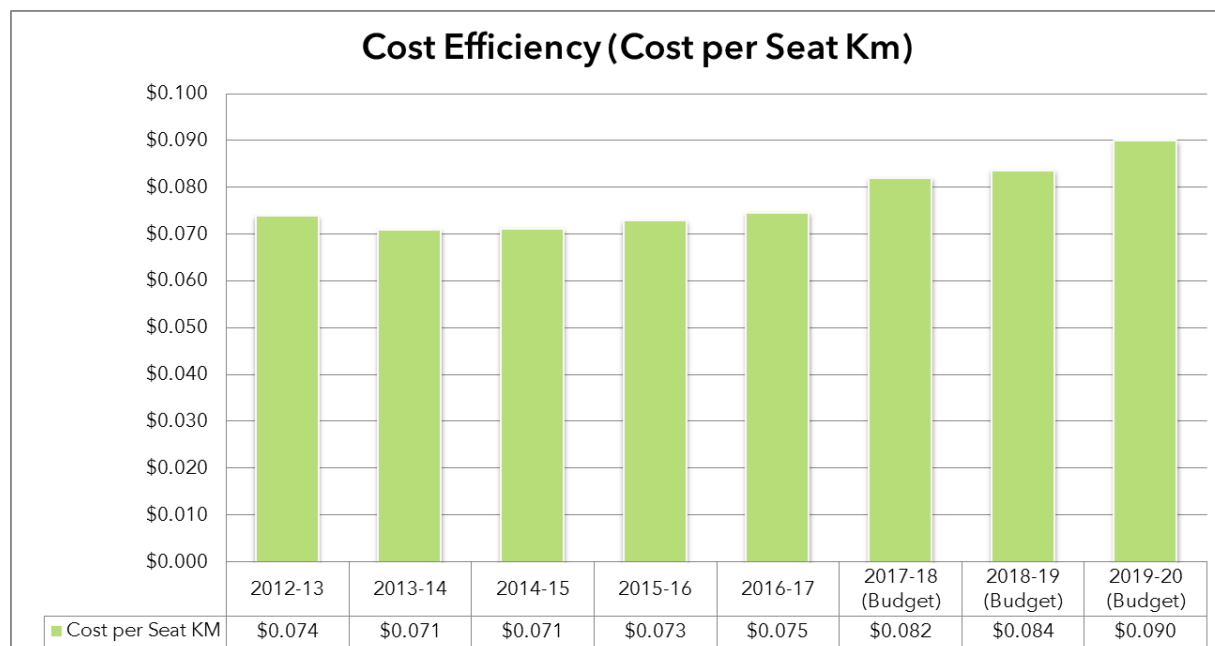
Exhibit 13: Cost Recovery Ratio



Cost Efficiency

The Cost Efficiency KPI measures the total Metrolinx operating expenses (excluding PRESTO) incurred per seat-kilometre (km) of service provided for the period being measured. This KPI is a measure of how efficiently the organization delivers its transit services to the public. For Fiscal 2017-18, Metrolinx is budgeting cost efficiency to be \$0.082/seat-km. This metric is expected to increase from 2016-17 levels as Metrolinx invests in new ridership infrastructure support and new services during off peak times.

Exhibit 14: Cost Efficiency Multi-Year Breakdown



Project Delivery Effectiveness

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

Economic Impact

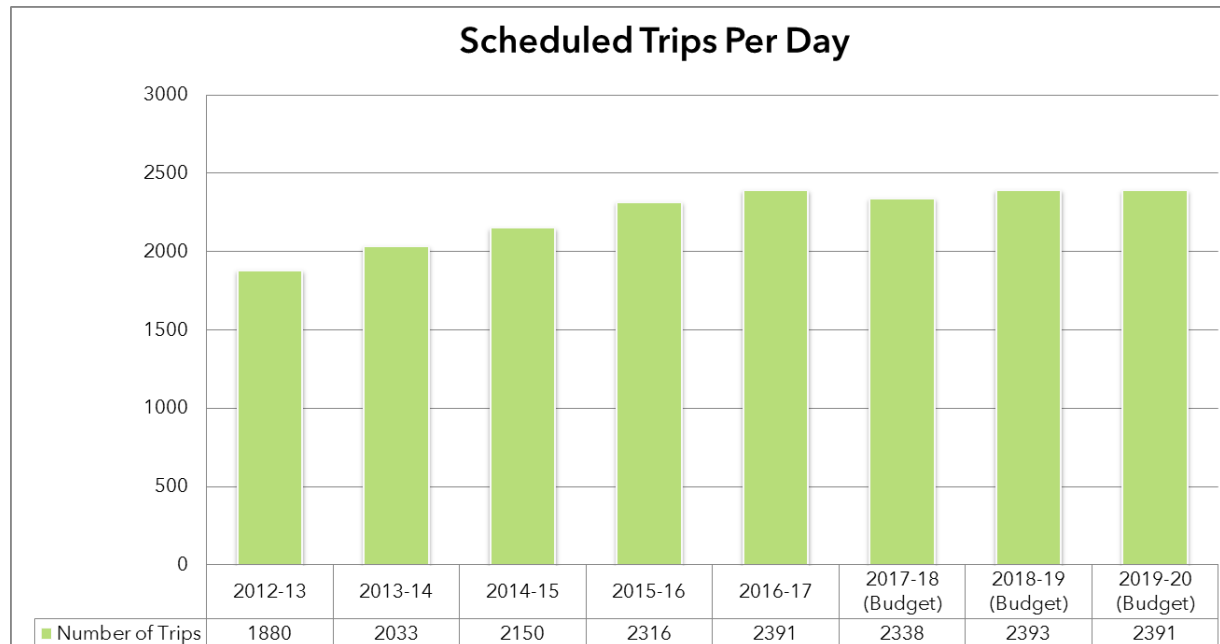
The Economic Impact KPI is currently under development but will measure the impact of Metrolinx's Capital Infrastructure Program spending on job creation in the region.

Safe, High Quality & Connected Customer Experience

Scheduled Trips per Day

The Scheduled Trips per Day KPI represents the average number of scheduled train and bus trips offered per day to the public for the period measured. In 2017-18, scheduled trips per day are expected to decrease by 2.3 percent to 2,338. As Metrolinx expands its services during the off-peak, it replaces bus service with rail service. Since a rail trip can carry 27 times more riders than a bus trip, a smaller number of rail trips can increase transit service while decreasing the overall number of scheduled trips.

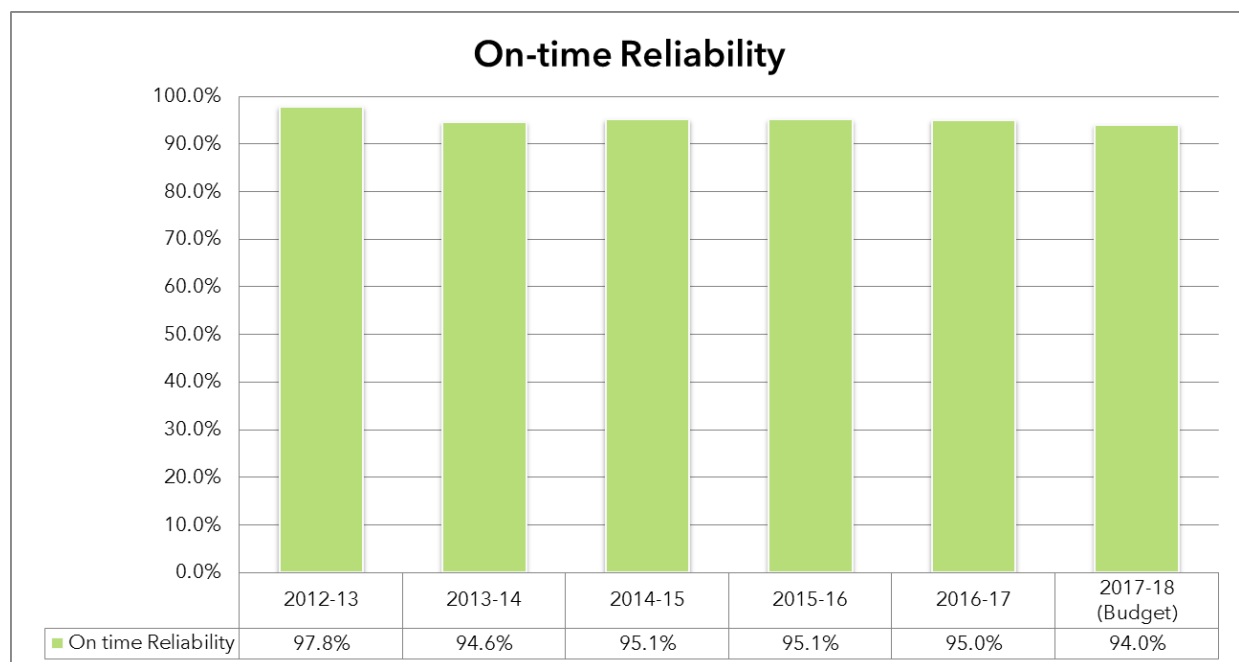
Exhibit 15: Scheduled Trips per Day Multi-Year Breakdown



On-Time Reliability

The on-time reliability KPI measures the number of scheduled trips arriving at their destination on time for the period being measured. 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 2017-18 targets for on-time reliability are 94% for both rail and bus services.

Exhibit 16: On-time Reliability Multi-Year Breakdown



Earn and Maintain Trust

GHG Emissions

The GHG Emissions KPI metric is currently under development, but will measure Metrolinx's overall GHG emissions for the period being measured.

5.6 Managing Uncertainty

Metrolinx continues to enhance its Enterprise Risk Management (ERM) program to ensure that Metrolinx complies with the Government of Ontario requirement for all provincial agencies to use a risk-informed approach in managing business.

The objective of the ERM program is to enhance quality of risk analysis across the organization. In 2016-17, a comprehensive review of the ERM program was completed and key findings were presented to the Senior Management Team and the Board.

The ERM framework and policy will be revised in Q2 2017, with updated risk scoring criteria and risk appetite to be reviewed with the Board later in 2017 and additional key components updated and implemented over the next two years. The existing risk management processes will remain uninterrupted to ensure ongoing oversight of risks.

Metrolinx continues to participate in the ERM roundtable with other government agencies and ministries. The chair of the ERM roundtable now rotates among the member agencies and ministries.

In 2017-18, Metrolinx will continue its focus on a risk-informed, evidence-based approach by continuing to promote the use of risk management software across the organization, developing robust quantitative analytics and focusing on the assessment of key risks against strategic priorities.

Senior Management has identified the key areas of focus for ongoing monitoring and reporting in achieving Metrolinx's corporate objectives and values. (These are laid out in Exhibit 17, below.) Metrolinx continues to actively monitor and develop mitigation strategies to manage risk down to an acceptable level, including effective planning and policy-making, leveraging Alternative Financing and Procurement (AFP) models, developing inclusive and innovative fare solutions and partnering with stakeholders.

Exhibit 17: Key Areas of Focus

Key Area	Description
Regional Leadership and Relevance of <i>The Big Move</i>	The credibility of the regional transportation plan is maintained by demonstrating evidence-based decision making, ongoing progress and delivering commitments on time and on budget, as well as public consultation and municipal engagement.
Sustained Funding	Metrolinx requires continued and adequate funding for current and future operations, in addition to maximizing ridership and farebox recovery to minimize subsidy, and capital programs balanced with fiscal responsibility to taxpayers and shareholders.
Stakeholder Management and Governance	Corporate governance oversight with clearly defined stakeholder roles and accountabilities are required to support Metrolinx's objectives.
Management of Stakeholder Requirements	Clear communication and understanding of program objectives as well as partnerships and relationship-building with stakeholders is needed to deliver stakeholder requirements on budget, scope and schedule.
GO Regional Express Rail	Ongoing development and implementation of the work plans to deliver 15-minute, electrified service in core areas on GO-owned rail corridors, and delivering service daily along corridors that will be undergoing major construction
Rapid Transit	Effectively managing project stakeholders is the key to successful implementation of the RT program, including the use of the AFP process.
Workforce	Effectively managing our workforce is critical to achieving business outcomes and optimizing productivity.
Customer Satisfaction	Reliable services and timely, high quality communication are success factors in maintaining Metrolinx's commitment to its customers.
Privacy and Cyber Security	Metrolinx is required to safeguard both customer and corporate data, ensure compliance with privacy legislation, and mitigate any possible privacy breaches.
Program Delivery	Project volume and complexity, as well as stakeholder requirements, necessitate effective project management and prioritization to deliver projects on time, on budget, within scope and of the highest quality.
Safety and Security	Proactively taking steps and continuing to strengthen the culture of safety as the top priority through clear leadership and commitment, effective communication and continuous improvement.
Compliance and Obligations	Conducting our business in compliance with all applicable laws, regulations, directives and policies.

