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# 2016-2017

## Metrolinx Business Plan



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**METROLINX**  
An agency of the Government of Ontario



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## Executive Summary

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Metrolinx's annual Business Plan for 2016-17 presents our strategic direction, business context, financial profile, priority initiatives and planned deliverables from all corners of our organization. Our vision, "to link communities across the region, creating connections that support sustainable growth and prosperity" is realized by how Metrolinx chooses to plan, build, operate and connect the Greater Toronto and Hamilton Area (GTHA). The annual Business Plan describes how Metrolinx will do this in 2016-17, guided by the strategic frameworks of the 2015-2020 Five-Year Strategy and the 25-year Regional Transportation Plan (RTP).

The Business Plan highlights accomplishments from 2015-16 and describes the momentum that will take Metrolinx through 2017 as we and our partners update and implement the RTP in a fiscally responsible manner. For example:

**Metrolinx continues its strong focus on customer satisfaction.** Customers now benefit from free Wi-Fi in the York Concourse and York East Teamway at Union Station, with a continuous roll out to all GO Stations by the end of the summer. A new strategically located bus facility in Hamilton, along with improvements at the Square One Bus terminal, prepares GO Transit for increased ridership in the future. The PRESTO fare system will also be implemented on the Toronto Transit Commission (TTC) network by the end of the year, making PRESTO fully compatible across the GTHA and convenient for all our customers.

**Union Pearson Express celebrated its one year anniversary in June.** It pioneers new ground for non-fare revenue growth with private-public partnerships in the transit industry, strategic partnerships in the financial sector, and with other retail and customer service providers creating a seamless and connected customer experience.

**Metrolinx continues its emphasis on managing increasing GO ridership and expanding services.** GO Transit ridership grew by 1.5 percent in 2015-16 and is expected to see growth of 0.9 percent in 2016-17. Ridership on the UP Express is anticipated to reach 2.4 million in 2016-17 with the new fare price. PRESTO cards issued increased by 43 percent in 2015-16 and another large increase is anticipated for 2016-17 with TTC implementation.

**Metrolinx will continue to monitor its performance against key performance indicators (KPIs) from financial to customer service measures.** The introduction of Hyperion Planning Software has improved the overall budgeting and planning process, providing additional visibility and transparency into KPI information and assisting the organization to better meet its commitment to performance measurement.

## 1.0 Introduction

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### 1.1 Legislative Mandate

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

### 1.2 Organization Profile

Metrolinx is responsible for a broad range of activities including: providing regional leadership in transit to guide planning and investment; operating and expanding GO Transit; operating UP Express; operating and expanding the PRESTO fare card; and the planning and building of priority regional rapid transit such as the Eglinton Crosstown and the Toronto Relief Line.

Through investments in its three operating divisions, GO Transit, UP Express and PRESTO, Metrolinx oversees the largest transit capital expansion program in Canada. The organization has built over \$16 billion in capital infrastructure since 2006-07. Rapid growth continues with a capital budget of \$4.5 billion this year and commencement of the next round of key projects, such as the Finch West and Sheppard East Light Rail Transit lines (LRT). Driven by the increasing demand for transit services, Metrolinx is responsible for *The Big Move*, a long-term RTP, which has \$34 billion in planned investments.

Operationally, Metrolinx expects to transport 70.4 million GO Transit passengers this year (as measured by boardings), consisting of over 53 million rail boardings and over 16 million bus boardings. The organization recovers most of its operating costs through ridership and non-fare revenue sources, consistently earning about 74 percent of what is needed to run the service - one of the best financial performances in the world for transit. The organization has broadened its expertise and will grow to over 3,500 employees by 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

	Actual March 31 2015	Actual March 31 2016	Target March 31 2017
<b>GO Train Service:</b>			
Lines	7	7	7
Stations	63	64	65
Route kilometres	450	452	460
Route kilometres on owned corridor	366	366	366
Weekly train trips	1516	1601	1699
Active train sets (typical weekday)	50	52	56
Locomotives	67	75	75
Bi-Level passenger railcars	623	630	708
<b>GO Bus Service<sup>1</sup>:</b>			
Terminals (excl. stops and ticket agents)	15	15	16
Route kilometres	2,796	2,709	2,726
Weekly bus trips	12,057	14,197	14,672
Single-level buses	393	383	320
Double-decker buses	117	127	192
<b>Station Access:</b>			
Rail Parking spaces	69,123	69,217	71,168
Bus Park and Ride lot spaces	3,845	3,418	3,418
Parking Structures	10	10	10
Stations with Carpool Parking	48	49	51
Carpool Parking Spaces	435	520	583
Carpools to GO formed	1,500	2585	2700
Stations with Carshare Services	6	14	17
Stations with Electric Vehicle Charging	10	10	10
Parking Spaces with Electric Vehicle Charging	20	20	20
<b>UP Express:</b>			
Stations	0	4	4
Route kilometres	0	25	25
Total trips	0	158	158
Active train sets (typical weekday)	0	5	5
Diesel multiple unit railcars	12	18	18
<b>PRESTO:</b>			
Cumulative cards activated (in '000s)	1,480	1,950	2,500

	Actual March 31 2015	Actual March 31 2016	Target March 31 2017
Transit Service Providers using PRESTO	10	11	11
Number of devices (in '000s)	7.6	>9	No target
Fare collected by PRESTO for Service Providers (in \$Ms)	\$506.00	\$552.30	No target
<b>Rapid Transit Implementation:</b>			
New Rapid Transit kilometers under construction:	35.9	45.2	50.8
• New BRT kilometres under construction	16.9	26.2	20.8
• New LRT kilometres under construction	19	19	30
New Rapid Transit kilometres brought into service:	2	2.6	5.4
• New BRT kilometres brought into service	2	2.6	5.4
• New LRT kilometres brought into service	0	0	0
<b>Smart Commute:</b>			
Employers participating in Smart Commute workplace program:	334	330	335
Commuters participating in Smart Commute workplace program:	726,600	720,900	725,060
Users of Smart Commute online tool <sup>2</sup> :	7,400	10,000	20,000
<b>Transit Procurement Initiatives:</b>			
Participating transit service providers	31	34	36
Cumulative buses purchased	904	1085	1,209
<b>Environmental:</b>			
Leadership in Energy and Environmental Design (LEED) Certified Facilities			
Gold	4	5	6
Silver	2	2	2
Pending	1	1	4
Electricity generated by solar panels (cumulative, MWh)	813	1937	2950
Green power installations	9	6	6
Hybrid and electric corporate fleet vehicles	24	24	Same or above

Note 1: The decrease in route KMs is due to an increase in rail service meaning less buses covering KMs. The decrease in single coaches is a result of single buses being replaced with new double-deckers.

Note 2: Larger than average increase in active users, reflecting the first full year of operation and significant uptake due to Transportation Demand Management (TDM) outreach and promotion as part of the TORONTO 2015 Pan Am/Parapan Am Games

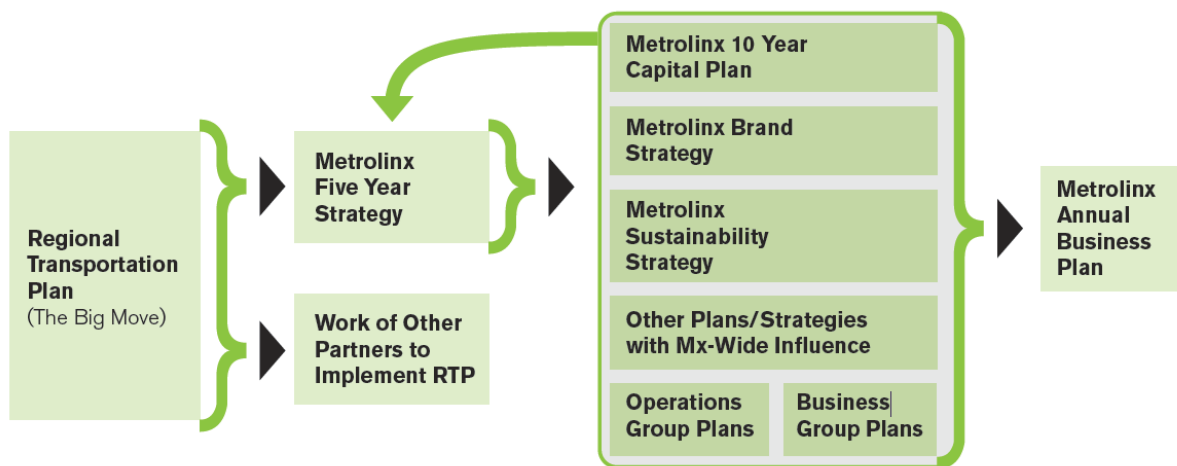


## 2.0 Strategic Direction

### 2.1 Advancing our Five Year Strategic Objectives

The RTP provides strategic guidance to plan, design, build and operate a transportation system for the GTHA that enhances the region's prosperity, environment, and quality of life. The RTP sets out regional objectives that guide Metrolinx's strategic priorities and corporate strategy.

Metrolinx is guided corporately by a rolling Five Year Strategy that identifies strategic priorities and key deliverables. 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 group plan operating plans.



The 2015-2020 Metrolinx Five Year Strategy underpins this 2016-17 Business Plan. As such, it is guided by the Metrolinx's vision, mission and values and the strategic priorities adopted by the Board in September 2014.

At its meeting on June 28, 2016, the Metrolinx Board of Directors adopted a new and updated Five Year Corporate Strategy for the upcoming 2017-2022 period. This new corporate strategy will take effect for the fiscal year beginning in April 2017.

## Metrolinx Strategic Priorities 2015-2020

1. Champion regional mobility, working together with partners across the GTHA to provide direction, strengthen integration, and enhance travel choices.
2. Ensure a sustainable financial framework to build and operate the Regional Transportation Plan.
3. Expand the regional rapid transit network to provide a viable alternative to car travel.
4. Be a global leader in service delivery and in customer service excellence to grow transit ridership.
5. Ensure that Metrolinx is a trusted organization with the capacity and flexibility to deliver the Regional Transportation Plan.

Building on the 2014-15 accomplishments reported in last year's Business Plan, the 2015-16 year has included significant progress in each of the organization's three mandate areas as stated in the 2015-2020 Five Year strategy:

### PLAN

- Made progress on the legislated review of *The Big Move* RTP including conducting technical research and analysis, publishing education materials and academic research, posting the draft discussion paper and hosting municipal workshops and public open houses
- Made progress on identifying and evaluating potential new GO Transit station locations subject to funding availability
- Completed initial business case for GO Regional Express Rail (GO RER) and collaborated with the City of Toronto to integrate the SmartTrack concept into the GO RER plan
- Made progress on developing an integrated GTHA-wide fare structure, including various fare structure concepts developed in collaboration with our transit partners
- Initiated data collection and consultation as part of the region-wide Transit Project Assessment Project (TPAP) for GO Transit electrification
- Established new station design guidelines to improve customer experience and station accessibility
- Completed the Port Credit GO Station area master plan in partnership with the City of Mississauga
- Made progress on developing the Metrolinx Sustainability Strategy

## DELIVER

- Made progress on the capital program to expand GO train service, such as:
  - Started construction on the new Downsview Park GO Station
  - Completed all required track and signal work on the Kitchener Corridor to support the launch of UP Express
  - Opened the Clarkson GO Station pedestrian bridge
  - Completed station improvements at Scarborough GO Station
  - Started construction work to increase capacity at the Milton GO Train Layover Facility
  - Studied grade separations for the Stouffville Corridor
  - Completed more than 75 percent of the construction for the new Gormley GO Station
- Made progress on the largest rapid transit expansion in the region's history, such as:
  - Finalized all station names and released design renderings for underground Eglinton Crosstown LRT stations
  - Issued the Request for Proposal (RFP) to shortlisted design-build-finance-maintain proponents for the Finch West LRT
  - Initiated environmental assessment work for the Hamilton LRT
  - Opened Erin Mills station and the station building for the Square One GO Bus Terminal
  - Opened VivaNext Davis Drive rapidway in Newmarket

## OPERATE

- Launched UP Express operations on June 6, 2015, and enhanced GO bus service to Toronto Pearson International Airport
- Introduced PRESTO on UP Express and at 12 additional TTC subway stations (for a total of 27), and on all in-service TTC streetcars
- Introduced increased GO train service along the Lakeshore East, Lakeshore West, and Milton lines, and started operating midday trips between Brampton and Toronto
- Launched Triplinx in May, with mobile apps made available in July and August
- Operated an additional 378 train trips and 188 bus trips during the Pan Am/Parapan Am Games
- Smart Commute partnered with the Ministry of Transportation and TO2015 to provide Transportation Demand Management (TDM) support for GTHA workplaces during the Pan Am/Parapan Am Games
- Opened new or enhanced station facilities at Union Station (York Concourse), Bloor GO Station, Weston GO Station, and Hamilton West Harbour Station

## 3.0 Business Context 2016-17

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### 3.1 Momentum from 2015-16

#### Metrolinx Business Context is shaped by:

- Momentum from 2015-16 results
- Recent transit investment announcements such as Regional Express Rail, Hurontario LRT, Hamilton LRT, Finch West LRT and other commitments in the 2016 Ontario Budget
- Rail Regulatory Issues
- Business Environment Scan

GO bus service was the subject of three major expansion announcements, introducing new service to Brantford and Cambridge and expanded express bus service to Kitchener beginning in the fall. GO will introduce 44 new bus trips between downtown Brantford and Aldershot GO station, along with 12 new trips from downtown Cambridge to Milton GO station. Expanding GO bus service will give residents and visitors more ways to connect to work, school, family and friends.