6.0 Joint Stakeholder Deliverables

6.1 Infrastructure Ontario (IO)

Guided by the Metrolinx-Infrastructure Ontario (IO) Master Agreement, IO continues to be an integral partner in delivering high-priority transit initiatives.

The Design-Build-Finance-Maintain contract for the Eglinton Crosstown LRT project was awarded in July 2015 and construction underway is expected to be completed in 2021.

In March 2015, the Design-Build-Finance-Maintain contract for the East Rail Maintenance Facility project was awarded. The East Rail Maintenance Facility is currently under construction and is expected to achieve substantial completion at the end of 2017.

In addition to the projects completed and under construction, Metrolinx and IO are also working together in procuring transit projects using the AFP model. The Request for Proposal (RFP) to design, build, finance and maintain the Finch West LRT project was released on February 19, 2016 with construction expected to begin in Winter 2018. The Request for Qualification (RFQ) for the Hurontario LRT was issued in October 2016 and RFP release is scheduled for Summer 2017. The RFQ for the Hamilton LRT was issued in February 2017 and will be followed by RFP release in Summer 2017. There are also segments of the RER program that are currently in various stages of procurement to be delivered using the Design-Build-Finance model, including for tunneling, stations and corridor expansions work.

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

6.2 Municipal Partners

As regional transportation provider, GO Transit routes span many Ontario municipalities, giving rise to natural, mutually-beneficial municipal partnerships. Areas of collaboration include road and land-use planning, environmental assessment, urban development and new transit project implementation.

The Regional Transportation Plan is expanding these collaborative relationships, as are smaller, multi-jurisdictional projects and cost-saving initiatives. Enabled by the PRESTO fare system, eight GTHA municipal operators currently partner with GO in the Fare Integration Program, which provides discounts on local transit fares to customers who travel on both GO and local municipal systems using the PRESTO card. In 2017, the TTC will begin decommissioning its existing fare media, in its evolution to make PRESTO its primary fare payment system. Metrolinx is also working with the other GTHA/Ottawa transit service providers to advance PRESTO as the primary fare payment system and increase adoption throughout the region.

As Metrolinx advances work on RER, it is putting in place mechanisms to support a close working relationship with municipalities through the build phase.

6.3 Rail Partners

Although Metrolinx owns 80% of GO Transit's railway corridors, services such as signaling, dispatch and communications are shared among GO's corridor partners: Canadian National Railway (CN), Canadian Pacific Railway (CP), Toronto Terminal Railways (TTR) and Goderich and Exeter Railway (GEXR). Additionally, GO collaborates with VIA Rail and others who access Metrolinx owned railway corridors and other properties, and share stations.

Collaboration with rail partners is also crucial as Metrolinx moves forward with implementation of major rail expansion initiatives, such as RER. As part of GO rail service expansion to Waterloo Region, Metrolinx has secured an agreement-in-principle with CN Rail that will allow GO RER to be built along the Kitchener GO corridor. In addition, Metrolinx is in negotiation with CN rail to implement new weekday GO rail service planned between Hamilton and the Niagara region.

6.4 Key Delivery Partners

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

Bombardier delivers trains and maintains and operates the rail fleet for transit operation. Second to Bombardier in terms of total business is Suncor, one of GO Transit's diesel fuel vendors, which is forecasted to supply 78.5 million litres at a cost of \$60.87 million in 2017-18. Pacific Northern Railworks (PNR) maintains all 300 miles of Metrolinx-owned track and signals. Crosslinx Transit Solutions (Crosslinx) and Plenary Infrastructure ERMF were awarded the AFP contracts to design, build, finance and maintain the Eglinton Crosstown LRT and East Rail Maintenance Facility, respectively.

In May 2017, PRESTO and Metrolinx executed a partnership agreement with Loblaws to sell PRESTO cards, load value and passes and set fare types at location across the GTHA and Ottawa. Field trials began at 10 Shopper's Drug Mart locations in Toronto on May 8th. The field trial will run for eight weeks and planning is in progress for the full roll out across the region.

7.0 Organizational Initiatives

7.1 Fare Integration

Metrolinx has been leading a transit fare integration study with municipal service providers and the Ministry of Transportation to develop recommended incremental, transitional and transformational actions aimed at improving the integration of transit fares across the GTHA. PRESTO, the regional fare payment card, is a key enabler of regional fare integration.

As part of this initiative, a Technical Advisory Committee (TAC), with representation from GTHA municipal transit service providers, was established to provide input throughout the strategy development process.

A common vision, set of objectives and evaluation framework was developed, which are guiding the development of proposals, analysis and evaluation. The ideal regional fare strategy would support increased mobility and ridership growth, maintain financial sustainability and allow transit across the GTHA to be perceived and used as one network composed of multiple service providers. It would be easy and fair for customers, and readily implemented and managed by transit service providers.

A preliminary draft business case examining various fare structures for the region is being developed with involvement of the TAC in order to determine a long-term/transformational fare structure for the region. Work is underway to develop a strategy for consideration by the Board that addresses existing fare barriers and identifies the initial steps required to move towards more seamless travel in the GTHA. Review of other fare components (transfers, products, concessions and time-of-day pricing), and implementation considerations for a long term/transformational fare structure (revenue allocation, equity issues, decision making and pay parking) will form part of this work.

7.2 Metrolinx Sustainability Strategy

Metrolinx is working to transform mobility in the GTHA and support the long-term sustainable development of the region as a whole. Additionally, in its current state of unprecedented growth and expansion, Metrolinx must focus on how to plan, build, operate and connect with stakeholders in order to achieve meaningful progress towards sustainability within its own operations.

In September of 2016, the Metrolinx Board of Directors approved the Sustainability Strategy. (It is available at metrolinx.com/sustainability.) This cross-organizational strategy serves not only as a statement of our commitment, but also as a framework for decision-making and a tool of accountability for stakeholders.

The Sustainability Strategy identifies actions and measures of success for the next five years, recognizing that efforts will continue beyond 2020 to maintain our commitment to sustainability and continuous improvement. The Strategy focuses on five priority sustainability goals (Exhibit 18), which are material to Metrolinx and its stakeholders, and represent those areas of greatest need and opportunity. Metrolinx is ensuring that it has the necessary people, systems and performance management in place to measure and achieve success.

Exhibit 18: The Sustainability Strategy

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

Sustainability has been integrated as a key pillar in Metrolinx's Enterprise Asset Management System, and climate change resilience and emissions reductions are identified in the Enterprise Risk Register. Metrolinx is focused on embedding sustainability into key infrastructure projects, including GO RER and rapid transit projects. Through 2017-18, Metrolinx will continue to implement the goals and action items outlined in the Sustainability Strategy, including:

- Continued engagement with internal and external stakeholders on climate resiliency and adaptation for the GTHA;
- Development of a corporate Climate Adaptation Plan;
- Continued focus on the identification and implementation of energy efficiency and emission reduction opportunities through Metrolinx's five divisional Energy Management Teams;
- Implementation of the newly updated Energy and Emissions Management Plan for 2017-2020;
- Formalization of a Sustainable Procurement Policy and Supply Chain Code of Conduct;
- Continued identification of opportunities to enhance the health of ecosystems and biodiversity and further minimize the impact of new and existing infrastructure on the environment;
- Development and finalization of Metrolinx's Community Charter in order to better engage residents in the design and construction of new infrastructure;
- Continued focus on the development and implementation of sustainability provisions into Metrolinx AFP and contracts and traditional procurement processes; and
- Publication of a Sustainability Report in order to demonstrate transparency and accountability to the Sustainability Strategy.

7.3 Diversity and Inclusion Program

Metrolinx has identified Diversity and Inclusion (D&I) in the workplace as a core priority to create a welcome and inclusive environment, enable better decision making through diversity of thought, and increase employee engagement and accountability of leaders. The D&I Program supports Metrolinx's strategic objectives through the development of an inclusive culture that will enable employees to be authentic and tap into their full potential. Metrolinx has recognized that diversity is not enough. Ensuring representation across different groups in the workplace is only a starting point, and just as important are inclusive practices that embrace the benefits of different perspectives, challenge bias and preconceptions, and create a sense of belonging and support.

In 2015, Metrolinx set out to formally establish a D&I Program following a review of employee census results on D&I in the workplace. The Board of Directors and Human Resources and Compensation Committee appointed Mary Martin, the Executive Vice President, General Counsel and Corporate Secretary of Metrolinx, as the Executive Champion of Diversity. Under Mary's leadership, Metrolinx established a D&I Leadership Council, comprised of diverse individuals from across all levels and business units of the organization, to oversee the development and delivery of the D&I Program.

Since the inception of the D&I Program and the establishment of the D&I Leadership Council, Metrolinx has undertaken various initiatives to raise general awareness of Metrolinx's commitment to D&I in the workplace:

- In June 2016, Metrolinx launched a D&I intranet website which highlights key elements of the D&I Program, shares stories of personal diversity challenges of senior employees, and provides information on opportunities for employees to become involved;
- Regular email communication from the D&I Council and the Executive Champion to all Metrolinx employees on D&I initiatives, important religious observance dates, and specific diversity-dimension events, such as Mental Health Day, International Women's Day, and Ramadan, to help foster understanding and openness in the workplace;
- Kicking off strategy sessions and workshops to gain organizational alignment on strategic initiatives, prioritizing D&I goals, and creating an action plan.

Metrolinx continues to advance the finalization of its D&I Strategy, which shall form the basis of the D&I Program. Metrolinx has identified four key strategic pillars to inform the D&I Strategy. These include: inclusive leader behavior, authentic employee experience, diversity of thought and inclusive organizational systems (Exhibit 19).

Exhibit 19: Diversity & Inclusion Strategic Pillars



The D&I Council has also created an Employee Resource Group (ERG) Subcommittee to focus on the creation and implementation of ERGs across the organization. ERGs connect employees who self-identify or have an affinity to a specific D&I attribute based on background or experience to support each other, promote education and awareness, and create communities. The possible categories of ERGs are as diverse as those individuals who belong to them, and are intended to be created and developed by employees as they come together. Possible ERGs include: Indigenous or First Nations peoples, millennials, newcomers to Canada, visible minorities, and members of the LGBTQ community. In June 2017, the Executive Champion and the ERG Subcommittee undertook a soft launch of the ERG

Program by introducing the vision behind ERGs to management-level employees at a Leadership Forum.

In 2017-18, Metrolinx will continue to advance and communicate the D&I Program and develop the D&I Strategy, undertake workshops on D&I concepts and implement resulting action plans, and oversee the roll out of the ERG program across the organization.

7.4 Stakeholder Consultations and Community Relations

Metrolinx continues to make significant progress on major capital projects, including the GO RER program and various rapid transit initiatives across the GTHA. Metrolinx is building new tracks, grade separations and stations for the expanded, electrified GO rail network, while engaging extensively with the residents and stakeholders that these projects impact.

The work Metrolinx does impacts communities across the region, so informed public feedback is key to success. With such a large, rapidly-growing and diverse region, Metrolinx needs a variety of engagement tools to connect with neighbours in meaningful ways, capturing the necessary feedback. To achieve this, Metrolinx focuses on mitigating concerns, while at the same time increasing community awareness, understanding and engagement for each project. Stakeholder engagement is integral in delivering successful projects throughout our system, and insight gained from stakeholders informs everyday work. The GO RER-focused Regional Municipal and Community Tour is in the midst of rollout, with Council briefings recently completed in York Region. In the coming year, Metrolinx will launch its Community Charter, which will outline our promises and commitments to the public to seek and listen to their feedback on our plans.

Key Achievements from 2016-2017

Key achievements from 2016-17 include providing one-on-one briefings for elected and non-elected government officials, as well as hosting our annual Stakeholder Forum and seven Corridor Committee meetings to provide updates and seek insight and feedback on key projects—such as the Regional Transportation Plan, GO RER and fare integration.

There were 13 Regional Open Houses throughout November 2016, with a focus on engagement and feedback for the Discussion Paper for the Next Regional Transportation Plan, and the Environmental Assessment/Transit Project Assessment Process (TPAP) to build new track and electrification infrastructure. Over 800 stakeholders were in attendance and participated in these meetings. The same content was available for digital engagement at MetrolinxEngage.com.

Stakeholder Relations launched a Speaking Engagement Strategy to increase our interaction with existing stakeholders and create relationships with new stakeholders. Approximately 38 speaking engagements have been completed to date, and new opportunities are being incorporated as they present themselves.