Train shed and platform work will continue to take place at Union Station over the next two years, and these activities will result in reduced platform and track capacity. In order to maintain service levels and accommodate passenger volumes, GO adjusted schedules in June on the Stouffville and Lakeshore lines, along with changes to GO bus schedules and local transit services.

Customer safety is always a priority and, during the planning of the schedule changes, we reviewed all of our safety procedures for managing customer volume and movement on platforms. With increased ridership, Metrolinx safety teams are also working to manage increased passenger volume on UP platforms.

In addition to the reduced fare for UP Express, Metrolinx made it easier to get to and from its Union UP Express station by implementing new signage/wayfinding in the Skywalk and at the 20 York Street entrance (lower level). The new signage and wayfinding identifies, directs and informs customers of existing transit options, key hospitality buildings and attractions linked to the Skywalk.

In February, GO opened a new 70,000-square-foot GO bus facility in Hamilton for future transit growth in the region. The new facility is strategically positioned to provide easy access to the highway network, making it easier for GO to provide timely, reliable and efficient service. The garage is capable of storing 40 buses and has indoor service bays for inspection, fueling, washing, cleaning and maintenance. The new facility will service Niagara, Hamilton and the recently announced Brantford routes.

Improvements at the Square One Bus Terminal were completed in March, making public transit an easier option for Mississauga residents and customers. Improvements include a new modern, accessibly designed terminal building and three new ticket

vending machines. These improvements will help GO provide the best possible customer experience to the tens of thousands of customers who visit its second-busiest bus facility each day.

The thousands of GO Transit and UP Express customers who ride to and from Union Station each weekday now benefit from free Wi-Fi within the York Concourse and the York East Teamway, a service made possible through a partnership with the City of Toronto, Metrolinx, and Osmington (Union Station) Inc., the company managing the retail redevelopment at Union Station on behalf of the City. Metrolinx is continuing to roll out free Wi-Fi to all remaining stations by late summer 2016 through its partnership with advertising sponsor IMA Outdoor.

In May, GO's marketing team won the Canadian Urban Transit Association's Corporate Leadership Award for Communication and Marketing. This award acknowledged a unique social media-based campaign that resulted in summer ridership increasing by nine percent between Union and Barrie. Finally, GO asked customers what discourteous behaviours they would like to see less of aboard our service and they responded with feet on seats, loud talking, littering, door blocking and improper use of priority seating as their top irritants. Using this feedback, GO developed a customer awareness campaign to show the impact of poor etiquette on other passengers, resulting in a 1,000 percent increase in social media conversation about GO Transit. The campaign has been a hit with our customers, with the #etiquettefail hashtag getting 1,700 mentions and the video getting over 20,000 views and 800 shares.

Over the past year, the number of activated PRESTO cards has increased significantly from 1.4 million to more than 2 million. To commemorate this milestone, Metrolinx began a campaign in May to say thank you to existing PRESTO customers, welcome new customers, and raise awareness about some of the great features PRESTO offers e.g. Autoload/ Autorenew, and Self-Serve Reload Machines.

### 3.2 Business Scan: Challenges and Opportunities

#### *Regional Transit Business Environment: Challenges and Opportunities*

##### ***PRESTO Cost Recovery with Transit Service Providers***

Existing PRESTO contracts with 905 service providers were expected to expire in October 2016. Currently Metrolinx is negotiating new agreements with municipal transit providers. This presents the opportunity for Metrolinx to explore different pricing approaches with transit providers in order to reach a more equitable cost sharing agreement. PRESTO's growing cost gap presents a further challenge in obtaining higher contributions from service providers.



## *Regional Transit Business Environment: Challenges and Opportunities*

### ***GO RER & Next Wave Projects***

Across the GTHA, rapid population growth and urban development have led to growing congestion and increased service demand pressures on the GO Transit network, costing Ontario billions of dollars in lost productivity. GO RER is a 10-year investment in a portfolio of projects centered on frequent, electrified rail service in both directions and at all times of day. GO RER is expected to yield considerable new off-peak ridership (mid-day, evening and weekend). The remaining Next Wave projects will also increase capacity and improve regional connectivity.

### ***SmartTrack***

The Province of Ontario, Metrolinx and the City of Toronto have agreed on an integrated GO RER / SmartTrack concept that includes six new GO RER / SmartTrack stations and a western extension of the Eglinton Crosstown LRT, subject to funding availability.

### ***Low Oil Prices***

A sustained drop in oil prices presents both opportunities and challenges for GO Transit. It results in potential cost reductions to GO's operations through lower fuel prices. It also presents a risk to ridership and revenue growth as lower fuel costs leads to driving becoming more affordable and therefore more attractive 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. Recent announcements for GO RER and other Next Wave projects will provide opportunities to move forward with a LVC strategy. Initiating projects like the Port Credit GO Station joint development project demonstrates that there are opportunities to maximize the value of public assets by working with the private sector.

### ***Alternative Financing and Procurement***

The 2015 Ontario Auditor General's report questioned the efficiency of the Alternative Financing and Procurement (AFP) model, which sees private sector companies building and operating provincial assets. The report found that government-managed projects could save money due to the private-sector's higher cost of borrowing and contract mark-ups. This development could impact Metrolinx's use of AFP as a method of procurement and project delivery. The delivery of the Eglinton Crosstown LRT, Metrolinx's largest AFP contract, will be closely monitored to ensure Ontarians are getting value for money.

### ***Project Risk***

With Metrolinx managing the largest transit investment in Ontario's history it presents a new challenge from a project management standpoint as Metrolinx has not conducted projects on this scale before. Risk of public backlash for unwanted projects or community disturbance might affect project timelines and the ability to deliver on time. Experience and insight gained from these projects will provide opportunity for more efficient and effective project management in the future.

### 3.3 Regulatory Rail Issues and Initiatives

The rail industry is regulated federally through Transport Canada. There are many areas in which the current regulatory environment impacts Metrolinx's rail operations. Issues regarding the regulation of emissions, the new regulations on the transport of dangerous goods, and regulations related to enhanced train control requirements may have impacts in the operations of GO Transit.

Transport Canada plans to regulate emissions for locomotives in order to better align Canadian standards with American standards. This results in a forecasted cost of \$162.3 million to the rail industry over 10 years. This may result in increased operation costs for GO Rail or force changes in GO's capital investment strategy in order to meet the requirements.

Over the last year, Transport Canada has also continued to tighten rules related to rail safety, particularly related to the transportation of dangerous goods. Speed restrictions and noise requirements have been imposed on trains carrying dangerous goods through urban areas.

Other potential regulatory impacts to Metrolinx flow from the federal governments recently completed review of the Canadian transportation system and the legal and regulatory frameworks which govern it, including the Canada Transportation Act (CTA). Launched in 2014, the CTA review looked to identify priorities and potential actions in transportation that will support Canada's long-term economic well-being. As a rail corridor owner Metrolinx has an interest in potential changes to the CTA. Metrolinx, working with other regional transit providers such as Vancouver's Translink and Montreal's Agence métropolitaine de transport (AMT), submitted a paper as part of the CTA's consultation process. Earlier this year, the results of the CTA review were released with one recommendation providing that given the different characteristics of passenger and freight rail operations, separate networks should be sought whenever and wherever possible. This recommendation could result in a loss of revenue from freight trains currently using Metrolinx infrastructure, but also provide the opportunity for expanded passenger service on those corridors.

In other business related to rail safety and compliance, Metrolinx has renewed an agreement whereby Transport Canada will continue to carry out safety inspections of our right of ways and equipment, as well as review rail safety procedures.

## 4.0 Financial Profile

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### 4.1 Operating Budget

The development of the 2016-17 operating budget is guided by key Business Plan objectives and other assumptions such as ridership, fare increase, 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 2016-17 are projected at \$864.6 million with direct costs of \$72.7 million being allocated to business areas. The total revenue is forecasted at \$581.3 million with fare revenue of \$515.0 million (GO Transit and UP Express) and non-fare revenue of \$66.3 million.

In the 2016-17 operating budget, the largest expense type is labour and benefits, which accounts for 31 percent of the operating budget to support GO Transit and UP Express' ridership growth, and the planned expansion of the PRESTO program within the TTC network. Operations represent 31 percent of the total expenses and include train crew wages, train control dispatch, PRESTO operations and smaller programs like Smart Commute. Facilities and tracks account for 19 percent of the operating budget and includes rent, property taxes, hydro, winter maintenance, and other facility repairs. Equipment maintenance accounts for nine percent covering support services, inventory, inspections, and yard operations. Finally, supplies and services represent 10 percent of the budget, which includes all types of professional services, bank fees, staff development, and advertising.

GO Transit fare revenue is based on a year-over-year increase in GO Transit ridership and a fare increase that took effect in February 2016. The UP Express fare revenue is developed based on a fare structure of \$12.00 for non-PRESTO users and \$9.00 for PRESTO users. Non-fare revenue sources typically include billboard advertising, track usage fees from corridor ownership, UP Express partnerships, 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 \$30.1 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 2016-17 is \$864.6 million in expenses offset by \$581.3 million in revenue and \$3.0 million from sale of assets. The result is an approved provincial subsidy requirement of \$280.3 million. The amortization expense in 2016-17 is estimated to be \$515.9 million.

To better understand how external factors affect ridership, Metrolinx is currently engaged in various ridership studies designed to assist with future business decisions geared towards increasing ridership.

GO Transit Usage & Attitudes Study: The GO RER initiative is expected to change the make-up of GO Transit riders from primarily peak-time commuters to a combination of peak-time commuters and infrequent or off-peak riders. This study aims to assist Metrolinx in identifying the behaviours or attitudes of this new and undefined target group and inform the development of the GO RER customer experience and subsequent marketing and strategies.

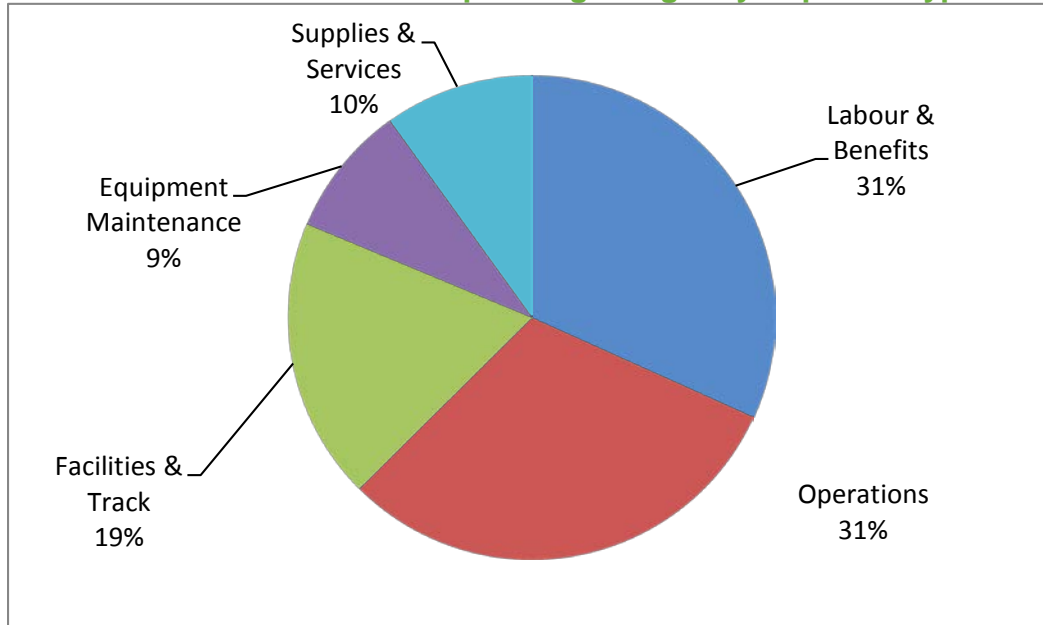
**GTHA Travel Preferences Study:** This elasticity study will allow Metrolinx to evaluate existing and future pricing strategies, evaluate sensitivity to travel times, costs and frequencies for existing and new services (e.g., off-peak GO Rail, UP Express) to inform the design of new initiatives (e.g., concession fares, time-of-day pricing, etc.), and understand the impact of ridesharing services (e.g., Uber, Blacride, Car2GO) and lower gas prices on traveler decision-making.

**UP Express Customer Behaviour Studies:** Various studies are underway that are geared towards understanding how to target new customers and developing the UP Express customer profile including: the purpose of taking the UP Express, perception of the service, barriers to access, and the appetite for new service offerings.