Metrolinx has also provided extensive online engagement relating to the Community Charter. This Charter will apply to every area of our mandate and commit Metrolinx to planning and building the regional transportation system we all want, in a way that leaves a positive legacy to the communities we work in every day. With the public's help, it will clearly outline our promises and commitments to listen and learn from each other. As part of our online

engagement, over 174 comments were provided, with approximately 5,000 page visits and 182 new registrants to MetrolinxEngage.com.

Metrolinx initiated major groundwork with stakeholders for the Hamilton LRT, attending over 75 stakeholder-led community meetings and various one-on-one briefings for elected officials ahead of major project updates. Metrolinx also hosted 10 public information sessions between September and January, three community updates with City Councillors and continued widespread engagement along the Eglinton Crosstown LRT corridor—featuring telephone town hall meetings open to the public, 19 open houses (which shared the latest about plans for the stations on the route), over 150 meetings and briefings with elected officials and other stakeholders, three tours of the tunnel construction and 25 community outreach events with informative displays. Metrolinx also encouraged people to shop along Eglinton Avenue during construction, between September to December 2016, through a 12-week #MyExperienceEglinton social media contest.

Metrolinx has also worked to set the groundwork for the Finch LRT, by holding open houses, briefings with local Councillors, MPPs, MPs, BIAs and local community groups, and held a number of community events with LRV mock-ups. Metrolinx worked to engage the community on the Hurontario LRT project via attendance at 15 stakeholder-led public meetings and several one-on-one meetings with individuals. We also hosted six open houses, participated in 10 update meetings with City Councillors and four formal meetings with Mississauga and Brampton City Councils, as well as six briefings with local MPPs.

In the past year, as part of RER engagement, we have reached out to communities located along our GO train corridors in a variety of ways in order to keep people informed and hear feedback about our planned improvements. Metrolinx initiated a Regional Municipal and Community Tour, establishing an annual schedule for appearing before municipal Councils in the region and providing residents with clear information about what RER will mean for their community. The process was developed to ensure that both municipal Councils and residents receive information annually about the GO RER vision for their community and the infrastructure that will be built to support it. Presentations throughout York Region have been completed and have continued through to Niagara and Barrie with Durham Region, Kitchener-Waterloo and others to follow in the coming months. A multi-channel strategy is ensuring that the same information is being shared with local residents.

Metrolinx hosted more than 35 public meetings and digital engagement opportunities to support environmental assessments for GO service expansion, including network-wide electrification. Metrolinx held 64 meetings in local communities to speak with residents about individual projects and more than a million information notices went to residents via direct mail. Staff also knocked on doors across the region. Three community advisory committees were established to create a process for gathering feedback and important local knowledge, and Metrolinx invited neighbours to 30 drop-in sessions at community centres and libraries. Pop-up displays were also placed in public areas inviting residents to speak with us to learn about what we're doing.

Metrolinx has made strides in setting the groundwork for the next RTP by completing several related technical studies, receiving feedback from residents across the region on the Discussion Paper for the Next RTP, and launching a Residents Reference Panel to provide advice on what should be included.

Outlook for 2017-2018

As we look forward to 2017-18, planned activities include regular updates at ward meetings across various rapid transit corridors, continuing to seek opportunities for speaking engagements and supporting stakeholder engagement plans through MetrolinxEngage.com. We also aim to maintain regular engagement on capital project initiatives with elected and non-elected government officials, businesses, residents and other stakeholders.

Stakeholder Relations will continue to host Corridor Committees, Regional Open Houses and Stakeholder Forums to garner feedback directly from our stakeholders, and will continue to provide one-on-one briefings with elected and non-elected officials on key projects and studies, including the RTP, GO RER, rapid transit projects, new stations, station access and fare integration. A key aspect of our work is to engage local communities through a variety of community outreach activities, which we will continue to coordinate.

We will maintain our close work with the Ministry of Transportation and Ministry of Municipal Affairs, with a particular focus on aligning the next RTP with the forthcoming Greater Golden Horseshoe Multimodal Transportation Plan and the updated Growth Plan for the Greater Golden Horseshoe.

Looking forward, we will also coordinate monthly construction liaison committee meetings along the Eglinton Crosstown LRT corridor beginning in June 2017, for local representatives of residents and businesses to regularly communicate with construction project teams to discuss planned activities, including schedule and timing, as well as associated community impacts.

As we embark on our community connector program and focus on development and delivery of small business seminars as part of Hurontario LRT outreach, we will also continue to have an active presence at public events in Mississauga and Brampton. Finally, we will be engaging with various stakeholders on the Finch LRT project through meetings and events throughout the course of the summer, and look forward to the new Finch West community office opening this fall.

7.5 Transit Procurement Initiative

Metrolinx's Transit Procurement Initiative (TPI) program is one of North America's most innovative. TPI works with Ontario transit systems to achieve best value for money by strategically facilitating joint procurements for transit-related goods and services. The program aggregates the purchasing volumes of the transit agencies to reduce unit costs, improve quality of the delivered product, eliminate duplicate procurement processes and offer enhanced contract terms and warranties for transit stakeholders.

There has been continued growth in the number of transit partners joining the program since its inception in 2006. To date, 41 transit partners have participated. This speaks to its merit, since participation is strictly on a voluntary basis.

Recently TPI and its valued partners celebrated the delivery of the 1,000th bus under the program. TPI continues to govern a number of active supply contracts for conventional, specialized and accessible van shuttle buses across small-, medium- and large-size transit agencies in Ontario. Other procurements include technology solutions such as Intelligent Transportation-Automated Vehicle Location and On-Board Camera systems that enhance customer experience and safety.

Overall savings to Ontario taxpayers under the Metrolinx's Transit Procurement Initiative amount to an estimated \$21 million since 2006. The TPI program is a great example of how Metrolinx partners with municipalities across the GTHA and the province to connect communities and deliver public transit convenience to all Ontarians.

8.0 Transit Operations

8.1 Transit Operations Service Highlights

Based on current and planned service expansion and natural growth in ridership, overall ridership is forecasted to be 71.7 million in 2017-18, up by 2.1 percent from 2016-17 actual ridership.

The following rail and bus service improvements were introduced or are planned to be introduced in 2017-18 and will result in additional operating costs:

- New weekday, evening, and weekend train service to meet demand
- Select peak and off-peak bus services to meet growing customer demand
- Realignment of select bus services to take advantage of the opening of the new Highway 407 TTC subway station and the new East Mississauga Transitway and Renforth Gateway station

8.2 GO Regional Express Rail

In April, 2014 the Province approved funding to transform the existing GO Transit rail network and service offering into one of the most advanced and modern regional commuter rail systems in North America. Frequent all-day, two-way and electrified service will operate on core segments of the rail network, enabled by state-of-the-art train control systems and electric trains. Service will dramatically increase from about 1,500 to 6,000 train trips per week.

The \$13.5 billion (\$2014) in funding allocated for this transformation supplements previously announced investments of approximately \$7.8 billion for State of Good Repair (SOGR) and Optimization and Expansion for existing assets, and to expand the rail network and passenger facilities.

Metrolinx is investing approximately \$1.2 billion in 2017-18 on RER projects including:

- Property acquisition to support RER;
- Stouffville rail corridor expansion;
- Barrie rail corridor expansion;
- Kitchener corridor fourth track;
- Redevelopment of Agincourt, Milliken, Maple, King City, Rutherford and Bramalea stations;
- Highway 401/409 Rail Tunnel; and
- Various signalling and communications projects.

In June, 2016 the Metrolinx Board of Directors approved the RER procurement strategy, which organizes the RER program's work into three packages. This procurement strategy provides direction to proceed with Package 1 procurements with the understanding that Metrolinx would return for subsequent approval for future work packages. The Province also granted Metrolinx the flexibility to adjust funding within the overall GO Rail Capital Program and combine works to create overall efficiency in infrastructure delivery.

Enabling Works and Quick Wins (Package 1)

Package 1 includes enabling works to prepare the network for major on-corridor and off-corridor construction (Packages 2 and 3), such as grade separations, bridge upgrades, station upgrades, signals and communications upgrades and utility relocations. Package 1 is to be delivered using both traditional and AFP strategies, including design-bid-build, design-build, build-finance and design-build-finance contracts.

Metrolinx has identified the following procurements to be delivered using the AFP approach. Cooksville Station Redevelopment, Stouffville Stations, Highway 401/407 tunnel and the Kipling Bus Terminal are expected to reach Financial Close in 2017-18, while the remaining 11 procurements continue through the procurement process.

Main Works: Off-Corridor (Package 2) and On-Corridor (Package 3)

The off-corridor infrastructure delivery—also referred to as Package 2—includes upgrades to stations, new stations, parking infrastructure and other off-corridor facilities. Metrolinx teams are actively working to determine the scope and procurement strategy for Package 2. The main Technical Advisor contract has been procured and detailed scope definition, scheduling and estimating are underway.

The remaining on-corridor infrastructure—also referred to as Package 3—includes signaling upgrades, radio and data communications, network electrification and track upgrades, as well as maintenance for all elements. Work is underway to determine the detailed procurement strategy for Package 3. Metrolinx and Infrastructure Ontario have been evaluating whether to integrate operations, vehicle supply and vehicle maintenance with delivery of the fixed infrastructure upgrade and maintenance contract in Package 3.

Primary activities for technical advisors and Metrolinx in summer and fall of 2017 are to:

- Undertake preliminary engineering in a coordinated manner to prepare reference concept designs for Packages 2 and 3;
- Prepare initial drafts of the technical contract schedules required to procure Packages 2 and 3, including the project specific output specifications ('PSOS'); and
- Collect asset condition information data on the GO Transit rail network for the procurement data rooms.

8.3 Expansion and Optimization

In 2017-18, investments of approximately \$1,017 million will be directed towards GO Transit optimization and expansion projects including:

- GO Transit Train Control System;
- GO Signal Fibre Communications Infrastructure;
- Lakeshore West extension to Confederation Station;
- Expansion of the Don Yard Layover facility;
- Construction of parking and station infrastructure at Milton, Maple and Aldershot stations;
- Construction and planning efforts on passenger and mobility hubs including priority bus access for Renforth Gateway, the new Bloomington station and the Downtown Bus Terminal at Union Station;

- Rail extensions to Niagara and Bowmanville;
- Rail expansion to Kitchener including CN freight bypass;
- Design of the 12 new stations (GO and SmartTrack);
- Construction of a bus storage facility in Kitchener;
- GO Bus park and rides;
- The acquisition of bus and rail cars and related equipment for the fleet to accommodate additional peak service for rail and bus; and
- Property acquisitions to support expansion and optimization projects.

8.4 State Of Good Repair (SOGR)

To ensure GO Transit assets remain in a reliable condition, Metrolinx continues to invest in infrastructure rehabilitation. Approximately \$763 million will be dedicated to SOGR projects, including GO Transit and enterprise IT initiatives. In 2017-18, progress will be made on projects such as:

- Union Station Trainshed restoration, Union Station enhancements and the Union Station Rail Corridor (USRC) Train Control System;
- GO parking lots and rail and bus passenger facilities, including rehabilitation of Guildwood, Oshawa and Burlington stations;
- Useful life extension of our rail fleet by continuing the refurbishment of bi-level 1 and 5 series coaches to bi-level 6 and 7 standards, and replacing buses that have reached end of life;
- Rehabilitation and maintenance at various bridge infrastructure and track replacement along Metrolinx-owned corridors;
- Construction of the Network Operations Centre in Oakville and the fuel system upgrade at the Willowbrook Rail Maintenance Facility; and
- System-wide technology upgrades, including systems to assist with Asset Management, Program Management, Control Centre, Oracle ERP and IT Communications and Infrastructure.

8.5 Rail Service Extension

In 2016, the Province announced funding for GO rail expansions.

Niagara Rail Service Expansion

In June 2016, the Province announced funding in the amount of \$160 million (2015\$) for track and signal work to expand GO Transit rail service on the CN Grimsby Subdivision to Niagara Region, between the future Confederation GO Station in Hamilton and Niagara Falls VIA station. The scope of the Niagara Rail Service Expansion includes approximately 30 kilometres of new track infrastructure; complete upgrade of the railway crossings and signaling system; a new Casablanca Station in Grimsby and retrofit of two existing VIA stations at St. Catharines and Niagara Falls, with a new Niagara Falls Layover Facility.

The environmental assessment (EA) was completed in 2011 and gap analysis will be completed in 2017 to determine requirements for additional environmental studies and possible EA addendum. Metrolinx is undertaking train modelling/simulation activities and new station concept development to identify an integrated service plan with GO RER. The

Technical Advisor will commence any outstanding environmental studies, design and construction services in late 2017.

The Niagara expansion is on a CN-owned corridor and the project will be delivered as a traditional Design-Bid-Build procurement with work performed by CN. CN is completing a revised rail service capacity and scoping study to verify the specific infrastructure required to deliver on the service commitments to Niagara Falls. Support for the project is strong from the involved Niagara Region municipalities, and Metrolinx will continue to engage regularly with both CN and regional counterparts to provide project updates and discuss matters of mutual interest in advancing the program.

Bowmanville Expansion

In June, 2016 the Province announced \$550 million (2015\$) in funding to expand GO Transit rail service to Bowmanville. The Bowmanville expansion is a 20 kilometre project that will operate on a new three kilometre dedicated corridor crossing Highway 401 and 17 kilometres of CP rail corridor. The expansion will consist of four proposed new stations: Thornton Road and Ritson Road in Oshawa, Courtice Road in Courtice and Martin Road in Bowmanville, as well as a new layover facility.

A gap analysis will be completed in 2017 to compare the approved 2011 EA to the current infrastructure requirements and determine the need for additional environmental studies. Metrolinx is undertaking train modelling/simulation activities and new station concept development to identify an integrated service plan with the RER program and associated rail and station infrastructure requirements. The procurement of a Technical Advisor is underway with work on additional environmental studies, design and, ultimately, construction services targeted to begin in late 2017.

The construction procurement strategy is being developed and may consist of a combination of traditionally procured work on the CP rail corridor and AFP procured work at other locations. Discussions with CP rail on construction and operating agreements are at an early stage. Support for the project is strong from the involved municipalities and Metrolinx is meeting with its municipal partners on a quarterly basis to provide project updates with a more focused technical committee anticipated to be formed in 2017.

Kitchener Corridor Expansion and Freight Bypass

In June 2016, the Province announced an expansion of two-way all-day service to Kitchener GO Station, aided in part by the Province's agreement-in-principle with CN Rail to consider a new 30 kilometre corridor between Brampton and Milton. CN owns a 19 kilometre stretch of the Kitchener corridor from west of Georgetown to east of Bramalea. In order to accommodate CN's freight operations and also introduce two-way, all-day GO train service to Kitchener, additional infrastructure is required.

The agreement-in-principle with CN is to explore the construction of this new corridor between Brampton and Milton, which would allow most CN freight traffic to be shifted off the existing Kitchener corridor.

In 2017-18, Metrolinx will continue negotiations with CN to progress from the agreement-in-principle to a full agreement, initiate a public and stakeholder engagement process, continue planning and design work to identify route alignment and address potential concerns, as well as initiate an EA.

Metrolinx is working to identify and evaluate potential route alignments, technical feasibility, community impacts, cost, environmental impacts and regulatory requirements. The concept initially includes two mainline tracks and up to a total of six tracks in the longer term, with protection for stations and electrification for possible future passenger rail service in the longer term.

New Stations

Work on new stations, including SmartTrack stations, will continue to progress in 2017-18. Twelve new stations (including six RER and six SmartTrack) were approved for inclusion in the RER program at the June 28, 2016 Metrolinx Board meeting. Municipal commitments for each of the sites were affirmed in advance of the December 8, 2016 Board meeting. Metrolinx is currently continuing to work closely with municipalities to progress these stations from concept plans (as illustrated in the New Stations Initial Business Cases) to detailed design and implementation.

Updated station plans are being prepared in consultation with municipalities to help set expectations with stakeholders and identify concerns and challenges. Technical analysis is beginning concurrently with the updated planning. In the City of Toronto, planning continues for SmartTrack stations.

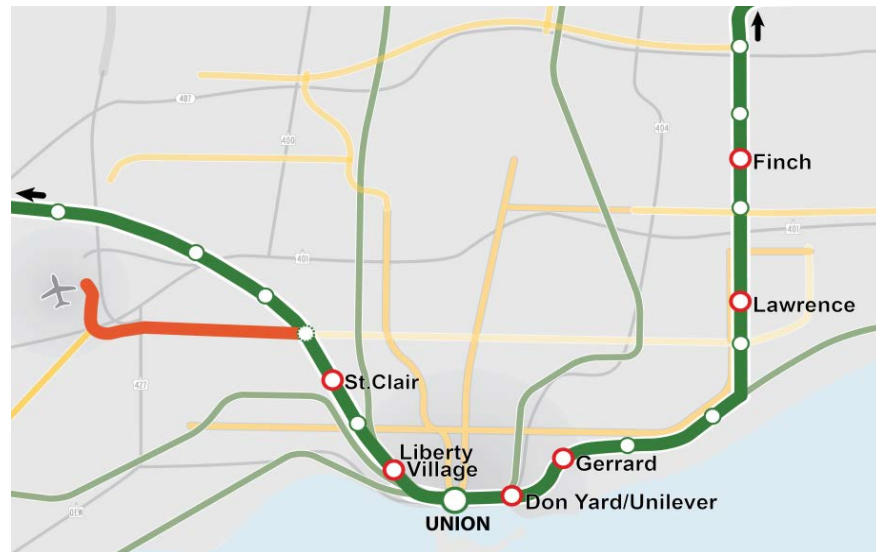
Additionally, the GO Rail Station Access Plan—approved by the Metrolinx Board in December 2016—is guiding proposed infrastructure improvements for new and existing stations, to serve forecasted passenger volumes and mode share.

At a staff level, discussions with municipalities regarding the new service, station concept planning and station area planning are ongoing.

8.6 SmartTrack

In December 2016, the Metrolinx Board of Directors approved the integration of the City of Toronto SmartTrack concept into the GO RER program. Metrolinx, the City of Toronto and TTC have been working closely toward GO RER/SmartTrack integration, which would add new riders and expand Metrolinx rail access within Toronto. Components of SmartTrack include Metrolinx rail corridors and Eglinton Crosstown LRT West, as illustrated below.

Exhibit 20: GO RER / SmartTrack Integration



The six SmartTrack stations on Metrolinx corridors are as follows:

- Finch East, Lawrence East – Stouffville corridor
- Gerrard, Don Yard / Unilever – Stouffville and Lakeshore East corridors
- Liberty Village and St. Clair West – Kitchener corridor

These stations will significantly contribute to the evolution of the GO rail system, from one serving a largely commuter clientele to an important part of an all-day two-way transit system in the GTHA.

Capital funding for these six new SmartTrack stations will be provided by the City under the terms of a broader City of Toronto - Province of Ontario bi-lateral transit cost sharing agreement. These SmartTrack stations would be delivered and owned by Metrolinx as part of the 10-year GO RER program. The City of Toronto also includes the Eglinton Crosstown LRT West extension as part of the SmartTrack concept and has agreed to take on the responsibility for the costs associated with the project including planning, design, capital, operating and regular maintenance costs.

Toronto City Council has approved the next phase of the planning and design work that will inform required environmental assessment processes for both the new stations and the Eglinton West LRT extension. Metrolinx has worked closely with the City of Toronto to advance the work in both areas. Further planning will continue over the next few months in consultation with the public and municipalities. With respect to the LRT extension, the City will work with the TTC, the City of Mississauga and the Greater Toronto Airports Authority (GTAA) to continue to advance the planning of the project and address the number and location of stops, the potential for grade separations and traffic operations issues.

8.7 Rail Safety and Security

Safety is an integral and important part of the Metrolinx business philosophy and its commitment to the customers and communities it serves. Building on the success of the safety systems put in place to support Transit operations, Metrolinx will broaden its focus to ensure

strong safety and security performance throughout and across the organization. To assist in reaching this goal, a new position of Vice-President Safety and Security was created in late 2016. In early 2017, a new Safety and Security structure was approved and is expected to be fully staffed and operational by August 2017. The new structure:

- Establishes a transformational, enterprise-wide view and accountability for Safety and Security;
- Separates the Security and Safety functional streams allowing for increased concentration of effort on each;
- Creates a new Business Continuity Management (BCM) reporting line that will establish robust BCM processes and practices across Metrolinx;
- Initiates a coordinated Operational Environmental Management Program and facilitates enterprise-wide adoption of an Environmental Management System;
- Improves cross-functional Emergency Management and Exercising;
- Sets up a new Construction Safety team, dedicated to ensuring diligence in the management of construction safety risks;
- Builds improved data collection, analysis and trending capability;
- Reduces duplication of effort in safety and security management through harmonization of processes and procedures; and
- Integrates Employee Safety with the other safety activities of Metrolinx.

9.0 PRESTO

9.1 PRESTO Fare Card Highlights

The strategic priorities for PRESTO in 2017-18 and beyond are to increase adoption, enhance the customer and client experience, continue evolving the business model and extend the system's footprint. Metrolinx will build on PRESTO's significant growth and achievements from last year with key initiatives that enable continued growth and further enhance reliability.

In 2016-17, Metrolinx devoted significant efforts to the implementation of PRESTO fare payment devices across the TTC network. By the end of the 2016 calendar year, Metrolinx achieved its goal of accelerated device deployment, with at least one entrance of all 69 subway stations accepting PRESTO payments, and completing device deployment on the entire TTC fleet of surface vehicles. This accomplishment totaled approximately 1,950 buses and 30 new streetcars that were put into service over the course of the year, in addition to the previously enabled fleet of legacy streetcars.

In addition, Metrolinx completed the rollout of mobile PRESTO devices on TTC's Wheel-Trans vehicles and contracted taxis—a total of 423 vehicles. In 2017-18, ongoing work will continue the rollout of PRESTO-enabled TTC fare gates at all subway stations, including the original 26 station entrances equipped with PRESTO-enabled legacy turnstiles. Metrolinx will also continue to work with the TTC to expand the number of fare products supported by PRESTO throughout 2017-18, beginning with the ability to purchase adult and senior passes through prestocard.ca and the introduction of single ride tickets in preparation for the withdrawal of legacy fare media starting late in the fiscal year and at TTC's direction.

To enhance the customer experience, Metrolinx took steps to improve PRESTO reliability throughout the TTC in 2016-17, and will continue to do so in the coming year. Updates were applied to all TTC PRESTO bus and streetcar readers in January after device outages were detected in Fall 2016. This update, in conjunction with additional planned improvements in the queue, will help to reach Metrolinx's goal of over 99% reader availability over the course of 2017. A software enhancement for the 75 self-serve reload machines was also deployed at the end of 2016 that has significantly increased the reliability of these kiosks. These kiosks are popular amongst customers, exceeding more than 45,000 transactions per week, and additional updates are planned for early 2017 that are expected to further improve their performance.

The impact of expansion across the TTC and enhancement of the PRESTO system/devices, combined with successful customer adoption initiatives, has continued to drive growth of the PRESTO customer base. Over the past year, the number of activated PRESTO cards has risen from approximately 2 million to over 2.7 million (as of March 31, 2017). To date, more than 623 million fare payment taps and \$2.4 billion in fare payments (excluding transit pass taps) have been processed through the PRESTO system, and across the network there were more than 10 million cross-agency trip taps over the course of the past year.

As of March 2017, Brampton Transit, GO Transit and Oakville Transit have the highest PRESTO adoption rates of 88%, 86%, and 83%, respectively, and more than 11,800 PRESTO devices are in service across GTHA and Ottawa.

In February 2017, Metrolinx processed more than 1 million daily taps for the first time, a trend that is continuing as PRESTO adoption across the TTC grows. The TTC is currently the volume leader, having outpaced Metrolinx Transit operations in February. It now processes more than 1.3 million transactions a week. System wide, volumes have grown to 18 million fare payments per month (excluding transit pass taps).

As the customer base grows, the percentage of total transit agency fares processed through the PRESTO system (absolute adoption) for all agencies, including the TTC, continues to grow year-over-year, and Metrolinx will continue to focus on increasing both metrics in 2017.

9.2 PRESTO Customer Service Strategy

Metrolinx is committed to ensuring an excellent PRESTO customer experience, and has made customer service a top priority. Metrolinx started measuring PRESTO customer satisfaction metrics in 2012; overall satisfaction has softened somewhat over the past year, with 2016 values at 64% from 71% in 2015. Data suggests that the recent roll-out of PRESTO across the TTC led to a lower satisfaction score.