### Exhibit 1: Metrolinx 2016-17 Operating Budget by Operating Division and Program

(Dollars in Millions)	GO Transit	PRESTO	UP Express	Rapid Transit Implementation	Regional Transportation Planning	Transit Support	Smart Commute	Metrolinx Internal	Metrolinx Total
<b>Revenue</b>									
Fare Revenue	507.0		22.5						529.6
Less: Fare Integration	-13.0								-13.0
Less: Service Guarantee	-1.5								-1.5
PRESTO Fee Revenue		30.1							30.1
Non-Fare Revenue	25.7		7.5					3.0	36.2
<b>Total Revenue</b>	<b>518.2</b>	<b>30.1</b>	<b>30.1</b>					<b>3.0</b>	<b>581.3</b>
<b>Expenses by Type</b>									
Labour & Benefits	199.5	19.2	6.9	0.3				49.0	274.9
Operations	173.6	55.0	24.3					12.5	265.5
Facilities & Track	109.1	0.2	12.5					40.6	162.5
Equipment Maintenance	70.8		5.3					0.0	76.1
Supplies & Services	8.9	19.0	16.3					41.5	85.7
<b>Total Expenses with No Direct Cost Allocation</b>	<b>561.9</b>	<b>93.5</b>	<b>65.3</b>	<b>0.3</b>				<b>143.6</b>	<b>864.6</b>
Direct Cost Allocation	63.2	2.4			2.5	1.9	2.7	-72.7	
<b>Total Expenses with Direct Cost Allocation</b>	<b>625.2</b>	<b>95.8</b>	<b>65.3</b>	<b>0.3</b>	<b>2.5</b>	<b>1.9</b>	<b>2.7</b>	<b>70.9</b>	<b>864.6</b>
Excess of Expenses over Revenue	-107.0	-65.7	-35.3	-0.3	-2.5	-1.9	-2.7	-67.9	-283.3
Less: Proceeds from Sale of Assets	3.0								3.0
<b>Net Operating Requirement</b>	<b>-104.0</b>	<b>-65.7</b>	<b>-35.3</b>	<b>-0.3</b>	<b>-2.5</b>	<b>-1.9</b>	<b>-2.7</b>	<b>-67.9</b>	<b>-280.3</b>
Less: Planned Subsidy Approvals									280.3
<b>Projected Budget Surplus (Shortfall)</b>									<b>-0.0</b>
Amortization Expense									515.9

## Exhibit 2: Metrolinx 2016-17 Operating Budget by Expense Type



### 4.2 Capital Investment

The Metrolinx 2016-17 capital budget is approximately \$4.5 billion including \$78.3 million from the Canada Strategic Infrastructure Fund (CSIF) and \$7.5 million in municipal contributions. Investment levels are expected to remain stable this fiscal year with a significant portion of the budget related to rapid transit expansion projects, mainly the Eglinton Crosstown and rehabilitating various assets to their state of good repair. PRESTO capital projects include the completion of Wave 3 projects and initiation of Wave 4 and 5 project phases for the TTC.

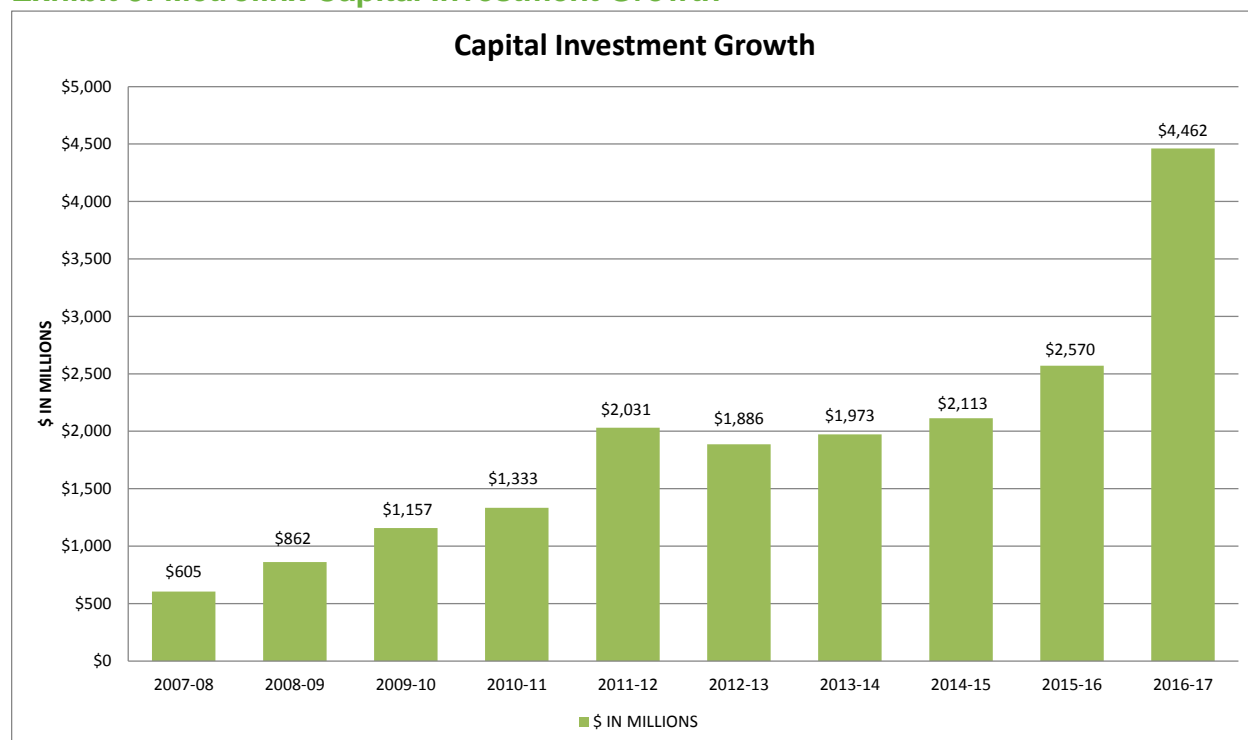
#### Metrolinx Major Capital Projects with expected completion in 2016-17

- Mississauga Transitway/BRT West
- Shirley Avenue Layover on the Kitchener Corridor
- Opening of West Harbour Station Phase 2 on the Lakeshore West Corridor
- South Blair Street Grade Separation on the Lakeshore East Corridor
- Deployment of PRESTO on the entire TTC surface network (buses, streetcars, Wheel-Trans vehicles and accessible taxis), with all subway stations having at least one entrance enabled with PRESTO

Growth in the Metrolinx capital plan has been significant in recent years. Capital Investments have grown from less than \$1 billion in 2008-09 to approximately \$4.5 billion in 2016-17. Exhibit 3 shows the growth in Metrolinx capital investment since 2007-08.



### Exhibit 3: Metrolinx Capital Investment Growth



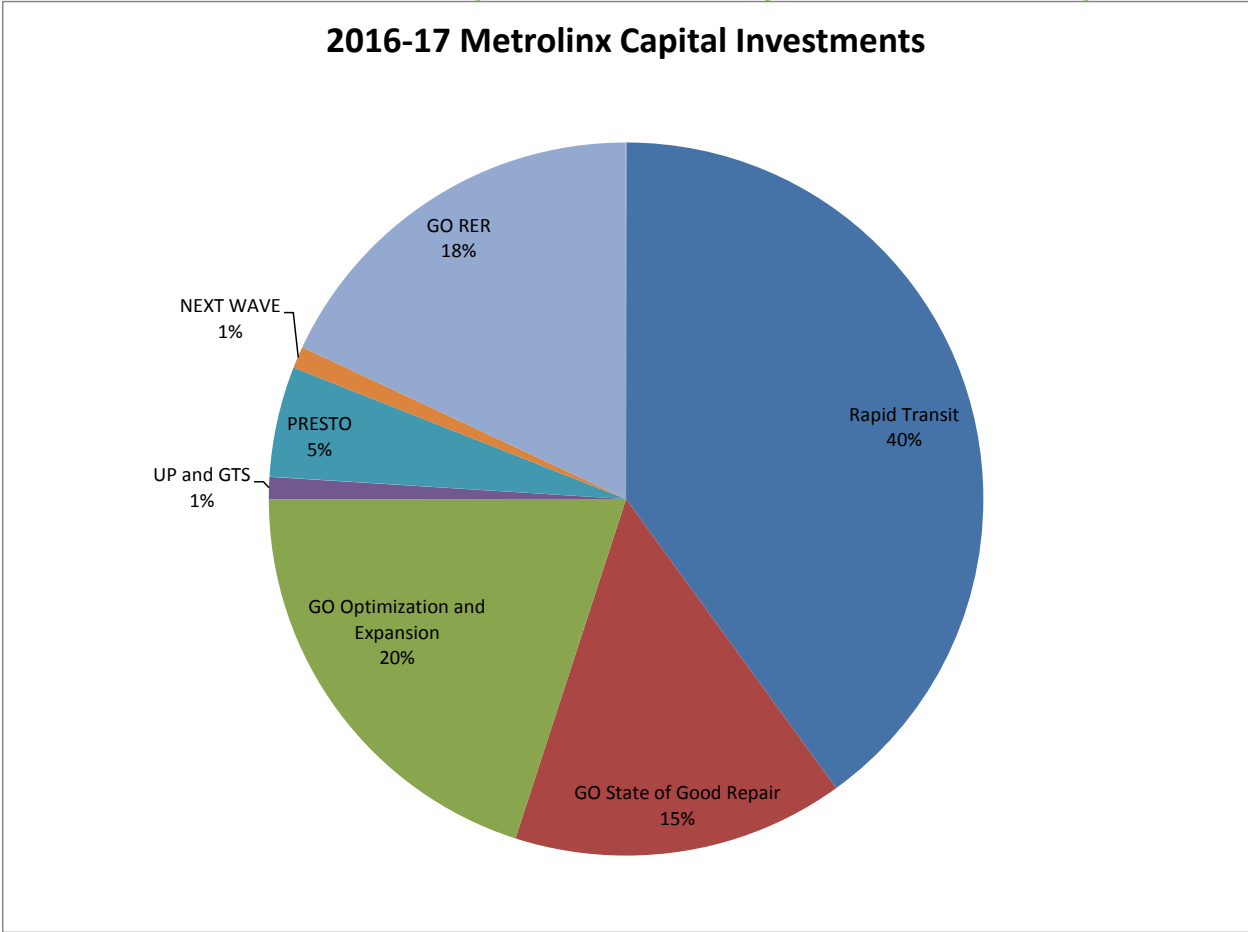
### Exhibit 4: Metrolinx Capital Investments 5-year Plan

STRATEGIC ALIGNMENT (\$M)	2016/17	2017/18	2018/19	2019/20	2020/21
Rapid Transit	\$1,790	\$2,279	\$2,333	\$1,906	\$1,346
GO State of Good Repair	\$648	\$810	\$739	\$586	\$366
GO Optimization and Expansion	\$911	\$879	\$752	\$613	\$506
UP Express and Georgetown South	\$28	\$6	\$4	\$4	\$5
PRESTO	\$235	\$78	\$35	\$35	\$35
GO RER	\$792	\$1,498	\$2,605	\$3,373	\$3,198
NEXT WAVE	\$58	\$100	\$382	\$602	\$800
<b>GRAND TOTAL</b>	<b>\$4,462</b>	<b>\$5,650</b>	<b>\$6,850</b>	<b>\$7,119</b>	<b>\$6,256</b>

Exhibit 4 provides a high level breakdown of capital investments over the next five years.

Exhibit 5 provides a high level breakdown of the types of investments in the capital plan and Exhibit 6 provides additional details about the types of projects in the capital plan.

**Exhibit 5: 2016-17 Metrolinx Capital Investments by Percent of Total Capital**



## Exhibit 6: Metrolinx 2016-17 Capital Budget

CAPITAL INVESTMENT BY STRATEGIC ALIGNMENT (\$M)		Budget 2016-17
<b>Regional Rapid Transit Expansion</b>	Toronto LRT	\$1,535
	VIVA BRT	\$217
	Hurontario and Hamilton	\$37
	State of Good Repair	\$1
<b>REGIONAL RAPID TRANSIT EXPANSION TOTAL</b>		<b>\$1,790</b>
<b>GO State of Good Repair</b>	Rail Corridors	\$79
	Fare Collection	\$11
	Bus Fleet	\$47
	Rail Fleet	\$75
	Technology	\$119
	Fleet Maintenance Facilities	\$24
	Passenger Facilities and Parking	\$103
	Office Improvements	\$25
	Union Station	\$159
	Unspecified	\$6
<b>GO STATE OF GOOD REPAIR TOTAL</b>		<b>\$648</b>
<b>GO Optimization and Expansion</b>	Rail Corridor Infrastructure	\$99
	Bus Corridor Infrastructure	\$8
	Fleet	\$99
	Fleet Maintenance Facilities	\$47
	Parking	\$44
	Passenger Facilities and Mobility Hubs	\$203
	Property	\$71
	Union Station	\$18
	System Wide Program	\$1
	GO Two Way All Day Phase 1	\$68
	GO Building Canada Fund	\$10
	GO East Rail Maintenance Facility	\$243
	<b>GO OPTIMIZATION AND EXPANSION TOTAL</b>	
<b>UP Express and Georgetown South</b>	UP State of Good Repair	\$8
	Georgetown South Corridor	\$20
<b>UP EXPRESS AND GEORGETOWN SOUTH TOTAL</b>		<b>\$28</b>
<b>PRESTO</b>	PRESTO Implementation	\$225
	PRESTO State of Good Repair	\$10
<b>PRESTO TOTAL</b>		<b>\$235</b>
<b>GO RER</b>	RER Works	\$206
	RER Future Works	\$586
<b>REGIONAL EXPRESS RAIL TOTAL</b>		<b>\$792</b>
<b>NEXT WAVE</b>	Planning and Design	\$58
<b>NEXT WAVE TOTAL</b>		<b>\$58</b>
<b>GRAND TOTAL</b>		<b>\$4,462</b>

\*note: Total 2016-17 Metrolinx capital plan includes \$78.3M from CSIF and \$7.5M in municipal contributions.