This is the first year that Metrolinx will be reporting on the PRESTO Customer Charter Key Performance Indicators. The Customer Charter was launched in early 2016, outlining the commitments the organization is willing to make to better serve its customers:

Exhibit 21: Customer Charter

Charter Commitment	Commitment Satisfied (Metric Achieved)
Keep the average call rate to under 6%	✓ (3.6%)
Keep customer satisfaction with the usage of PRESTO to over 75%	Customer satisfaction was lower than expected as 2016 was a year of tremendous growth. Metrolinx will continue to work to improve customer satisfaction scores as customers continue to use PRESTO (74%)
Keep the PRESTO website available at least 98.5% of the time, 24 hours a day, 7 days a week	✓ (99.7%)
Keep our phone system available 99.5% of the time, 24 hours a day, 7 days a week	✓ (99.7%)
Keep customer satisfaction with PRESTO Customer Service at 60%	✓ (72.0%)
Resolve over 80% of requests during the first call	✓ (95.6%)
Answer at least 80% of the calls within 30 seconds	✓ (80.9%)
Keep customer satisfaction with PRESTO communications at 2015 levels (49%)	✓ (49.0%)

Additionally, there are a number of improvement projects Metrolinx is working on during this fiscal year that aim at providing a better experience to PRESTO customers. This includes a partnership with Loblaws, which has an expansive network and trusted brand and will help us better serve our customers. Customers will be able to buy, load and set child, student and senior discounts on their PRESTO cards starting at 10 Shoppers Drug Mart locations in Toronto, with more locations to come—and the ability for expansion to Ottawa and the Greater Toronto and Hamilton Area. Some additional projects include:

- Extending the para transit fare payment solution to additional transit agencies and providing new features/functions
- The launch of several new PRESTO support channels for customers with:
 - New PRESTO card vending and loading capabilities on Metrolinx Transit Operations including bus and rail ticket vending machines
 - The next generation of self-serve reload machines to expand the network across the TTC and fare vending machines arriving at the end of the year at which customers will be able to buy and load standard PRESTO cards as well as single ride smartcards
 - Introduction of Web Chat, an additional customer support channel
- Digital Assistant, in conjunction with Web Chat, uses Artificial Intelligence to automate responses in a chat box to the customer
- Enhancements to the PRESTO customer web site, including improved the accessibility and ease of use, new security features, validation of emails on customer profiles and targeted communication functionalities

9.3 PRESTO Business Model and Service Provider Engagement

In March, 2016 Metrolinx began formal negotiations with the 905 (Hamilton, Burlington, Brampton, Oakville, York, Mississauga and Durham) and Ottawa transit agencies and municipalities in advance of the October 2016 expiry of the current 10-year operating agreement. Negotiations focused on pricing, governance and services in an effort to achieve a more equitable sharing of cost arrangement between agencies and Metrolinx, and to establish greater clarity with regards to accountabilities and decision making rights.

As of April, 2017 the parties had received extensions of the current operating agreement to allow the negotiations for a new agreement to be finalized. An agreement-in-principle has been struck by all parties, approved by the Metrolinx Board of Directors and recently approved by all municipal Councils. The goal remains to have detailed negotiations completed in the summer of 2017, with contracts effective as of October 27, 2017.

The key terms of the agreement-in-principle include:

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

A key evolution in PRESTO's business model is the option for agencies to elect one of two service packages: the Acquirer Model (whereby Metrolinx provides only a core set of services), or Managed Services (which includes a full suite of core as well as optional device-related services).

- **Acquirer Model:** Transit agencies, such as OC Transpo, wanting to take accountability for transaction acquiring will adopt the "Acquirer Model". This includes OC Transpo being accountable for all transit payment and fare media loading related functions, such as all equipment (i.e. devices), hardware and associated software, network infrastructure and connectivity. Transit agencies will be required to certify their equipment and adhere to all applicable payment scheme obligations, including security and privacy regulations. Selecting the Acquirer Model will not preclude participants from purchasing one or more optional services from Metrolinx, such as additional reporting and analytics, support of new fare media and support of their own third-party sales channels.
- **Managed Services Model:** Transit agencies selecting the "Managed Services Model" transfer accountability for all transit payment and fare media loading functions to Metrolinx for an additional fee. Note, this model entails the transit agencies effectively outsourcing all elements of electronic fare collection to Metrolinx. Metrolinx serves the TTC under this model and it is anticipated that the 905 transit agencies will move to this model, with Metrolinx eventually assuming accountability for devices and all related infrastructure. For the 905 this will include a strategy to refresh the transit agencies' existing PRESTO devices to prepare for the future of PRESTO fare payments as current equipment is reaching end of life.

As a result of this evolution, the participating transit agencies agree that Metrolinx must ensure that all participants in the PRESTO payment scheme adhere to a common set of obligations in order to ensure system interoperability, security and privacy standards. In addition, the updated governance gives Metrolinx a more robust mechanism for joint planning with the transit agencies and for highlighting opportunities to improve the PRESTO customer experience.

10.0 Rapid Transit Implementation (RTI)

10.1 Rapid Transit Projects

The Eglinton Crosstown LRT project is being delivered through a Design-Build-Finance-Maintain AFP contract. Metrolinx awarded this contract in July 2015 to Crosslinx Transit Solutions (Crosslinx). Over the last year, several milestones were achieved, including the start of construction on the first station at Keele and Sheppard in March 2016, the move of the former Kodak building in August 2016, and the extraction of the Tunnel Boring Machines (TBM) in March 2017 marking the end of tunneling activities. In 2017-18, Metrolinx will continue to advance design packages and early stage construction activities related to the Eglinton Maintenance and Storage Facility and various stations. Metrolinx will also continue work on utility relocations and advance an agreement for TTC operations of the line.

The Finch West LRT will be delivered as a Design-Build-Finance-Maintain AFP contract, and is currently in the procurement stage with Infrastructure Ontario as our procurement partner. In advance of the AFP portion of the project, the technical advisor is continuing with geotechnical investigations and survey work along the corridor. Early works activities, including hydro pole and gas main relocation activities are also being finalized. Financial close for the AFP contract is expected at the end of 2017-18.

The Hurontario LRT project made progress with the release of the RFQ in October 2016 and subsequent close of the RFQ in January 2017. Following the release of the short-list of proponents in June 2017, the RFP is expected to be released in summer 2017. The property acquisition process for project-related properties will also commence in spring 2017. Construction is expected to begin 2018 to achieve an in-service date in 2022.

For the Hamilton LRT project, the RFQ to short-list proponents to participate in the RFP process was released in February 2017 and closed on March 29, 2017. The RFP is expected to be released as early as summer 2017 to the three shortlisted proponents. Construction is expected to begin in 2019 to achieve an in-service date of 2024.

Two segments (Davis Drive and the Highway 7 East segment) of the vivaNext BRT program are currently in service. Construction continues on all remaining segments with completion by 2020, except for the Highway 7 West Vaughan Metropolitan Centre (VMC) project, which is anticipated to be completed by the end of 2017-18 alongside the opening of the Toronto-York Spadina Subway Extension.

10.2 Funding for Other Future Projects

In addition to the rapid transit projects already underway, Metrolinx is moving forward with planning and design on several other Future projects including:

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

11.0 Regional Transportation Planning

11.1 Legislated Review of the Big Move

As the regional transportation agency for the GTHA, Metrolinx has a mandate under the *Metrolinx Act 2006* to provide leadership in the coordination, planning, financing, development and implementation of an integrated, multimodal transportation network. This includes developing a transportation plan for the regional transportation area and planning, coordinating and setting priorities for its implementation.

The Regional Transportation Plan (RTP) sets out regional objectives, strategies and actions that guide Metrolinx's long-term, 25-year vision, goals and objectives. Additionally, the RTP provides a blueprint to support decision-making by municipalities, agencies and the provincial government. Developed and implemented jointly by Metrolinx and a diverse range of partners and stakeholders, the RTP sets out how the transportation system will contribute to a high quality-of-life, thriving environment and prosperous economy now and into the future.

A review of the GTHA's first RTP, The Big Move, is underway. The review of the RTP provides an opportunity to take stock of and build on the foundation of the Big Move projects. The Metrolinx Act requires that a review of the RTP be undertaken at least every 10 years, and that the plan be updated to ensure that it complies with the prescribed provincial plans and policies.

The timing and work plan for the review and update of the RTP has been developed to provide alignment with the Province's review of the Growth Plan for the Greater Golden Horseshoe, which was completed in May 2017. RTP work has been staged in two parts:

1. RTP Review: A discussion paper was released (August 2016) which identifies the impacts from transportation investments since 2008, discusses emerging trends shaping the region to 2041 and beyond, and identifies needs, opportunities and areas of focus for the RTP update. Numerous background papers were also released to provide detailed analysis of specific issues to inform the development of the next plan.
2. Next RTP: The draft Next RTP is planned to be released for consultation in summer 2017. It addresses gaps and needs to 2041, including ways to optimize the impact of investments currently underway.

The Next RTP will build on the progress of The Big Move and be centred on the needs of the people of the region—not just the current population, but also the next generation of GTHA residents. The plan's draft goals emphasize the traveler experience, creating connections and shaping land-use for people at all stages of life. The Next RTP will focus on optimizing the investments in rapid transit that are underway and in development, as well as supporting implementation of the Growth Plan, while incorporating considerations about emerging new mobility models.

In 2017-18, A draft Plan will be subject to public and stakeholder consultation in . Following the consultation period, a final draft will be brought forward for approval to the Board of Directors at the end of 2017. Other activities in 2017-18 include additional background and implementation studies, a residents' reference panel and a symposium to engage on RTP issues with stakeholders and municipal partners.

Metrolinx staff work closely with municipal planning leaders in the GTHA and a Municipal Technical Advisory Committee to develop the Next RTP, and with Ministry of Transportation staff, to align this work with the Ministry's Greater Golden Horseshoe (GGH) Multimodal Transportation Study, which is currently underway.

11.2 Metrolinx Mobility Management

The Mobility Management team at Metrolinx leads Transportation Demand Management (TDM) programming. The team delivers regional programs that leverage tools and tactics to connect workplaces and students to their travel choices and reduce single-occupancy vehicle trips. Internally, the team supports Metrolinx's rapid transit expansion projects through construction mitigation TDM plans, and supporting first mile/last mile solutions to GO train stations.

The Mobility Management team has realigned the Smart Commute workplace program so that it is now led by regional municipality priorities. Service support and online tools are available for workplaces that want to deliver programming themselves. Consultative services are available to those that want support in the form of site assessments, surveys and custom projects to act on behaviour change opportunities. The program will also enable regional municipalities to directly fund projects that support commuters to and from local GO Transit stations.

Metrolinx continues to support and lead the coordination of the GTHA Active and Sustainable School Transportation (ASST) Regional Hub. This stakeholder group fosters collaboration between more than 100 participants involved in sustainable school travel in the GTHA, from transportation, planning and recreation departments, academia, public health, school boards, police and non-profit organizations. Following work with the six GTHA municipal regions in 2016-17 to develop priorities for their ASST programs, Metrolinx will focus on priorities that were common across the GTHA.

The Mobility Management team will support the mode shift targets set out in the 2016 GO Rail Station Access Plan, which are important to achieving RER ridership targets. The team will continue to improve the utilization of GO customer parking through the ongoing delivery of carpool to GO, car sharing and electric vehicle charging stations, as well as improving access by bicycle, including the expansion of bike share services with Toronto Parking Authority. GO station TDM plans will continue at priority GO stations across the network, creating action plans and supporting alternative access at stations with high parking demand.

Along the Eglinton Crosstown corridor, the Mobility Management team and its partners will continue to support delivery of TDM programs and services to schools, workplaces and the wider community in order to help connect the community to their travel options during and after construction. The team will work with municipal partners to integrate similar TDM programming into the Hurontario and Hamilton LRT projects.

Finally, the Mobility Management team is developing tools and tactics to connect GTHA residents with their travel options. In 2017-18, the Triplinx web and app-based trip planning tool will be updated with the provision of real-time information and service alerts. Additionally, in 2017-18 long term plans will be developed for the carpool matching tool, a transit discount program for employers will be facilitated through PRESTO vouchers, and a program of annual campaigns will be maintained including the Smart Commute Awards to encourage and reward behaviour change in the GTHA.

12.0 Customer Service and Customer Experience

Metrolinx's Customer Experience and Marketing division was established to uphold and enhance the customer journey, with the goal of attracting new and retaining existing customers through positive interactions with our service brands. With GO RER implementation, it is important for Metrolinx to create public transit advocates—those who support the goals that Metrolinx is trying to achieve within the community. The division develops customer insights through market research and customer analytics to make sound, evidence-based decisions on how to enhance customer value. The group informs and promotes services, launches innovative programs and services, such as customer Wi-Fi and retail opportunities, and builds brand awareness for Metrolinx and its service brands.

12.1 Enhancing the Customer Experience, Driven by Customer Insights

During 2016-17, Metrolinx focused on resolving wayfinding concerns that impacted the airport travelers customer experience. In partnership with Allied Properties, new signage was introduced in the Skywalk to ease customer navigation issues and facilitate access to UP Express station. In addition, the Station Street entrance at the Skywalk was enhanced to improve station access and create a welcoming environment for airport travelers .

Key customer experience research indicates that one of the barriers to off-peak ridership and incremental ridership growth is the first and last mile. Addressing these types of pain points together with Metrolinx Policy & Planning is key to continual customer acquisition and to enhance the existing customer experience.

Technology enhancements were delivered to improve the customer experience, including expanding ticket sale channels to Expedia, adding accessibility functionality on PRESTO devices and introducing a marketing program that allows customers to enter promotional codes on the UP Express website so that they can take advantage of special travel offers. For GO riders, seasonal promotional packages to Niagara are available to be purchased online, in addition to other promotional events (such as the Canadian National Exhibition and various sporting events).

All enhancements to the customer experience during 2017-18 will be supported by a comprehensive research and analytics program to inform evidence-based decision-making across the organization. All campaigns, promotional activities and services will be issued based on detailed ridership analysis, monitoring of customer feedback channels (including regular satisfaction surveys and focus groups) and assessment of market performance to create an environment of continuous customer improvement.

12.2 Customer Service Strategy

The year 2017 marks an important milestone for GO Transit, as we celebrate our 50th anniversary. We have certainly evolved over our 50 year history to become a customer-first organization—and winning the coveted “Best Transit System in North America” award in 2014 is a testament to that evolution. While we pause to reflect on and celebrate our

accomplishments and growth, we are also thinking forward to the remarkable transformation that lies ahead.

As we prepare for the unprecedented expansion RER will bring, we continue to adhere to the Passenger Charter and our strategic mandate to be customer focused. Maintaining a positive experience through this time of exponential growth continues to be top of mind. We are now in year two of the third edition of the GO Transit Customer Experience Strategy—a multi-year action plan organized around six core strategic priorities:

Exhibit 22: Transit Operations Strategic Priorities and Initiatives Overview

Strategic Priority	Initiatives
Continued Attention to Safety	We are committed to the highest levels of safety and security for our customers, staff and the communities we serve
By being Guardians of the Journey	<p>We will:</p> <ul style="list-style-type: none"> · Implement safety recommendations identified through the APTA Safety Review of Union Station. · Install tactile tiles that run the length of the platforms · Update elevator in service performance tracking and maintenance strategy · Implement an incident management system that follows provincial standards · Enable remote monitoring of the audio/video recording system on buses · Review and enhance the use of CCTV · Review fare inspection program to meet increased volume of customers · Enable passenger assistance intercom on all rail coaches
Holistic Design Excellence	We will:
Enhancing customer experience while considering sustainability, social impact, accessibility, and affordability	<ul style="list-style-type: none"> · Establish new interior and exterior design standards including accessibility for our stations · Update and renovate a number of stations and adding heated shelters, snow melt systems and other amenities · Design a new Union Station Bus Terminal · Introduce new uniforms for our front line staff · Create new standard for layout and design of train coaches and buses

Strategic Priority	Initiatives
Technology	<p>We will:</p> <ul style="list-style-type: none"> Expand the availability of Real Time information across our existing channels and introduce Next Bus services Review mobile ticketing solutions to allow for advance ticket purchases Implement automated audio / visual Next Stop announcements on board our trains Implement new PA system to improve audibility of announcements at all stations Expand Wi-Fi availability on buses and in Union Station
To delight customers and eliminate barriers to self serve	
Preparing for GO RER	<p>We will:</p> <ul style="list-style-type: none"> Pilot a new station service delivery model that drives more self-serve capability Continue to acquire more and continue to update our rail coaches through 2019 Develop plans to mitigate customer impacts during construction
Strong Partnerships	<p>We will:</p> <ul style="list-style-type: none"> Implement a Union Station Revitalization program that will add retail stores for customers and GO will open a new Bay concourse in 2018 Launch a retail offering that will provide customers a way to save time in getting products they need
Communications and Wayfinding	<p>We will:</p> <ul style="list-style-type: none"> Introduce a communications hierarchy to set standards at stations and on board vehicles Design a Smart Train Network that enables wifi, audio visual communications and improves our ability to monitor onboard equipment Continue to enhance training to our front line staff focusing on customer service excellence Continue to expand French Language service offering Continue to expand and evolve our customer communications channels

As complaints per 1,000,000 boardings regarding comfort have decreased 15% since last quarter, we continue to work towards meeting our Passenger Charter commitments.

We are proud that GO achieved four key performance indicators (KPI's) related to our promises to be on time, keep customers in the know and be helpful. Although GO achieved these targets, the work is not over. We continue to strive to do even better on these KPI's and are making improvements to address those measures we've haven't achieved:

- **Safety** – Due to the ongoing construction at Union Station, GO needed to shift schedules and the platforms that customers regularly use. Customers felt that these changes made our platforms crowded, so we pulled together a team of representatives from across the organization to develop an action plan to address crowding. Our Safety team is implementing an action plan that aligns with the learning principles of our Incident Management System and Basic Emergency Management processes.
- **Keeping you in the know** – Customers continue to challenge us to have reliable, timely and informative communications, especially when there are changes to our services. Although we did not meet our target for 2016/17, our most recent customer satisfaction survey showed that satisfaction with our communications improved to 74%. This increase was supported by improvements made in our construction communications, expanding our use of social media by launching Twitter handles for each rail corridor and improving our French 'On the GO' messages. To help meet our targets, we will be updating the GO Transit web site, enabling French announcements through our system and improving the integration of our trip planning tools—GO Tracker and Triplinx—into our website.
- **Comfortable experience** – Last summer, we made a number of changes to our train schedules that were required to support the RER program and make room for future service improvements. As a result, travel patterns shifted and made some trips more crowded. We have seen a steady decline in these comments throughout the year as we added more service.

Fiscal 2018-19

The Corporation has now completed its organization of operations into two operating groups going forward:

- Transit Operators – which includes both GO Transit and UP Express; and
- PRESTO Operations

This reorganization recognizes Metrolinx's vision of operating a fully connected system across all modes and a consistent customer experience across the system regardless of where the customer uses Metrolinx's services. Future business plans will continue to consolidate the customer experience.

13.0 Metrolinx Internal

13.1 Planning, Budgeting and Key Performance Indicators

In the previous two years, Metrolinx has focused on building foundational processes and systems for budgeting, variance reporting and Key Performance Indicator (KPI) reporting. In fiscal 2016-17, we enhanced our labour budget functionality in Budget planning system, Hyperion, to improve labour budget entry and accuracy, and also prepared for the introduction of the new Chart of Accounts. We rolled out our KPI Dashboard to the organization and completed three cycles of quarterly KPI reporting to MTO.

In fiscal year 2017-18, once the new Chart of Accounts is implemented (July 2017), our focus will be on enhancing the alignment between our Strategic and Business Plan priorities, and our budget requests. There are a number of process initiatives and systems enhancements underway which will help us. Specifically:

- We will be setting short-medium term targets for a select set of our KPIs, which will set the direction for our 2018-19 Budget cycle
- We will be investigating budgeting by new initiative functionality to enhance the connection between organization priorities and budget requests
- We will be introducing new processes to provide enhanced control over workforce planning.
- We will be designing actual Full Time Employee (FTE) Variance Reporting to enrich our existing monthly financial variance analysis process
- We will be building a fully allocated cost model for budgeting and reporting by business line to provide visibility into the full costs of each business line

The new processes and enhanced functionality will promote the alignment of strategic planning, business planning and budgeting. They will also increase the transparency of the organization's performance and provide better information for decision-making to all levels of management.

13.2 Human Resources Profile

Implementing the future of mobility in the GTHA will require an agile, forward-thinking approach to work. We strive to be an employer of choice for a diverse workforce reflective of the communities we work with, and to also create interesting work and growth opportunities for our people. We also want to make sure our diverse workplace is inclusive, so this past year we introduced a Diversity & Inclusion Program through which we will promote awareness, acceptance and understanding of one another to help us all reach our fullest potential.

Human Resources (HR) works to ensure that the capacity and capability of our workforce is consistent with Metrolinx's vision and aligns with the business plans as outlined. Metrolinx recognizes that each employee brings their own unique capabilities, experiences and perspectives to the organization, and it is this diversity that adds value to our corporate teams and to the experiences of the customers, clients and stakeholders we serve. A diverse and inclusive workforce is necessary to drive innovation, foster creativity and guide business strategy. HR works closely with each division to put the right employees with the right skills into the right roles in order to accomplish the priorities outlined in our business plans.

Metrolinx has been recognized for our commitment to delivering the workplace, workforce and people infrastructure that enables our organization to move forward. For the fourth consecutive year, Metrolinx was selected as one of the Greater Toronto's Top Employers for 2017. This also marks the fifth consecutive year of being recognized as one of Canada's Top Employers for Young People in 2017. For the first time in 2017, we have also been recognized as one of Canada's Greenest Employers.

Human Resources Focus

- Aligning the efforts of a highly-engaged, enabled and productive workforce to the objectives of our organization delivers results. We continue to implement the Metrolinx 5-Year People Strategy, which guides how we attract, engage, enable and diversify our workforce to ensure we deliver on the strategic priorities of the 2017-2022 Metrolinx 5-Year Strategy and continue to strengthen our organization as a great place to work.
- The 2015-2020 People Strategy focuses on three areas: our workforce, our workplace and our people management infrastructure. Within each of these areas, 36 deliverables have been identified, setting out the short- and long-term goals for delivering HR services to the organization.
- HR activities in 2017-18 focus on enhancing the employee experience, strengthening HR infrastructure and providing talent advisory services and support to the business as it delivers to plan. Key HR deliverables include:
 - Strengthening our employee value proposition by continuing to embed our core values—"Serve with Passion. Think Forward. Play as a Team."—enterprise-wide through culture, leadership and performance programs and initiatives;
 - Supporting the business through transformation, growth and integration through HR service excellence in talent acquisition, organizational design, business partner advisory services, workforce planning, succession management, change management and employee well-being programs; and
 - Building human capital infrastructure through the implementation of new technology and supporting processes; improving HR data analytics by leveraging technology to enhance organizational capability to make strategic data-driven talent decisions.
- In 2018-19 and ongoing, HR will continue to lead and support transformative realignment of Metrolinx's existing divisions to functional clusters promoting efficiency and agility to respond to, and accommodate, mandated changes to our business priorities.

Metrolinx is recognized for its strong vision and mission, which has become a foundation for the way HR attracts, retains and drives employee engagement. Metrolinx employees are passionate about the role they have in transforming transportation in the GTHA. This passion drives a high-energy and fast-paced work environment that focuses on innovation, teamwork and excellence in service delivery. The growth, diversity and scale of activities are unprecedented; our projects have become larger and more diverse as we continue to execute against the RTP. In order to plan our workforce accordingly, HR partners with leaders across the organization to forecast annual base labour resource needs. The workforce plan provides

structure to Metrolinx's hiring priorities and helps balance business requirements with fiscal accountabilities.

By March 31, 2017 the Metrolinx permanent base labour headcount was 3,506, which includes permanent full-time, permanent part-time and contract long-term positions—and an additional 74 active contract short-term positions brings total headcount to 3,580.

To meet the objectives of the 2017-18 Business Plan, Metrolinx has approved base labour headcount growth of 188 positions with potential approval of 58 additional positions, representing a projected headcount growth of 3,785 as of March 31, 2018 (7% year-over-year). This growth represents 72% headcount growth over the last six fiscal years and continues to align to our growing mandate, rapidly evolving business complexities and the enterprise shift from a plan to build organization. It is expected to enable the organization's ability to strategically and operationally advance human resource capacity, capability and performance.

Compensation Policy and Framework

Metrolinx has an established compensation philosophy, which is to pay at total remuneration of the market median of the 50th percentile (P50) of the broader public sector peer group with a retained 34 comparator organizations. These comparator groups drive compensation, benefit program design and ensure we offer competitive pay and comprehensive benefits (health and pension) that attract, retain and motivate our workforce. Metrolinx annually participates in an external compensation survey and database to conduct market analysis and to ensure compensation and benefit programs are competitive in both the public and private sector and are in line with government legislation.

Metrolinx's Pay Administration Policy is based on a full compensation review and sets out rules and guidelines for Metrolinx pay practices to ensure all employees are treated fairly and equitably across the organization. To ensure equity in the compensation system, compression/inversion analysis is also conducted each year and pay adjustments are made accordingly. Our extensive health benefits including pregnancy leave top-up, carpool/telework options and proactive and preventative well-being programs are comparable to other public sector organizations. These employment offerings, along with modern and sustainable work environments, create a strong and compelling employee proposition that has enabled Metrolinx to attract top employees with unique skill sets.