### 4.3 Capital Asset Growth 2016-17

<b>Capital Assets</b>	<b>\$Billions</b>	
Net Book Value – March 31, 2015		11.570
Add: Capital Budget – 2015-16		2.797
Less: Estimated Amortization 2015-16		(0.46)
Estimated Net Book Value – March 31, 2016		13.910

### 4.4 Key Performance Indicators (KPIs) and Targets

In 2014-15, the organization developed two suites of KPIs: a public-facing suite and an executive management suite. These KPI suites are aligned with the strategic priorities within the Metrolinx Five Year Strategy and will be used in organizational business planning, risk management and reporting. The public-facing KPIs demonstrate Metrolinx’s achievements and track regional outcomes for the public and the Metrolinx Board of Directors. The executive management KPIs are a broader suite of KPIs that are aligned with the public-facing KPIs and provide Metrolinx senior management with information to monitor performance and identify significant issues requiring action as they arise.

In fiscal 2015-16 Metrolinx investigated data sources and devised a data model and dashboard to calculate and report on the KPIs within its public facing and executive management suites. The public-facing KPIs including targets are being presented for the first time as part of the 2016-17 Business Plan. The expanded set, which includes the executive management suite, will be available for public consumption on a quarterly basis moving forward. This information will provide the public with the opportunity to understand Metrolinx’ achievements compared to its targets moving forward.

The KPI suites include those KPIs for which data is currently available. Plans are being developed to address areas where data gaps exist. A governance structure will be put in place to ensure the quality and sustainability of the KPI program moving forward. Additional work is also currently underway to improve the automation of the KPI data collection process and the traceability of the KPIs back to its data elements.

### 4.5 Financial Performance

The table and graphs below show a summary of the public-facing KPIs including historical and 2016-17 target information for which data is currently available. KPIs for which data still needs to be developed are labeled as Future. Plans are in place to develop this data moving forward.

## Regional Outcomes

The regional outcomes include KPIs which Metrolinx intends to influence, but over which Metrolinx does not have complete control. Accordingly, Metrolinx will be tracking the progress of these outcomes against prior years but will not be setting targets for them. The information for these outcomes is obtained from surveys which are published every five years. The latest information available is for fiscal 2010-11. Note these outcome KPIs are aligned with the KPIs included within the Metrolinx RTP.

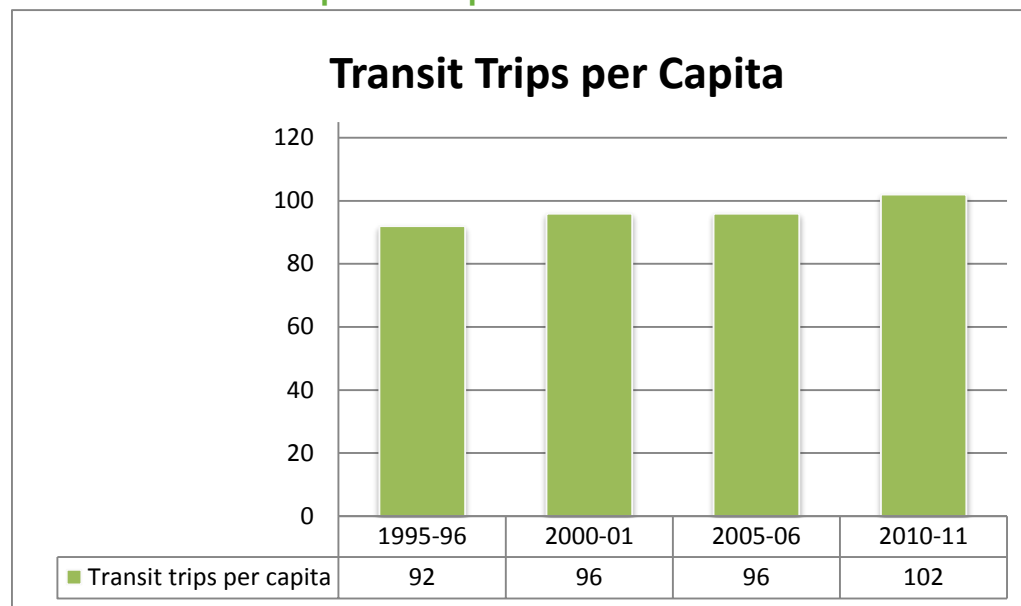
### Exhibit 7: Regional Outcomes Multi-Year Breakdown

Regional Outcomes	Actual				
	1995-96	2000-01	2005-06	2010-11	2015-16
Working close to Rapid transit	26.2%	26.2%	31.3%	35.3%	TBD
Transit trips per capita	92	96	96	102	TBD
Mode Share: Transit, Walking, Cycling	27.1%	25.4%	25.3%	25.8%	TBD
Cross-Boundary Mode Share: Transit Only	13.9%	15.0%	17.3%	21.2%	TBD
Commute Time	Future				

### Transit Trips per Capita

Transit Trips per Capita KPI represents the average number of transit trips taken by each member of the population within the GTHA for the year being reported. Over the past 15 year period, Transit Trips per Capita has increased by 10.9 percent to 102 in 2010-11.

### Exhibit 8: Transit Trips Per Capita: Multi-Year Breakdown

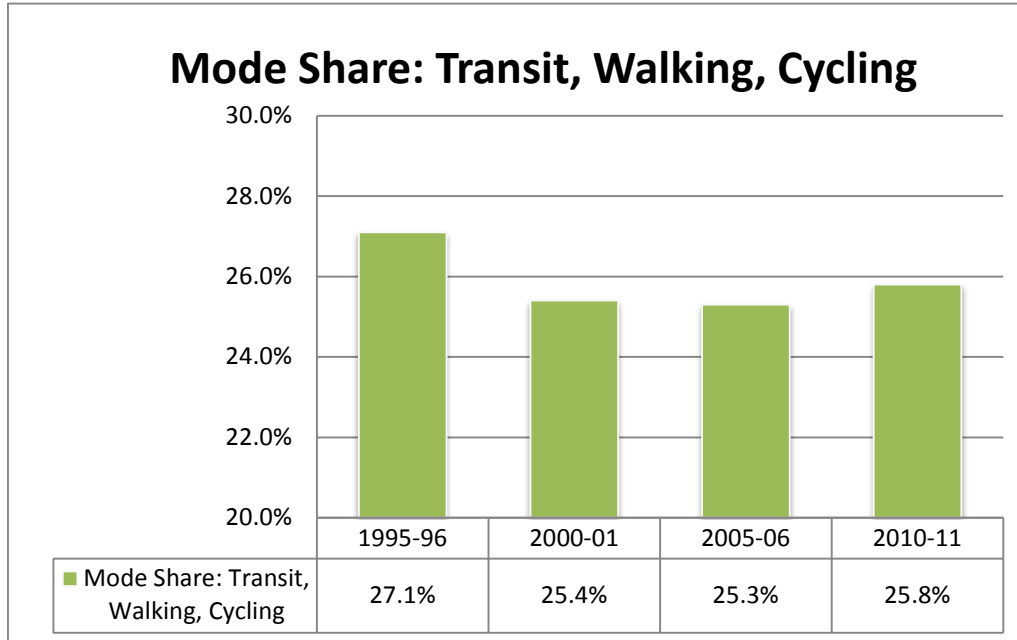




## Mode Share for Transit, Walking & Cycling

Mode Share for Transit, Walking & Cycling KPI measures the average number of commuter trips taken using transit, walking and cycling as a percent of total commuter trips taken, during the AM peak period (weekdays 6:30-9:30am) for the year being reported. Over the past 15 year period, Mode Share for Transit, Walking & Cycling has decreased 1.3 percentage points to 25.8 percent in 2010-11, although increased 0.5 percent since 2005-06.

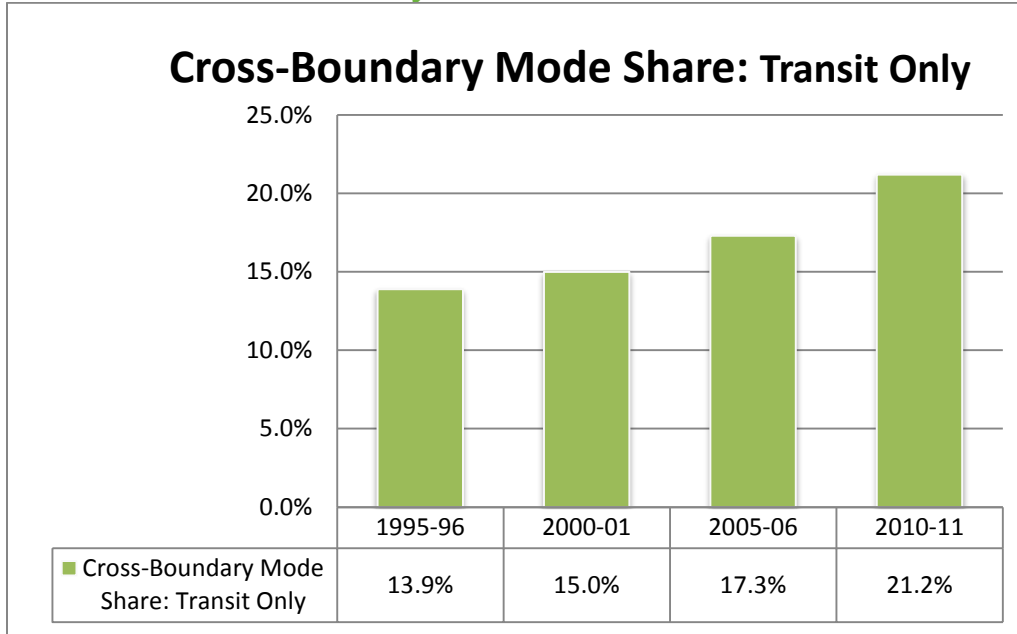
### **Exhibit 9: Mode Share for Transit, Walking & Cycling: Multi-Year Breakdown**



## Cross-Boundary Mode Share for Transit Only

Cross-Boundary Mode Share for Transit Only KPI represents the average transit trips taken across municipal boundaries as a percent of total commuter trips taken across municipal boundaries within the GTHA during the AM peak period for the year being reported. Over the past 15 year period, Cross-Boundary Mode Share for Transit Only has increased 7.3 percentage points to 21.2 percent in 2010-11 reflecting an increased use of inter-regional transit across the GTHA.

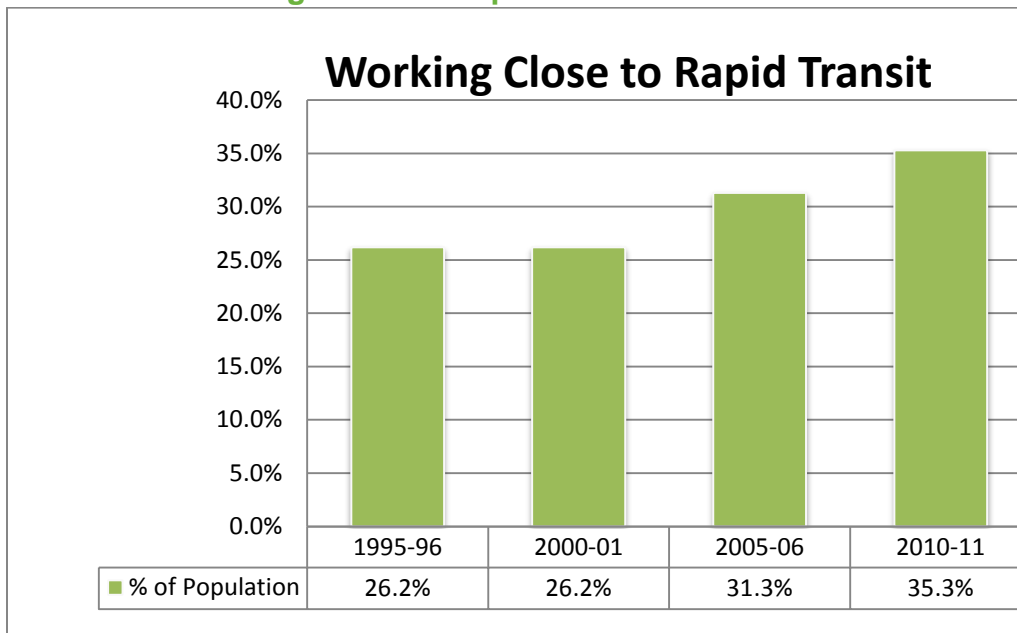
**Exhibit 10: Cross-Boundary Mode Share Multi-Year Breakdown**



**Working Close to Rapid Transit**

Working Close to Rapid Transit KPI measures the population of the GTHA working within 1 km of rapid transit for the year being reported. Over the past 15 year period, Working Close to Rapid Transit has increased 9.1 percentage points to 35.3 percent in 2010-11.

**Exhibit 11: Working Close to Rapid Transit Multi-Year Breakdown**



## Commute Time

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

## **Metrolinx Achievements KPIs**

Metrolinx Achievements KPIs measure both our service delivery (Operations) and our capital infrastructure build achievements. These KPIs are shown in the table below by strategic priority per the Metrolinx Five Year Strategy (2015-2020).

### **Exhibit 12: Mx Achievements KPIs by Strategic Priority Multi-Year Breakdown**

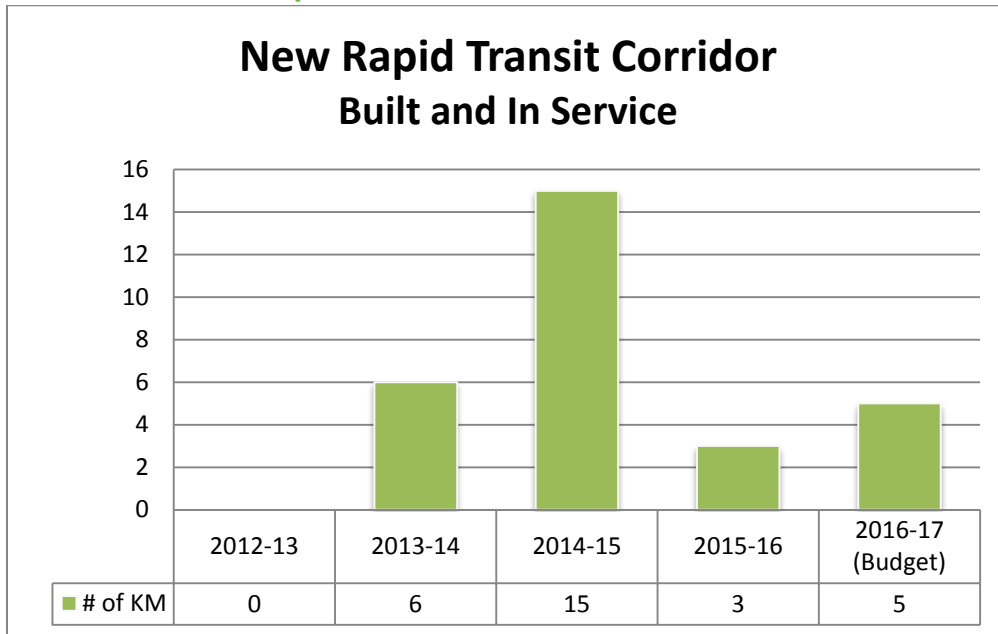
Metrolinx Achievements KPIs by Strategic Priority	Actual				Budget
	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Transformation of Regional Mobility</b>					
New Rapid Transit Corridors- Built and In Service (kms)	0	6	2	3	5
New Rapid Transit Corridors- Under Construction (kms)	33	29	36	45	51
<b>Financial Stewardship and Accountability</b>					
Cost Recovery Ratio (including PRESTO and UP)	78.0%	73.1%	69.8%	69.1%	67.3%
Cost Recovery Ratio (excluding Presto and UP)	82.2%	78.6%	77.7%	78.7%	74.2%
Cost Efficiency (Cost Per Seat km)	\$0.075	\$0.072	\$0.076	\$0.080	\$0.083
Project Delivery Effectiveness			Future		
Economic Impact			Future		
<b>Safe, High Quality, &amp; Connected Customer Experience</b>					
On-time Reliability	97.8%	94.6%	95.1%	95.1%	94.0%
Scheduled Trips Per Day	1,875	2,033	2,150	2,316	2,371
<b>Earn and Maintain Trust</b>					
GHG Emissions			Future		

## **Transformation of Regional Mobility**

### New Rapid Transit Corridors - Built and In Service (kms)

New Rapid Transit Corridors - Built and In Service KPI measures the number of kilometers of new dedicated rapid transit corridor built (by Metrolinx) and in service in the period. Metrolinx is planning to bring 5 additional kilometers of rapid transit corridor into service in 2016-17. These services include vivaNext-Highway 7 expansion of 3.6 kms as well as a 1.8 km extension of the Mississauga Transit way.

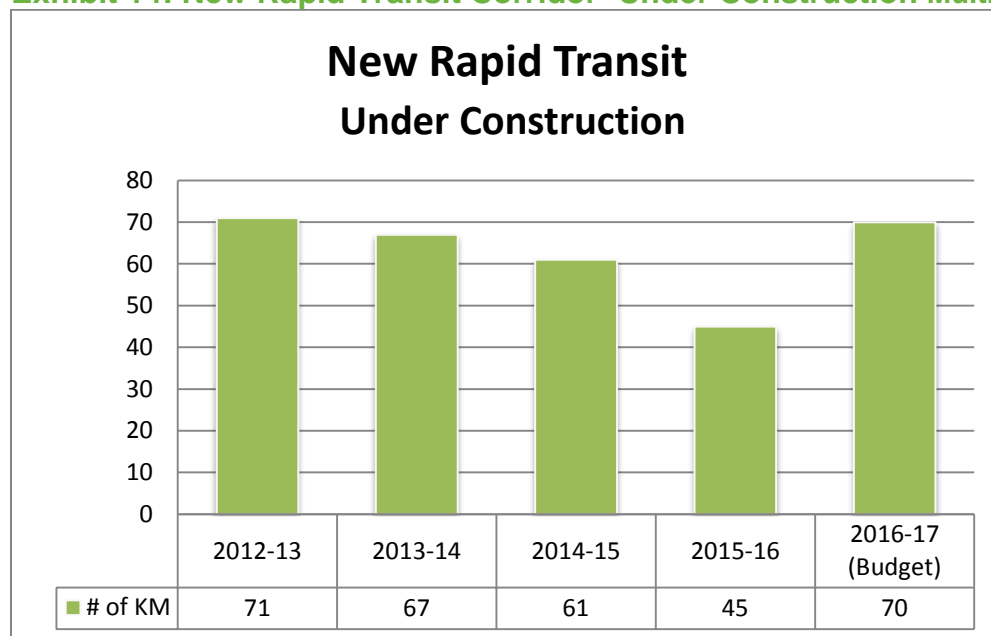
**Exhibit 13: New Rapid Transit Corridor- Built & In Service Multi-Year Breakdown**



**New Rapid Transit Corridor– Under Construction**

New Rapid Transit Corridor– Under Construction KPI measures the number of kilometers of new dedicated rapid transit corridor under construction by Metrolinx at the end of the period being measured. Metrolinx will have 70 kms of rapid transit corridor under construction at the end of 2016-17. This includes 25 kms on the Eglinton corridor, 11 kms on the Finch corridor, 13 kms on the Sheppard corridor and 21 kms on the Highway 7 Viva corridor.

**Exhibit 14: New Rapid Transit Corridor- Under Construction Multi-Year Breakdown**



## Financial Stewardship and Accountability

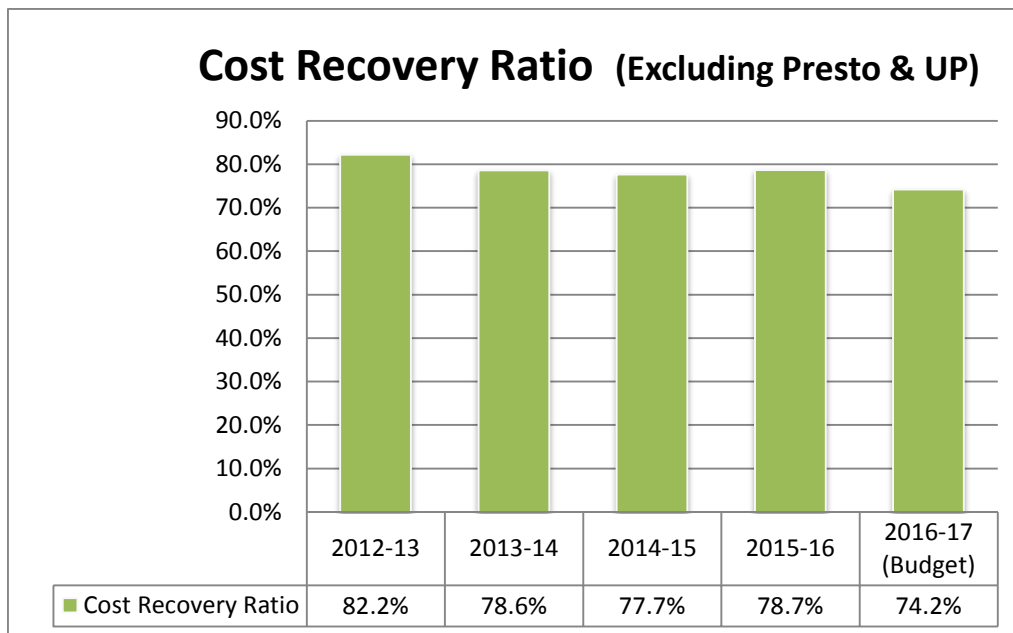
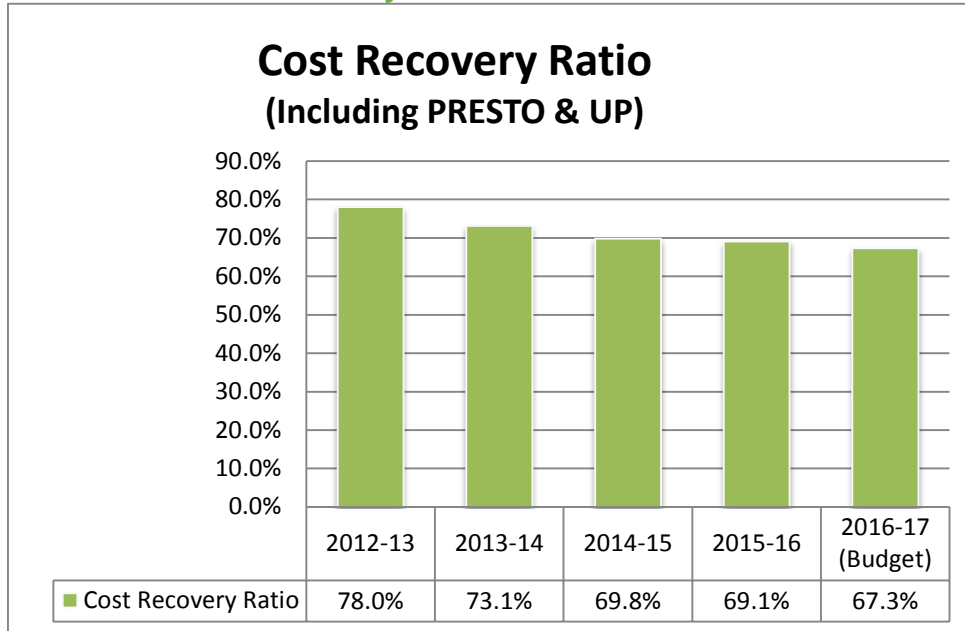
### Cost Recovery Ratio

The Cost Recovery Ratio KPI measures the total revenues earned as a percentage of the total operating expenses incurred for the period being measured. This KPI represents the extent to which the organization's operations are self-funded.

For fiscal 2016-17, Metrolinx is budgeting an operating cost recovery ratio of 67.3 percent (including PRESTO and UP Express). If PRESTO and UP Express operations are excluded, the budgeted cost recovery ratio increases to 74.2 percent. Metrolinx' cost recovery ratio continues to compare favourably with those of other public transit authorities in North America. For example, Translink in Metro Vancouver has reported a cost recovery ratio of 54.2 percent for the 9 months ended September 30, 2015 for its scheduled Transit Service. Agence metropolitaine de transport (AMT) has reported a cost recovery ratio forecast for 2015 for Rail and Bus (fare revenues and direct operating costs only) of 39.1 percent and 71.3 percent respectively.



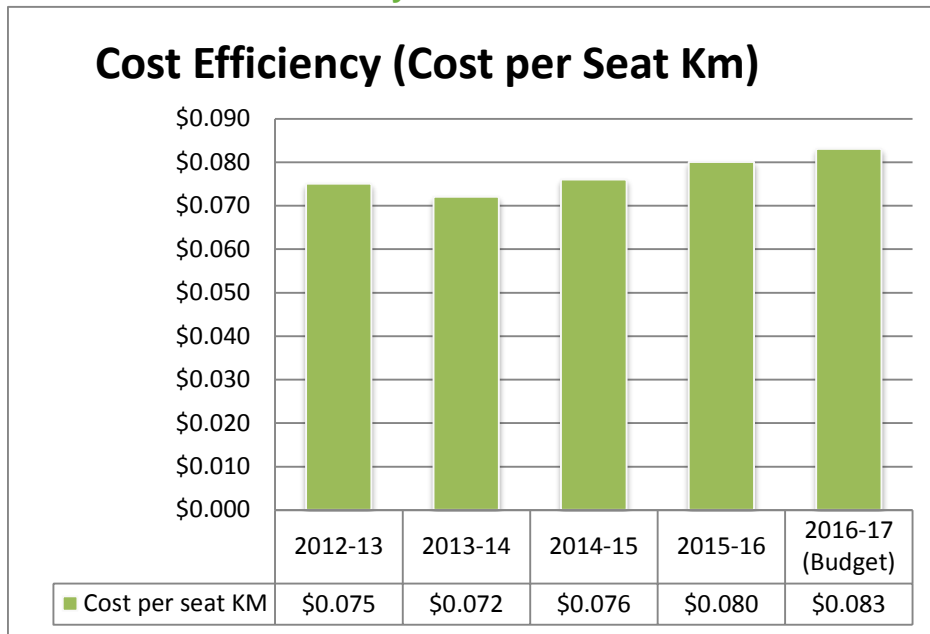
### Exhibit 15: Cost Recovery Ratio



### Cost Efficiency

Cost Efficiency KPI measures the total operating expenses incurred per seat-kilometer (km) of service provided for the period being measured. This KPI is a measure of how efficiently the organization delivers its services to the public. For Fiscal 2016-17, Metrolinx is budgeting cost efficiency to be \$0.083/seat-km.

**Exhibit 16: Cost Efficiency Multi-Year Breakdown**



Project Delivery Effectiveness

The organization is in the process of redefining how this KPI should be measured.