The Government of Ontario implemented a new framework for broader public sector executive compensation. It applied to all designated employers under the Broader Public Sector Executive Compensation Act, 2014 (BPSECA) and established requirements that designated broader public sector employers, including Metrolinx, must meet when setting compensation.

The Executive Compensation Framework regulation came into effect on September 6, 2016. Metrolinx prepared and posted a draft document for an Executive Compensation Framework in compliance with a statutory requirement that allows the public 30 days to offer comment on how the agency establishes salaries and benefits for Metrolinx executives. Subsequently, the Metrolinx Board adopted the compensation framework. The framework was also confirmed by the Ministry of Transportation.

Performance Management Plan Process

The Metrolinx Performance Management Program (PMP) applies to all executive and non-union employees. The purpose of the program is to provide compensation adjustments within the approved ranges only to individuals who perform at or exceeding target performance based upon clear objectives. The PMP for the Corporation's non-union employees ensures that employees are rewarded for meeting their pre-set goals, objectives and values for the fiscal year that are linked to the organizational strategy. The Corporations' performance year is aligned to its fiscal year, which covers the period from April 1 to March 31.

The goals are set at the beginning of the fiscal year with a mid-year review conducted in September/October and an annual review conducted in February/March. The assigned performance ratings are Exceeds, Meets Plus, Meets, Meets Some and Does Not Meet. The merit awards are applied to salaries and added to the base compensation. Once employees reach the top of their salary bands, they receive their merit award as a lump sum amount.

Pay-for-Performance (PFP) Process

The assigned performance rating from the PMP process is used to calculate the PFP award, which can be awarded to an employee as a merit increase to the base pay or as a lump sum if the employee has reached their range maximum. This process provides a consistent approach to PFP across all regular full-time non-union employees in the Corporation. The PFP award percentages by ratings are refreshed annually and approved by the Committee of the Board.

13.3 I&IT Profile

Information & Information Technology (I&IT) provides strategic partnerships and leadership to deliver services that will best serve Metrolinx's customers, while managing the information technology support required for the organization's tremendous growth. The I&IT focus on delivering solutions and being a reliable service provider enable it to be both a proactive business partner and a trusted advisor.

In 2016-17, I&IT completed the transformation that has enabled it to better work with its business partners to deliver strategic initiatives that are at the core of the Metrolinx mission. An integrated delivery methodology was developed within I&IT aimed at delivering projects to the business with a high degree of timeliness and predictability.

Exhibit 23: I&IT Functions

I&IT Functions			
<ul style="list-style-type: none"> Business Relationship Management Digitization 	<ul style="list-style-type: none"> Enterprise Architecture Portfolio Management I&IT Security I&IT Administration 	<ul style="list-style-type: none"> Project Management Solution Delivery 	<ul style="list-style-type: none"> Operations
<i>Builds relationships by working with the customer to understand their requirements and translate them into I&IT projects while providing proactive technology advice</i>	<i>Defines I&IT strategies, policies, establishes and monitors the portfolio plan and ensures compliance with regulatory and Cybersecurity requirements</i>	<i>Manages and leads I&IT programs, projects and solutions to deliver changes and benefits to the organization. Oversees change management and managing vendors</i>	<i>Transition, manage and maintain infrastructure and applications while ensuring the sustainment, availability and optimization of I&IT services</i>
Listen	Plan	Build	Operate

I&IT has organized itself around key functions to support Metrolinx growth and enhance I&IT's ability to support and deliver changes on behalf of the Metrolinx business units. These functions include Business Relationship Management, Portfolio Management and Enterprise Architecture, each of which have core roles in understanding the customer environment and translating those needs into thoughtful and proactive planning to enable the I&IT Strategy. I&IT is currently making refinements to its delivery model and is undertaking work to evolve its functions and practices. The work undertaken through 2016-17 has been translated into each function's vision for the next three to five years, understanding business needs and technology considerations.

In order to continue to evolve the Integrated Delivery Model, a Capability Advancement Team (CAT) was developed to maintain effectiveness and instill greater agility into I&IT by producing recommendations that streamline our execution and advance our delivery capabilities.

Key Initiatives with I&IT involvement in 2017-18:

- Integrate Metrolinx (Enterprise Resource Planning)**
 A multi-year program that will improve and streamline data in Human Resources, Finance, Procurement and in the Capital Projects Group. Integrate Metrolinx will provide Metrolinx with best-in-class business processes and enabling technologies to improve the way we save, enter, analyze and manage data. To date, we have delivered automated employee recruiting and onboarding functions, enhancements to our strategic planning software and an upgrade to the existing Oracle software for Finance and Human Resources.
- Transit Operations**
 I&IT is investing in analytics-related technologies and services to develop a deeper understanding of ridership data to drive service changes.

-
- **Enterprise Asset Management (EAM)**
A multi-year program which will implement a transformative, enterprise-wide asset management system across all assets, the program includes: the development of standard asset management business processes, sustainment organization and people change management activities, as well as the implementation of a technology solution that automates and supports business processes.
 - **Oracle Unifier Implementation**
A multi-year project which will streamline and standardize Project and Portfolio Management systems, providing Metrolinx with the ability to control and evaluate the performance of projects over their entire lifecycle. Unifier will deliver a centralized view of the full Metrolinx lifecycle project management, including forecasting, budgeting, developing schedules, managing contracts and project change orders.
 - **Cybersecurity**
A multi-year program will implement a comprehensive, integrated business and I&IT approach to improve Metrolinx's cybersecurity position. Included in this program is the need for new business practices and policies, governance, disaster preparation tests and the protection of operations technology.
 - **Enterprise Information Management**
An enterprise information management portfolio will be launched to enable a data-driven enterprise that integrates people, processes and capabilities to deliver world-class customer and operational experience. This includes fulfilling the OPS Open Data directive to provide access to our information assets for public consumption, establishing an Enterprise Analytics Service. This portfolio is also delivering an Enterprise Document and Records Management solution (EDRMS) that will improve the management of unstructured information assets, facilitating enhanced capture, classification, access, retrieval, storage, retention and disposition across the organization and enabling compliance with regulatory obligations.
 - **Enterprise Asset Management (EAM) Upgrade**
Metrolinx currently uses an Enterprise Asset Management Plan system (EAM) to manage assets for Bus Fleet & Facility, Radio Systems, Station Services and I&IT. The current version of the product is no longer supported and an upgrade project is underway. Since commencing in 2016, the project has onboarded the PRESTO business line and is now focused on the upgrade. Additional features, such as mobile device capabilities that will enable business areas to reduce their dependency on paper-based work-order management, are also being deployed.
 - **Bus Scheduling**
The Bus Services division uses GIRO's Hastus product to manage bus scheduling, driver timekeeping, daily dispatch and a variety of supporting planning and scheduling tasks. This project has two distinct phases: (1) Upgrade the legacy Hastus 2010 version to the latest version (Hastus 2015), and (2) implementation of four new modules: Bid, Bid Web, Employee Performance Module (EPM) and Self-service. The first phase was successfully completed in Q4 2016-17 and is in active use. The second phase is currently underway.

- **CAD/AVL**

In 2016, the implementation of a new Computer Aided Dispatch and Automatic Vehicle Location (CAD AVL) system modernized the onboard customer experience. The automated voice announcements will enable Customer Service Associates (CSAs) to provide an even higher level of customer service to passengers on the train across all cars.

13.4 Communication Plan

Metrolinx's organizational success depends on trust and trust depends on timely transparent communications as well as relationships with employees, elected officials, media, community/neighbours, customers and other stakeholders. The Communications & Public Affairs division provides strategic advice, support and coordination on all communications strategies and activities while ensuring the linkages across the organization, and is also responsible for developing and coordinating overall communications procedures and operating standards. We are committed to building and engaging in relationships between Metrolinx and our communities to achieve mutual understanding, realize organizational goals and serve the public interest.

In 2017-18, Metrolinx's communications focus will be on undertaking significant engagement and developing strong stakeholder partnerships to support the organization's broad objective of improving transit in the GTHA. Our projects, programs and services touch upon 31 municipalities, hundreds of local communities and over 300 elected officials at all levels of government. Some of the higher-impact projects requiring strong engagement and community and stakeholder relations strategies include:

- PRESTO implementation on the TTC;
- GO Regional Express Rail; and
- Major local rapid transit projects such as the Eglinton Crosstown LRT, Finch LRT, Hamilton LRT, Hurontario LRT.

As we undertake a major capital program across the region, we know that building understanding and trust for the work we do is key to our shared success. Our communication planning will be based on these primary objectives, which are benchmarks informed by annual measurement via market research:

- Increase awareness of Metrolinx;
- Increase trust in Metrolinx;
- Increase awareness of Metrolinx's mandate;
- Increase awareness of Metrolinx's Regional Transportation Plan as the basis for new transit projects, initiatives and services; and
- Increase public understanding, awareness and support for Metrolinx's projects, initiatives and services.

Our strategic approach will consist of:

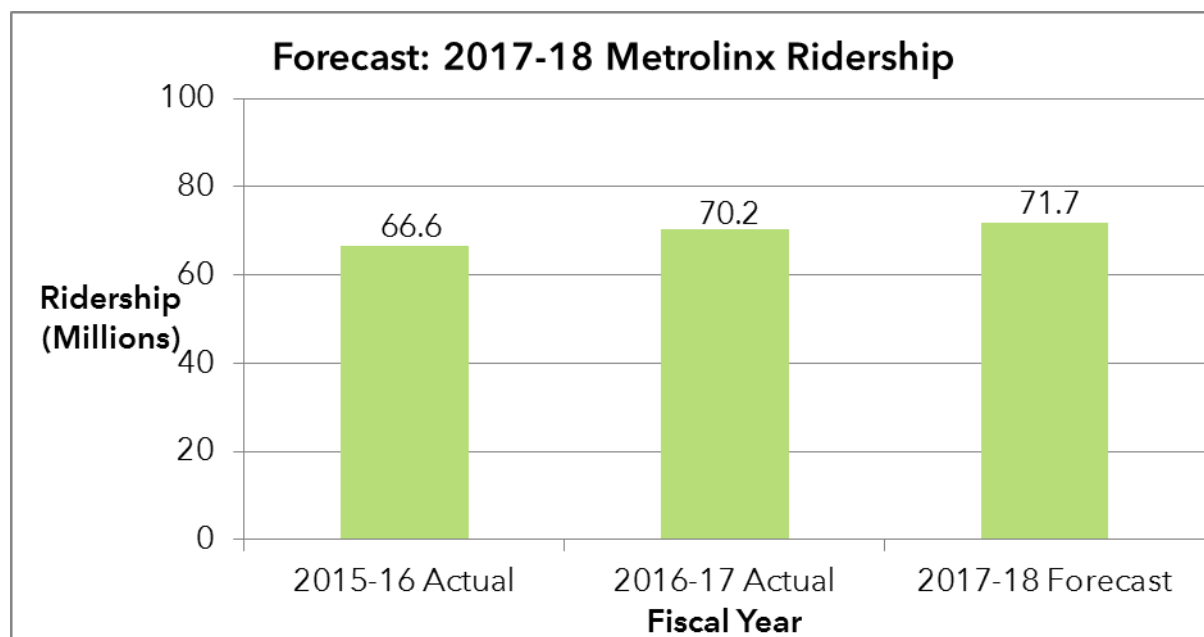
- Developing and sharing more compelling content, more often, through the creation of interesting stories outlining signs of progress, communicated across various channels to amplify our message.
- Deeper and broader stakeholder outreach, increasing our coverage and frequency of communication by expanding our outreach to new channels and platforms, including an expanded speaking engagement program to strengthen our corporate narrative.

-
- Increasing our visibility in communities and clearly outlining our commitment to social responsibility through the launch of a new Community Charter—a set of promises that commit us to building the regional transportation system we all want but in a way that is respectful of the communities it touches.

Appendix

Key Assumptions: Transit Operations Ridership

Exhibit 24: Metrolinx Ridership



In fiscal year 2016-17, Metrolinx Transit operations has continued to implement a number of service enhancements to improve its quality of service, convenience and value. There are more peak hour trains on the Richmond Hill, Stouffville, and Milton corridors, new weekend rail service on the Barrie corridor, extended rail services on the Kitchener and Richmond Hill corridors, as well as new and expanded bus services across the GO Transit network.