Economic Impact

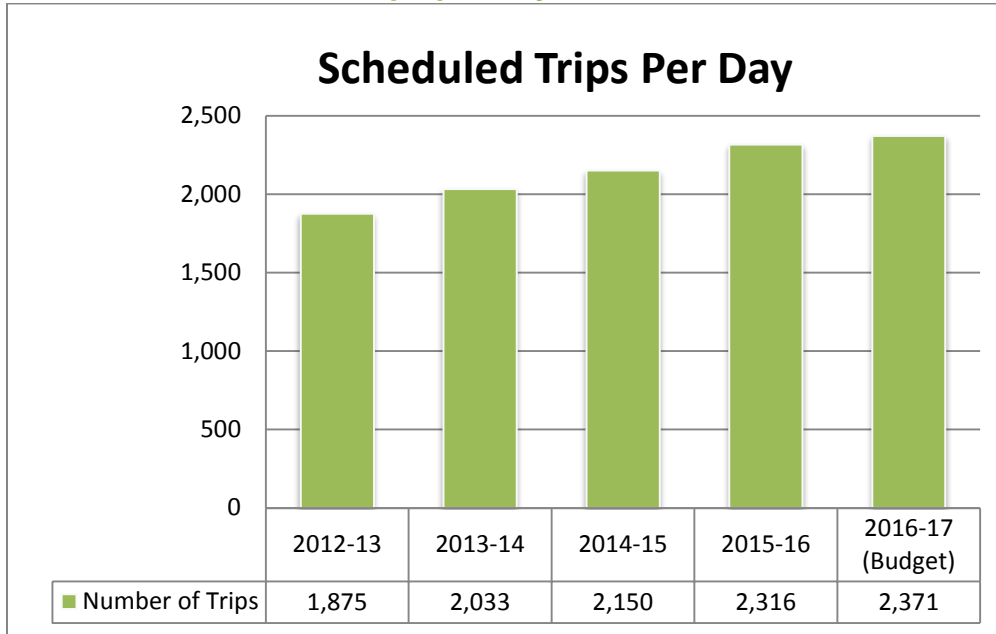
The Economic Impact KPI is currently under development but will measure the impact of Metrolinx’s Capital Infrastructure Program spending on job creation in the region.

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

Scheduled Trips per Day

Scheduled trips per day KPI represents the average number of scheduled train and bus trips per day offered to the public for the period being measured. With the additional service enhancements in 2016-17, scheduled trips per day are expected to increase by 2.4 percent to 2,371.

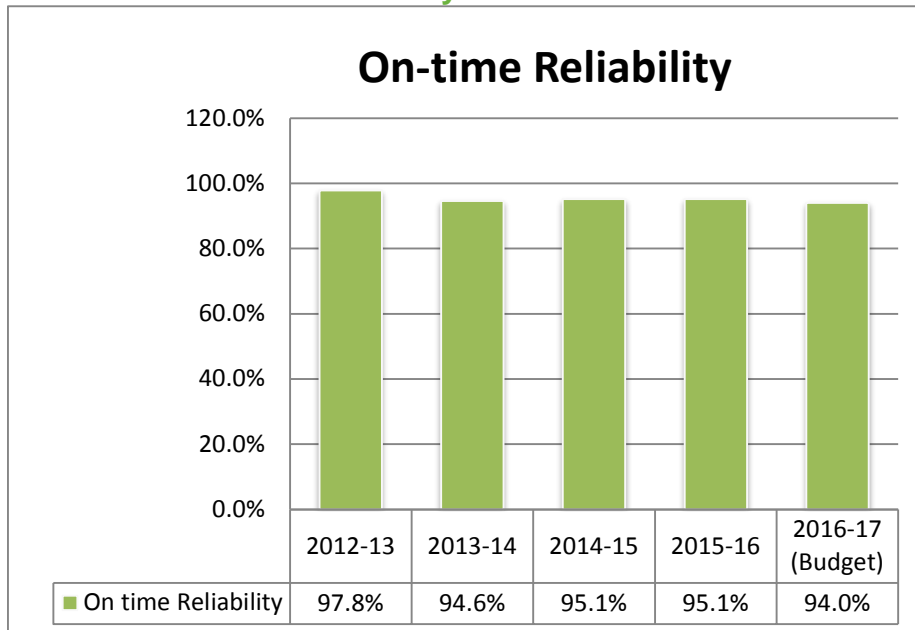
**Exhibit 17: Scheduled Trips per Day Multi-Year Breakdown**



**On-Time Reliability**

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 5 minutes of scheduled arrival time for rail trips and within 15 minutes of scheduled arrival time for bus trips. The 2016-17 targets for on-time reliability are 94% for both rail and bus services.

**Exhibit 18: 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' overall GHG emissions for the period being measured.

### **4.6 Implementing Cost Allocations**

Metrolinx's current planning and reporting practices are largely focused on direct responsibility reporting where all costs managed by a function are reported under that function whether those costs belong to that function or not. This practice causes costs within corporate service functions (such as Information Technology (IT) and Real Estate Services) to appear large and to have high growth as they reflect the expansion of the operating division services. This practice affects not only financial planning and reporting, but the resulting Key Performance Indicators (KPI) of the organization.

An initiative is currently underway to expand the existing reporting to include a fully allocated view. The enhanced reporting will retain the direct responsibility view, but will also show the transfer of centrally managed program costs to the operating divisions to which they belong. The remaining corporate service oversight costs will be allocated to each operating division and capital program based upon drivers of those costs. The result will be segmented financial reporting by operating division which supports both the direct responsibility view as well as the fully allocated view. This new reporting will provide increased transparency in the budgeting and reporting processes, demonstrate linkages between corporate services and the divisions/programs and provide more holistic corporate KPI information. It will also better represent the growth in the respective Corporate Service Areas and Operating Divisions.

### **4.7 Managing Uncertainty**

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

In 2015-16, the ERM group implemented an initial roll-out of risk management software to improve transparency, accountability and an integrated view of risks across the organization as well as increase capability for quantitative analytics. Metrolinx has also taken this leadership initiative to form an ERM Roundtable with other government ministries and agencies to share best practices in risk management, advocate for risk management across the Ontario government, and to enhance governance between agencies and ministries.

In 2016-17, Metrolinx will continue its focus on a risk-informed, evidence-based approach by further embedding the use of risk management software across the organization, developing robust quantitative analytics, and focusing on emerging risks.

Senior Management has identified the following key areas of focus for ongoing monitoring and reporting in achieving Metrolinx’s corporate objectives and values. They continue to actively monitor and develop mitigation strategies to manage the risk levels down to an acceptable level including effective planning and policy-making, leveraging AFP models, developing inclusive and innovative fare solutions, and partnering with stakeholders.

### Exhibit 19: Key Areas of Focus

Key Area	Description
<b>Regional Leadership and Relevance of <i>The Big Move</i></b>	The credibility of the RTP is maintained by demonstrating evidence-based decision making, ongoing progress and delivering on commitments on time and on budget as well as public consultation and municipal engagement.
<b>Sustained Funding</b>	Metrolinx requires continued and adequate funding to fund 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.
<b>Stakeholder Management and Governance</b>	Corporate governance oversight with clearly defined stakeholder roles and accountabilities are required to support Metrolinx’s objectives.
<b>Management of Stakeholder Requirements</b>	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.
<b>PRESTO</b>	Fare card system rollout must be well managed to deliver on the committed schedule. Metrolinx is in the process of updating the PRESTO business model and associated client agreements to ensure long term financial sustainability of the common fare card system.
<b>UP Express</b>	Increasing ridership through effective awareness and public engagement, as well as continuing to build and maintain corporate partnerships.
<b>GO Regional Express Rail (GO RER)</b>	Ongoing development and implementation of the work plans to deliver 15-minute, electrified service in core areas on GO-owned rail corridors.
<b>Rapid Transit</b>	Effectively managing project stakeholders is key to the successful implementation of the RT program, including the use of the AFP process.
<b>Workforce</b>	Effectively managing our workforce is critical to achieving business outcomes and optimizing productivity.
<b>Customer Satisfaction</b>	Reliable services and timely, high quality communication are success factors in maintaining Metrolinx’s commitment to its customers.
<b>Privacy and Cyber Security</b>	Metrolinx is required to safeguard both customer and corporate data, ensure compliance with privacy legislation, and mitigate any possible privacy breaches.
<b>Program Delivery</b>	Project volume and complexity, as well as stakeholder requirements, necessitate effective project management and prioritization to deliver projects on time, budget, within scope and of the highest quality.

Key Area	Description
<b>Passenger Safety</b>	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.
<b>Legal / Compliance</b>	Conducting our business in compliance with all applicable laws, regulations, directives and policies.

## 5.0 Joint Stakeholder Deliverables

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### 5.1 Infrastructure Ontario (IO)

Guided by the Metrolinx-Infrastructure Ontario (IO) Master Agreement, IO continues to be an integral partner in several high priority Big Move initiatives: Toronto LRT projects, GO Transit East Rail Maintenance and Storage Facility, and the Highway 7 vivaNext bus rapid transit project. The UP Express spur line into Pearson Airport is a key success achieved through project oversight from Metrolinx and expertise in AFP from IO. The Eglinton Crosstown project was procured with IO using AFP. In July 2015, a contract was awarded to Crosslinx Transit Solutions (Crosslinx), to deliver the Design-Build-Finance-Maintain contract for the Eglinton Crosstown LRT line. Construction on the Eglinton LRT line began in March 2016 and the project is expected to be ready for revenue service in 2021.

The Finch West LRT project is in the in-market period of the procurement phase and the in-market activities are progressing as scheduled. The RFP to design, build, finance and maintain the Finch West LRT project was released on February 19, 2016 and is expected to close in February 2017. Design and construction is expected to begin in fall 2017. The Technical Advisor for the Hurontario and Hamilton LRT projects is working to advance the design and technical specifications for the projects in preparation for the AFP process. The RFP for the Hurontario LRT is expected to be issued in November 2016 and close in June 2017. Design and construction is expected to begin in winter 2018. The RFP for the Hamilton LRT is expected to be issued in April 2017 and close in December 2017.

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

### 5.2 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 and urban development. The RTP 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, providing savings and efficiencies to customers who traverse both

GO and local systems on a single card. In 2017 the TTC will discontinue its current fare media, making the PRESTO fare system its primary payment system. Metrolinx is also working with other GTHA/Ottawa transit agencies to retire legacy fare media and position PRESTO as the primary fare payment system.

### **5.3 Rail Partners (CN, CP, TTR, GEXR, VIA)**

Although Metrolinx now owns most 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.

### **5.4 Key Delivery Partners (Accenture, Bombardier, Crosslinx, Suncor, Pacific Northern Railworks (PNR))**

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 e-fare 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 builds, maintains and operates the GO Transit rail fleet. Second to Bombardier in terms of total business is Suncor, GO Transit's diesel fuel vendor, forecasted to supply 78 million liters at a cost of \$61.58 million in 2015-16. Pacific Northern Railworks (PNR) maintains all 300 miles of Metrolinx owned track and signals. Crosslinx Transit Solutions (Crosslinx) was awarded the AFP contract to design, build, finance, and maintain the Eglinton Crosstown LRT.

## **6.0 Organizational Initiatives**

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### **6.1 Fare Integration**

Metrolinx has been leading a fare integration work program with municipal service providers and the Ministry of Transportation to develop recommended incremental, transitional and transformational actions to improve the integration of transit fares across the GTHA.

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, objectives and evaluation framework was developed, which is guiding the development of proposals, analysis, and evaluation framework. The ideal regional fare strategy would support increased mobility and ridership growth, maintain financial sustainability, and allow GTHA transit 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.

Alternative GTHA fare structures are being developed and analysed, with involvement of the TAC, to develop the business case for regional fare integration and identify a proposed long-term/transformational fare structure for the region. A purpose-built model has been developed in order to estimate ridership, revenue, service provider and market impacts. Incremental and transitional staging for fare integration actions along with the transformational state will be developed for consideration by the Board and MTO.

Additional analysis of additional fare concepts (time-of-day pricing, products and concessions) phasing, and implementation implications such as revenue allocation and governance will be required to complete the fare proposal for decision-making purposes.

## 6.2 Review of the Metrolinx Act

The *Metrolinx Act, 2006* (the “Act”) is the enabling legislation for Metrolinx. By statute, a review of the Act is required to be initiated five years after the implementing legislation was put in place. The Ministry of Transportation initiated the *Metrolinx Act* review in 2014 (i.e., five years after the *Greater Toronto and Hamilton Area Transit Implementation Act, 2009* – which amended the *Metrolinx Act, 2006*).

The Ministry is working with Metrolinx to identify updates to the Act and examining opportunities to enable and support the ongoing delivery of an integrated, regional transportation network in the GTHA. Such a legislative review comes at an opportune time to ensure that transit investments continue to be optimized in order to manage congestion, connect people to jobs, and improve the economy and residents’ quality of life.

## 6.3 Metrolinx Sustainability Strategy

Urbanization, aging infrastructure, demographic shifts, resource scarcity, environmental degradation, and related trends mean we must think differently about how we build our infrastructure, manage our operations and serve the growing communities of the GTHA. This is a long-term commitment that must be done right - what we build today will be here for generations to come.

Increased use of public transit, active transportation and carpooling from driving brings environmental and social benefits like reduced greenhouse gas (GHG) emissions, less traffic congestion, improved air quality, access to services and more. These are benefits inherent to public transit. The RTP guides the work being done to offer an attractive and flexible suite of sustainable transportation alternatives and to transform the way people and goods move in the GTHA.

While closely aligned with the vision, objectives and priorities of the RTP and the 2015-2020 Five-Year Strategy, our Sustainability Strategy focuses on *how* Metrolinx can implement all of the projects, plans and activities while achieving meaningful progress towards sustainability. Our sustainability vision is to work together to reduce our impact on the environment and to enhance opportunities for communities.

Our sustainability goals focus on five priority sustainability issues, which are most material to Metrolinx and its stakeholders, and represent those areas of greatest need and opportunity.

1. **Become climate resilient** – Accelerate and intensify our efforts to implement a climate adaptation and resilience program to manage and mitigate climate change risks.
2. **Reduce energy use and emissions** - Adopt processes, programs and technologies that allow us to effectively track, monitor and reduce our energy consumption, and carbon and air emissions.
3. **Integrate sustainability in our supply chain** - Minimize the impact associated with the use, extraction, processing, transport, maintenance, and disposal of materials and integrate sustainability criteria into our vendor management decisions.
4. **Minimize impact on ecosystems** - Consider the impact of infrastructure and services on ecosystems and ecosystem services and make best efforts to manage, preserve and protect.
5. **Enhance community responsibility** - Leverage our significant investment in the region to create a lasting legacy for our communities, and work closely with communities to create economic and social value.

Over the upcoming years, we will continue to work towards integrating our sustainability goals into all aspects of how we plan, build, operate and connect a sustainable transportation system. This will be implemented by our people, systems and performance management systems in order to measure and achieve success.

## 6.4 Stakeholder Consultations

### Communications & Public Affairs

Metrolinx is making significant progress on major capital projects including the GO RER Program and several rapid transit initiatives. Across the GTHA, new tracks, grade separations and stations are being built for the expanded, electrified GO rail network. Meanwhile tunnel boring for the Eglinton Crosstown LRT is complete and work is now well underway to build all 25 stations and stops; and Bus Rapid Transit continues to roll out in York and Peel Regions.

All of this work impacts communities across the region. To increase awareness, understanding and engagement for each project, in each community, Metrolinx has a

dedicated stakeholder communication program. Our strength as a leader and informed voice for an effective regional transportation system is supported by valuable insight from our stakeholders who inform the work we carry out every day.

## **Key Achievements from 2015-16**

During 2015-16, Metrolinx established a Regional Stakeholder Forum with representation from a variety of sectors and senior leaders from across the region. In addition, seven Corridor Committees were established to engage local community leaders and organizations along each of the GO rail corridors. The bi-annual meetings convene a growing assembly of more than 250 elected officials from all levels of government, as well as representatives from education, health care, labour, business, property development, philanthropy, real estate, non-profit and major employers. The meetings have become key vehicles for sharing information and seeking strategic input and advice on implementation of Metrolinx projects from regional and local stakeholders.

Another key achievement from 2015-16 was the introduction of regional public meetings, a coordinated, comprehensive approach to consulting with the public on multiple interconnected projects at the same time, with both in-person and online opportunities. Now a bi-annual series of open houses, this approach has provided more opportunities for community and regional stakeholders to meet project teams and other stakeholders, share information and participate in decision-making with Metrolinx.

In 2015-16, we:

- Provided one-on-one briefings for elected and non-elected government officials
- Hosted inaugural rounds of Stakeholder Forums, Corridor Committees and regional public meetings:
  - Meetings with more than 250 stakeholders
  - Facilitated first series of public meetings in February-March 2016, attended by 2,000 people with another 3,000 engaged online
- Extensive online engagement through Metrolinx Engage in fall 2015 to choose names for stations and stops along the Eglinton Crosstown. During the consultation, participants submitted 1,502 ratings of station names and 1,227 comments on the proposed names
- In February 2016, the “Imagine Eglinton” drawing contest invited children to envision what Eglinton Avenue will look like when the Crosstown project is complete
  - 100+ entries were received. Select images were printed onto banners and installed along Eglinton Avenue
- Extensive ground work with stakeholders for the Hamilton LRT:
  - Attended over 30 community meetings and held 19 one-on-one briefings for elected officials
  - Participated in stakeholder-led community meetings, and provided updates at ward meetings across Hamilton

## Outlook for 2016-17

- Continue to provide one-on-one briefings for elected officials and other stakeholders on key projects and studies, including: RTP, GO RER, Rapid Transit projects, new stations, station access and fare integration
- Host Stakeholder Forum and Corridor Committee Meetings
- Host regional public meetings; next series planned for fall 2016 with up to 30 meetings scheduled across the region
- Continue regular engagement for capital project initiatives with elected and non-elected government officials, businesses, residents, and other stakeholders
- Continue to support stakeholder engagement plans through Metrolinx Engage
- Continue to seek opportunities for speaking engagements

## 7.0 GO Transit

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GO Transit is an inter-regional public transit system that operates an inter-regional public transit system consisting of integrated rail and bus corridors. The network of rail and bus services primarily serves communities across the GTHA including the cities of Toronto and Hamilton and regions of Halton, Peel, York, Durham, as well as Simcoe County, Dufferin County, Wellington County, Waterloo Region, Niagara Region and the cities of Peterborough, Barrie, Guelph, and, starting in September 2016, Brantford.

### 7.1 GO Transit Service Highlights

GO Transit is planning service growth during the peak and off-peak as well as planning to offer some additional counter peak services in 2016-17. Based on planned service expansion and natural growth in ridership, overall rail and bus boardings are forecasted to be 70.4 million, up nearly 0.9 percent from 2015-16.

In the first half of 2016-17 the focus of planned new services is as follows:

#### September 2016 Rail Service Expansion

- Milton – 1 new AM peak trip (Milton to Union)
- Milton – 1 new PM peak trip (Union to Milton)
- Kitchener – 2 new AM peak extension trips (Georgetown to Kitchener)
- Kitchener – 2 new PM peak extension trips (Georgetown to Kitchener)

#### September 2016 Bus Service Expansion

- New Route 15 extension between Brantford and Aldershot GO, connecting with the Lakeshore West train service. Daily, hourly peak and bi-hourly off-peak service
- New Route 24 between Cambridge and Milton GO, connecting with Milton line train service. Peak period, peak-direction service with additional early afternoon and late evening homebound trips
- Expanded Route 30 Express service between Kitchener and Bramalea GO, connecting with Kitchener line train and train-bus services to/from Toronto Union Station. All day, bi-directional weekday service, with 30 minute counter peak service and hourly off-peak service

- Realigning Route 12 Niagara Falls Service to serve a new park & ride lot in the Town of Lincoln (Beamsville)

## 7.2 GO Customer Service Strategy

For GO Transit, it was in 2008 that a pivotal moment occurred. It was the year when customers spoke their minds about GO's poor on-time performance and did so loud enough that it triggered a new way of doing business – with the customer at the center of everything GO does.

Since then, GO Transit has worked to steadily improve its customer experience by developing and executing against 3-year plans. This focus has allowed GO to raise customer satisfaction from 59 percent in 2008 to 84 percent in the spring of 2016. While keeping the focus on GO's regional customer, GO now needs to prepare for unprecedented expansion linked to the RTP and its GO RER initiative.

To maintain a positive customer experience during this time of exponential growth, GO launched the 3<sup>rd</sup> edition of its Customer Experience Strategy action plan to take GO into 2019. Over the next three years, GO will be focusing customer experience initiatives on the following six core strategic priorities:

- **Continued commitment to safety** by being “guardians of the journey”
- **Holistic design excellence** that enhances the customer experience while considering sustainability, social impact, accessibility and affordability
- **Technology** to delight customers and **eliminate barriers** to self-serve
- **Preparing for GO RER and increased ridership** while offering seamless travel across the GTHA
- **Strong partnerships** and retail offerings to enhance the customer experience;
- Better internal and external **communications** and **wayfinding**

The new action plan has 76 initiatives. The initiatives shown below are a sample of the key initiatives GO is working on to enhance the customer experience in 2016-17.

## Exhibit 20: Strategic Priority and Initiatives Breakdown







Strategic Priority	Initiatives
<b>Safety</b>	<p><i>“Guardians of the Journey” is our commitment to the highest levels of safety and security for our customers, staff and the communities we serve</i></p> <p><b>Actual Deliverables</b></p> <p>We will establish a safety culture, safety vision and engagement that will support the business through the challenges it currently faces and will continue to face as growth continues, to become one of the safest transit agencies in the world. This includes:</p> <ul style="list-style-type: none"> <li>• Implementing the recommendations from “Metrolinx Operational Review” and enhancing the safety function across Metrolinx in accordance with the recommendations of this review and other studies</li> </ul>
<b>Design Excellence</b>	<ul style="list-style-type: none"> <li>• We will be establishing new exterior design standards along with new interior design and lighting standards for our stations</li> <li>• We will be updating and renovating a number of stations and adding heated shelters, snow melt systems and other amenities</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>• A new public address (PA) system will be installed to improve audibility of announcements at all stations</li> <li>• GO’s ticket vending machines will be upgraded to allow customers to buy a PRESTO card or add value to their existing cards</li> <li>• Real time "next bus" information will be launched</li> </ul>
<b>Preparing for GO RER</b>	<ul style="list-style-type: none"> <li>• GO will be piloting a new station service delivery model that drives more self-serve capability</li> <li>• GO has ordered and will be commissioning 207 new bi-level rail coaches through 2019 and refurbishing 19 coaches a year</li> </ul>
<b>Strong Partnerships</b>	<ul style="list-style-type: none"> <li>• The Union Station Revitalization program will add retail stores for customers and GO will open a new Bay concourse in 2018</li> <li>• GO is working to launch a retail offering that will provide customers a way to save time in getting products they need</li> </ul>
<b>Communications and Wayfinding</b>	<ul style="list-style-type: none"> <li>• GO is enhancing its website to help customers find the information they need</li> <li>• GO will be increasing its use of social media to keep customers informed and engaged</li> <li>• Real time bus information will be made available across many communication channels including GO’s website, on digital signs and our interactive voice response phone system</li> </ul>

Together with GO's Passenger Charter and Metrolinx's Five Year Strategy, the Customer Experience Strategy gives GO a clear set of strategic priorities, a detailed action plan, and employee engagement and training programs to help guide GO through the next 3 years.

### Service Performance

Metrolinx ranks customer service among its highest values and has codified this belief in GO's Passenger Charter. To ensure GO is providing the service customers expect, GO uses several customer facing key performance indicators (KPIs) that align with the Passenger Charter. In 2015/2016, GO met six out of its seven KPIs. An important challenge for GO is to keep customers aware of changes in GO's service. Customers have high expectations of this as a priority going forward.

#### Exhibit 21: Service Performance Breakdown

Measure	Annual Target	2015-16	2014-15
<b>Safety</b> We will have 30 or fewer complaints per 1,000,000 boardings regarding safety	30  Complaints	27	23
<b>On Time</b> We will run 94% of trains within five minutes of the scheduled time	94% 	94%	94%
We will run 94% of buses within 15 minutes of the scheduled time	94% 	95%	95%
<b>Keeping you in the know</b> 77% of our customers will be satisfied with GO Transit's communication as measured by our customer satisfaction survey	77%	70%	75%
We will have 30 or fewer complaints per 1,000,000 boardings regarding service status communication	30  Complaints	24	18
<b>Comfortable Experience</b> We will have 30 or fewer complaints per 1,000,000 boardings regarding comfort in stations, trains and buses	30  Complaints	22	21
<b>Helpfulness</b> We will ensure 85% or more of customer inquiries/concerns are resolved the first time they contact us	85% 	97%	97%



## 7.3 GO Regional Express Rail (GO RER)

Building on the government's initial commitment to GO RER in April 2014, the government approved funding to get GO RER started. Over the last year Metrolinx worked with the Province to define the future service concept for GO RER as well as the infrastructure requirements.

As a result of the work between Metrolinx and the Province, the government announced the highlights from the GO RER service concept. GO RER service represents:

- More than doubling peak service and quadrupling off-peak service compared to today
- Reduced journey times for some cross-region transit trips by as much as 50 per cent
- A wider range of travel options to GTHA residents

15-minute two-way, all-day electrified service for:

- Lakeshore East and Lakeshore West corridors between Oshawa and Burlington (subject to approvals and operating agreements with the railways)
- Kitchener line between Bramalea and Union Station
- Barrie line between Aurora and Union Station
- Stouffville line between Unionville and Union Station

Two-way, 60-minute service or better on weekdays, evenings and weekends for:

- Hamilton on the Lakeshore West line (all day) between the Hamilton GO Centre and Union Station
- Barrie line between Allandale-Waterfront and Union Station
- Stouffville line between Mount Joy and Union Station

Peak period, peak direction service on weekdays every:

- 15 minutes on the Lakeshore West line between Hamilton GO Centre and Union Station
- 30 minutes on the Lakeshore West line between the West Harbour station and Union Station
- 15 minutes on the Milton line
- 30 minutes on the Kitchener line between Kitchener and Union Station
- 15 minutes on the Kitchener line between Mount Pleasant and Union Station
- 30 minutes on the Barrie line between Allandale-Waterfront and Union Station
- 15-30 minutes on the Richmond Hill line
- 20 minutes on the Stouffville line between Lincolnville and Union Station

Express service:

- In addition to the services outlined above, communities between Oakville and Hamilton on the Lakeshore West line, between Bramalea and Kitchener on the Kitchener line, and between Pickering and Oshawa on the Lakeshore East line would benefit from select express services to-and-from Union Station

## GO Rail Expansion and Extensions:

- In June 2016, the Province announced that it had secured an agreement-in-principle with CN to begin the planning and technical analysis required for infrastructure works that will allow for the delivery of two-way, all-day GO Train service along the Kitchener GO corridor
- At that time, the Province also committed:
  - Subject to final agreement with CP to extending GO Transit's Lakeshore East rail corridor to offer new GO train service from Oshawa to Bowmanville. The service is expected to begin by 2023-24
  - Subject to final agreement with CN to delivering new weekday GO rail service between the future Confederation GO Station in Hamilton and the Niagara Region starting in 2021, with service to Niagara Falls by 2023

Since the announcement of GO RER, substantial progress has been made. Eleven Metrolinx-led GO RER related Environmental Assessments (EAs) are completed, in progress or about to be launched. Discussions on potential grade separations have been initiated with municipalities and on many parts of the network, construction is already underway, including track work, layovers and station improvements. In other cases, efforts are underway to finalize planning and design.