The 2016-17 actual ridership is 1.0 percent higher than forecasts, with strong growth in weekend rail boardings compared to last year. For fiscal year 2017-18, total Metrolinx transit operations ridership growth is forecasted to be 2.1 percent higher than the 2016-17 actual ridership. Ridership is calculated as Rail Boardings plus Bus Boardings less Transfers across both train and bus routes. Following the fare changes in March 2016, airport travel on UP Express has roughly followed the seasonality of Pearson Airport passenger volumes. Meanwhile, non-airport travel has been gradually increasing.

Key Assumptions: Fare Increases

Metrolinx will implement a fare increase in its transit operations effective September 2, 2017. The September 2, 2017 fare adjustment will increase the base adult single fare by 3% for all fares greater than \$5.65. All fares up to and including \$5.65 are frozen. The setting of fares for Metrolinx transit operations takes into consideration the cost of longer distances but does not try to set fares to recover costs on any one corridor or for bus versus rail operations.

PRESTO users would continue to pay less than paper ticket users. Fare increases are intended to be moderate and consistent over time and allow Metrolinx to offset annual increases in operating costs due to the addition of new services and increasing market costs. All single ticket fares are rounded to the nearest nickel. The loyalty discounts for PRESTO card fares would remain unchanged.

Key Assumptions: Diesel Fuel

For Transit Operations, diesel fuel is a crucial input. Due to its nature as a petroleum-based commodity, diesel prices fluctuate with the supply and demand forces of the oil market. This volatility often falls within a normal range but there can be large moves. Metrolinx engages in some hedging to offset rising fuel prices and provide stable fuel price assumptions for annual planning. In actuality, fuel price risk, while hedgeable, cannot be entirely predicted or eliminated. Based on the 2017-18 budgeted volume, rising unit price for diesel could lead to a potential budget shortfall of \$3 million to \$10 million, or more, depending on the percentage increase.

Exhibit 25 below lists the fuel prices used in the 2017-18 Business Plan and corresponding budget shortfalls resulting from possible diesel fuel price increase.

Exhibit 25: Metrolinx Fuel Price Volatility

FY17-18 Diesel Fuel Budget - Impact of Unit Price Change





BU	Direct Price/ litre (\$)	Outsourced Price / Litre	Budgeted Volume (M litres)	Total Budget (\$M)	Potential Budget Impact (\$M)		
					5% Price Increase	10% Price Increase	15% Price increase
Bus	0.8444	0.9453	24.87	\$21.25	-\$1.06	-\$2.12	-\$3.19
Rail	0.7464	0.8473	55.90	\$41.73	-\$2.09	-\$4.17	-\$6.26
UP	0.7464	0.8473	3.12	\$2.33	-\$0.12	-\$0.23	-\$0.35
Grand Total			83.89	\$65.31	-\$3.27	-\$6.53	-\$9.80

Note: Differences due to rounding.

Detailed Deliverables

Guided by the Mandate Letter and the Five Year Strategy, Metrolinx detailed deliverables summarized in Exhibit 26 below include initiatives that are underway and initiatives that will start in the next three years for the overall organization.

Exhibit 26: Metrolinx Detailed Deliverables

Strategic Deliverables				
1. Continue to expand and optimize the GO Transit network through initiatives including: <ul style="list-style-type: none"> a. Support RER roll-out with the rationalization and review of bus operations b. Implement additional peak and off-peak rail service on Stouffville and Barrie c. Positioning, development, implementation and sustainment of the Off-Peak campaign to position our services as a lifestyle transit choice in order to increase ridership by set targets, ahead of RER expansion d. Bring on additional crews in order to implement long term service enhancements and to be prepared for the implementation of RER service e. Provide insight and key operational concepts & requirements behind the drive towards a fully realized regional express rail service plan, including costing, crewing, scheduling and liaising with key 3rd parties such as CN, CP and Bombardier f. Introduce "early wins" on the Regional Express Rail network with gradual increases in off-peak and weekend service as construction schedules allow g. Public, community and municipal engagements on the projects 	✓	✓		✓
2. Deliver an updated Regional Transportation Plan and related Implementation Plan, including: <ul style="list-style-type: none"> a. Conducting Regional Transportation Plan alternatives analysis b. Develop and finalize Regional Transportation Plan c. Develop implementation plan along with engagement strategy 	✓			✓
3. Complete the implementation of PRESTO, including: <ul style="list-style-type: none"> a. Continue deployment of the retail network b. Implement major system releases of PRESTO delivering: key TTC capabilities (e.g. discounted 12 month pass, time of day pricing, premium fare pricing, daily cap, period pass tracking), eCredential functionality, end-state Paratransit, 3rd Party Retail functionality and phased introduction of period pass capability across all sales channels c. Implement interim Limited Use Media functionality d. Deployment of upgraded Add Value Machines (AVMs) with pass load capability, and Fare Media Vending Machines (FMVDs) for PRESTO card sales and reload, and LUMs sales using bills, coins or credit card for payment 	✓	✓		✓
4. Seek private sector partners for transit-oriented development on Metrolinx properties, including: <ul style="list-style-type: none"> a. Work with Realty to identify and secure property for a Class "B" limited transit maintenance facility within a close proximity of the new Union Station Bus Terminal. Identify opportunities for partnerships with private sector operators 	✓		✓	

Strategic Deliverables				
5. Work towards consistent regional fare policies and structures to improve integration of transit travel across municipal boundaries, including: <ul style="list-style-type: none"> a. Conduct technical work and research on public attitudes and perceptions of fare barriers b. Advance harmonisation of fare concessions and products across the GTHA c. Guide corporate and regional fare initiatives in alignment with long-term regional fare policy direction. d. Address existing fare barriers and identifying the initial steps required to move towards more seamless travel in the GTHA. e. Develop a draft preliminary long-term transformational fare structure business case for the GTHA. 	✓	✓		✓
6. Complete construction of the Eglinton Crosstown LRT and Finch West LRT, and launch services, including: <ul style="list-style-type: none"> a. Deliver a tailored TDM program for travellers in the Eglinton Crosstown corridor b. Develop a tailored TDM program ready for implementation for travellers in the Finch West Corridor c. Public, community and municipal engagements on the projects 	✓	✓		✓
7. Complete and implement operating agreements with municipalities (e.g. for Crosstown, Finch, Hurontario, Hamilton)	✓	✓		
8. Complete construction of the Mississauga Bus Rapid Transit corridor, including: <ul style="list-style-type: none"> a. Phase in operational and maintenance contract oversight for Metrolinx owned portions of the Mississauga Transit way b. Public, community and municipal engagements on the project 	✓			✓
9. Complete renovation of Union Station including the Bay Street Concourse, York Street Concourse, and the Train Shed Roof <ul style="list-style-type: none"> a. Implement station operations staffing and maintenance for the new Union Station Bay Concourse b. Commissioning, operations and maintenance of new Bay Concourse (62,000 square feet) at Union Station c. Implement Station Operations temporary staffing to manage passenger flow at Union Station due to the train shed roof revitalization project. d. Public, community and municipal engagements on the projects 	✓	✓		✓
10. Develop mobility hubs that showcase joint-development projects at two GO Stations, including: <ul style="list-style-type: none"> a. Updating Mobility Hub Guidelines 	✓			
11. Collaborate and contract a developer to construct a new downtown bus terminal that relieves crowding, and better integrates with other services, including: <ul style="list-style-type: none"> a. The development of a new bus terminal at Bay Street 	✓	✓		
12. Conduct research on non-riders to build ridership, including: <ul style="list-style-type: none"> a. Continue conducting market research studies through Customer Experience Mapping, market profiling and ad hoc research into guest pain points b. Continue implementing marketing plan activities to target airport and off-peak travellers and increase overall fare revenue, with a focus on return trip ticket sales c. Continue implementing customer Acquisition Program d. Continue to integrate, in partnership with the City of Toronto, the SmartTrack proposal with the broader GO RER program 		✓		

Strategic Deliverables				
13. With regional partners, develop a customer roadmap, leverage joint tools and processes, and establish a joint customer care approach		✓		✓
14. Improve coordination of transit services throughout the region, including harmonized wayfinding standards, and a proposed regional frequent service network, including: a. Advance coordination of GTHA Specialised services with each other and with conventional services by supporting activities of the GTHA Specialised Services working group b. Complete construction of the east rail maintenance facility in Whitby to support and accommodate GO Transit system growth	✓	✓		
15. Complete internal re-organization of operations and marketing to integrate like functions, benefit from centralization, and deliver consistent and coordinated services to the public			✓	
16. Reach a definitive 10 year operating agreement between Metrolinx and the 905 and Ottawa transit agencies for the ongoing operations of the PRESTO system including: a. Develop revised PRESTO pricing b. Deliver Managed Services to the 905 Transit Agencies, with phase in schedule to be agreed mutually.		✓	✓	
17. Complete Enterprise Resource Planning (ERP) and automation of processes, including: a. Improving the budget processes, tools and analysis including Hyperion Phase 2.2 to implementation, working with internal audit to evaluate controls on budget, improve variance reporting b. Complete implementation of the Oracle ERP tool (integrate Metrolinx Project)			✓	
18. Complete Metrolinx Retail Partnership Program negotiations: a. Analyzing customer flows to optimize the placement of amenities and implement updates to directional wayfinding signage b. Implement retail partnerships across stations c. Support retail strategy resulting in a better experience for customers		✓	✓	
19. Continue to invest in parking initiatives, including: a. Continue to invest in parking infrastructure rehabilitation and expansion at GO stations b. Continue investigation of how the cost of parking at GO Transit facilities could be unbundled from fares	✓	✓	✓	
20. Adopt alternative workplace strategies and a long-term office accommodation strategy			✓	
21. Implement a comprehensive Enterprise Asset Management system, including: a. Implementing Enterprise Asset Management Program for PRESTO b. Optimizing GIS and Enterprise Asset Management System by migrating and sustaining all station asset information			✓	

Strategic Deliverables				
22. Measure the economic, social and environmental impacts of business decisions, demonstrating value for money by incorporating these through the Business Case Development Framework, including: a. Implementing business case policy across the organization through finalizing business case guidance documents, user testing, training for teams across the organization and conduct municipal outreach on business case framework b. Advance / enhance Economics Research to business case Framework (e.g. Fare, Social Equity)			✓	✓
23. Engaging extensively with the communities that are affected by Metrolinx projects, including: a. Implementing project and community specific strategy and campaign through the establishment of community charter. b. Continue engaging with stakeholders through digital platforms (MXEngage.com), in order to centralize all public consultation.				✓
24. Further apply new technologies to engage a broader range of stakeholders and enable more effective, two-way communications, including: a. Implement planned enhancements for technology programs such as web, display management, e-ticketing and other fare systems. b. Monitor media and garner analytics from all Metrolinx social media channels c. Customer Website Rebuild & Enhancements on mobile app d. Implement fare systems technology roadmap and transform service delivery model at Stations				✓
25. Complete and implement the Metrolinx Brand Strategy, including: a. Implementing Corporate Brand Strategy (e.g. visual identity and implementation plan) b. Stations and Bay Concourse Implementation of new Marketing Brands c. Brand platform development, including multimedia asset development, upkeep and training brand standards and strategy		✓		✓
26. Develop and promote our new Open Data platform, including: a. Implement digitization through Internet of Things and focus on developing proof of concepts, pilots and architectures in the following technology areas: wearables, drones, smart networks, and sensors. b. Compliance of Ontario's Open Data Directory c. Continue implementation of multi-year Cyber Security program through new business practices and policies, governance, disaster preparation tests, and the protection of operations technology				✓
27. Clarify and add rigour to decision-making with a stage-gate project review process (to ISO standards)			✓	✓
28. Enhance accountability by improving transparency and reporting, as according to the Minister of Transportation's mandate letter to Metrolinx.			✓	✓

Exhibit 27: GO Passenger Charter Key Performance Indicator Report Card

Measure		Target		2016/2017	2015/2016
				Fiscal Year	Fiscal Year
On time	We will run 94% of trains within five minutes of the scheduled time.	94%	✓	95%	94%
	We will run 94% of buses within 15 minutes of the scheduled time.	94%	✓	95%	95%
Safety	We will have 30 or fewer complaints per 1,000,000 boardings regarding safety.	30	Not yet met	32	27
Keeping you in the know	77% of our customers will be satisfied with GO Transit's communication as measured by our customer satisfaction survey.	77%	Not yet met	65%	70%
	We will have 30 or fewer complaints per 1,000,000 boardings regarding service status communication.	30	✓	25	24
Comfortable experience	We will have 30 or fewer complaints per 1,000,000 boardings regarding comfort in stations, trains and buses.	30	Not yet met	41	22
Helpfulness	We will ensure 85% or more of customer inquiries/concerns are resolved the first time they contact us.	85%	✓	100%	97%