The major deliverables for 2016-17 are to continue to refine the service concept to include recently announced extensions and new stations, generate ridership for the refined service concept, determine the phasing for the service concept and infrastructure delivery plan, start property acquisition, initiate key grade separations, undertake environmental assessments including launching the EA for system-wide electrification and beginning the public consultations on GO RER/SmartTrack in collaboration with the City of Toronto.

Metrolinx is also currently updating its 2013 GO Rail Parking and Station Access Plan, as station access is critical to the success of GO RER. Increased GO service needs to be supported by easy and convenient station access solutions in order to be successful.

A Business Case Assessment (BCA) is being used to evaluate the impact of station access interventions at the network, corridor, and station-specific level to inform the preferred approach to meet the needs of current and future GO riders. A range of station access interventions are being evaluated, including improvements to active transportation, local transit, pick up and drop off (including on-demand services), parking, and customer information.

The finalized updated GO Rail Parking and Station Access Plan is to be presented to the Metrolinx Board of Directors in December 2016 for adoption.

## 7.4 GO Expansion and Optimization

Investments will also largely be directed towards GO Transit optimization and expansion projects including:

- \$99 million in rail corridor infrastructure, including the design, installation, commissioning and maintenance of a system wide GO Transit fibre network along the railway right of way and integration of control centres into a centralized automatic train control system for the GO network
- To accommodate additional peak service for rail and bus, approximately \$99 million will be directed towards the acquisition of bus and rail cars and related equipment for the fleet
- \$47 million for fleet maintenance facilities including the expansion of the Milton Layover facility and construction of a train layover facility at 200 Shirley Avenue in Kitchener, as well as construction of a bus storage and servicing building at 200 Shirley Avenue
- \$247 million for construction and planning efforts on passenger and mobility hubs including construction of priority bus access for Renforth Gateway, the new Mount Dennis station, rehabilitated Kennedy station and system-wide mobility hub studies and station implementation
- \$71 million in property acquisitions to support expansion and optimization projects

## 7.5 GO State Of Good Repair

To ensure GO Transit assets remain in a reliable condition, approximately \$648 million will be invested in infrastructure rehabilitation largely including:

- \$159 million to restore Union Station, including the trainshed restoration on platform 12/13 and tracks 6 and 7. The Union Station Rail Corridor (USRC) Train Control System project is focused on upgrading the signalling, electrical and communications infrastructure and control system. The scope of the program includes the provision of a new signal system and a train control system
- Approximately \$103 million will be invested across various GO parking lots and rail and bus passenger facilities, including rehabilitation of the Bronte north and south lots that include the addition of approximately 250 new parking spaces, along with other improvements that will bring parking lots into a state of good repair. Platform rehabilitation construction will continue at Bramalea, as well as upgrades to platforms, buildings, tunnels and accessibility access at various stations, including Richmond Hill, Eglinton, Guildwood, Pickering and Whitby
- \$119 million in system-wide technology upgrades including installation of mobile repeaters radio equipped support fleet vehicles, IT infrastructure such as the installation of electronic dynamic signs at rail station platforms, designing and building I&IT development and testing environments as well as Oracle system upgrade and other computer software
- Approximately \$75 million to extend the useful life of our rail fleet by continuing the refurbishment of bi-level 1 and 5 series coaches to bi-level 6 and 7 standards. Additionally, new enhanced features will be incorporated such as obstruction door

detectors, an intellectual property backbone to enable future networking, HVAC upgrades and electronic battery chargers

- \$79 million to maintain rail corridor infrastructure such as the rehabilitation and engineering maintenance at various bridge infrastructure and track replacement along GO-owned corridors

## 8.0 PRESTO

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### 8.1 PRESTO Customer Service Strategy

PRESTO is committed to ensuring excellent customer experience and has made customer service a top priority. Today over 2 million PRESTO cards have been issued to customers across the GTHA and Ottawa. PRESTO started measuring customer satisfaction metrics in 2012. This measure has progressively been improving over the years, and currently stands at 71 percent.

As a further demonstration of PRESTO's efforts to continuously improve, in February 2016 PRESTO launched its first Customer Charter, outlining the commitments the organization is willing to make to better serve its customers. The commitments are as follows:

- We will keep PRESTO smart and simple, so it's easy to use and understand
- We will continuously improve our service and keep PRESTO running smoothly
- We will keep customers informed and make every effort to resolve any concern you have

Additionally, there are a number of improvement projects PRESTO is working on during this fiscal year that aim at providing a better experience to PRESTO customers. Some of these projects are:

- Increasing the number of channels that customers can use to transact with PRESTO
- Refreshing the look and feel of the PRESTO website, as well as adding a new shopping cart feature to make purchasing and loading cards much easier
- Enabling a para transit fare payment solution
- Increasing the focus on accessibility and refreshing some of the accessibility features on specific devices as well as on the PRESTO website

### 8.2 PRESTO Fare Card Highlights

The top priorities for PRESTO this year are to have PRESTO fare payment devices on all vehicles and in all stations across the whole Toronto Transit Commission (TTC) and to ensure the TTC's smooth transition off fare media to PRESTO in 2017.

Over the last year, there has been an increase of 43 percent in activated PRESTO cards from 1.4 million to over 2 million. We expect even more new activations in the 2016-17 year with the TTC's transition to PRESTO as its main fare payment platform. Metrolinx is also seeking strategic partners in financial institutions, quick-service restaurants, and grocery stores to expand PRESTO's footprint. The goal is to have more locations where potential customers and customers alike could purchase and reload their PRESTO cards.

New modern fare gates were successfully piloted at Main Street Station earlier in the year, and are being implemented at all non-PRESTO enabled TTC subway stations. The new gates have configurable aisles exit/entry, exit only, and entry only options. These configurable gates offer greater control of the flow within the station, leading to quicker lines during peak times and higher customer satisfaction. Two major upgrades to PRESTO's infrastructure are also planned to take place over the next few months in order to support increased TTC volumes and to provide enhanced features to customers.

PRESTO's TTC implementation continues to progress on track with the accelerated implementation plan. The key goals for 2016 are:

- Work towards having PRESTO available at the remaining subway stations that do not yet have PRESTO, the entire bus fleet, Wheel-Trans vehicles and on all in-service streetcars so customers will have the option to pay their fares with PRESTO across the whole network by the end of 2016
- Continue working on plans to deliver additional products and features for TTC in 2017

The contract with Accenture, which manages many aspects of PRESTO's capital projects as well as many aspects of operations, was set to expire in October 2016. Metrolinx has exercised the renewal options within the Accenture contract to ensure the continued stability, quality and advancement of the PRESTO system over the next six years.

### **8.3 PRESTO Business Model and SP Engagement**

With the current operating agreement between Metrolinx and the GTHA and Ottawa transit agencies (excluding TTC) set to expire in October 2016, discussions have been ongoing to develop a new operating agreement that builds upon the PRESTO platform and continues to deliver a modern, convenient, and smart fare payment system across the GTHA and Ottawa while achieving greater cost recovery for Metrolinx over the life of the contract that is fiscally sustainable.

As part of the rollout on TTC, a commitment has been made to deploy PRESTO across the TTC's Wheel-Trans vehicles. Metrolinx has procured the PRESTO mobile fare payment devices for the field trial and pilot, and testing is anticipated to begin later this summer. The mobile fare payment devices, which were piloted on York Region Mobility Plus paratransit vehicles in 2015, allow the operator to interact directly with the passenger to pay their fare as they board the vehicle. Metrolinx is also working with its

transit agency clients who support PRESTO to expand to paratransit services across the GTHA.

Metrolinx is seeking strategic partners for GO Transit and PRESTO in the financial institution, quick service restaurant, and grocery/retail categories through an expression of interest procurement process. For PRESTO in particular, Metrolinx is negotiating with a prospective grocery retail partner to deploy in-store PRESTO card sales and loading services. Once an agreement has been reached, it will help expand the use of PRESTO across the regions we serve.

## 8.4 PRESTO State of Good Repair

The primary focus for PRESTO in 2015-16 was the completion of the Phase 1 deployment for 26 subway stations, and the deployment of PRESTO on all 248 legacy streetcars. New streetcars will also continue to have PRESTO equipment installed as they become available. Activities in preparation for the 2016-17 deployment will also commence, including civil works design for the remaining 45 stations, design of bus installations, design and ordering of bus equipment, field pilot of bus equipment, design and ordering of fare gates, and design of subway equipment like Self-Serve Reload machines and fare media vending devices.

In addition, PRESTO will implement core software with essential functionalities including period pass, concessions, loyalty, and base cross boundary and directional transfers. This was enabled early in 2016. Early in 2017, additional functionality will be enabled to coincide with the completion of the PRESTO device deployment across the TTC system. The scope of this is still being defined with TTC, but the objective is to have sufficient functionality to allow the legacy fare media to be discontinued. Other strategic initiatives include capacity upgrades to accommodate TTC's higher transaction volumes through streamlining the operation of the software to achieve greater efficiency. To maintain optimal service levels, various ongoing maintenance works will be undertaken including expanding the memory of older devices and general state of good repair activities.

## 9.0 UP Express

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### 9.1 UP Express Service Highlights

On June 6, 2016, Metrolinx celebrated the one-year anniversary of launch of the Union Pearson (UP) Express, with trains connecting Union Station in downtown Toronto to Toronto Pearson International Airport in 25 minutes, every 15 minutes. As a dedicated air-rail link, UP is a new service concept for GTHA. Focus since launch has been on building awareness, shifting entrenched travel habits, and increasing ridership.

For 2016-17, the focus has shifted towards three key areas:

- Continuing to improve the customer experience by addressing customer pain points and barriers to trial
- Driving revenue growth

- Increasing operational efficiency

## **Continue to Improve the Customer Experience**

Since launch, operational reliability and customer satisfaction have been key success factors for UP Express. On-time performance has consistently exceeded 97 percent, and customer survey feedback has been overwhelmingly positive, with 77 percent stating they would likely recommend the service to others and 81 percent stating that they would use UP again.

However, a key pain point for customers was wayfinding and signage, particularly at Union Station and Pearson Airport. In partnership with the Greater Toronto Airports Authority (GTAA) and the City of Toronto, new signage was introduced at the airport and in Union Station to ease customer navigation issues and facilitate access to UP Express. We also began working with our transportation partners to expand GO Transit and UP Express' shared digital presence on Google Maps to support customer wayfinding.

In 2016-17, Metrolinx will continue to work with our service partners to identify potential areas of improvement for wayfinding at the airport, install UP-branded signage to guide customers through the Skywalk corridor, and improve the Station Street entrance at the Skywalk to facilitate station access and create a welcoming environment for UP customers.

We will also introduce a number of technology enhancements to improve the customer experience in 2016-17, including: upgrading the PRESTO payment devices to be fully-accessible; expanding our ticket sales channels to Expedia and other third-party sales partners; and introducing a marketing program that allows customers to enter promotional codes on the UP Express website to take advantage of special travel offers.

The strategic customer service focus in 2016-17 will be supported by a comprehensive research and analytics program to inform evidence-based decision-making across the organization. Detailed ridership analysis, monitoring of customer feedback channels (including regular satisfaction surveys) and assessment of market performance continue to be integral components of the UP Express continuous improvement framework.

## **Drive Revenue Growth**

To optimize UP Express ridership and revenue in 2016-17, Metrolinx will:

- Assess the fare product mix, pricing, and purchase channels to reflect current and anticipate future needs of our customers, including offering value-added services to generate incremental revenue
- Focus on marketing campaigns that attract off-peak riders, such as mid-day and late evening trips during weekdays and all day on weekends, and increase ridership from airport travelers, who travel the full journey between Union and Pearson stations
- Expand and leverage strategic partnerships with CIBC, Deloitte, CISCO, Rogers, and other partners to ensure successful execution of co-branded marketing campaigns,



promote awareness of UP Express, and increase communication to current and potential customers through partner channels

- Continue to communicate the UP Express brand with key media influencers, including travel and tourism media, specialty media, and business and marketing media with local, national, and international reach
- Continue to build awareness of UP Express both across the GTHA and outside of the province, through a wide array of marketing channels

## **Increase Operational Efficiency**

Since launch of service in June 2015, a number of organizational policy and procedure changes have occurred. In 2016-17, there will be a focus on augmenting self-serve sales channels, including the integration of PRESTO capability on UP Express ticket vending machines, updated functionality on PRESTO fare payment devices, and continuous improvement of e-ticketing on the UP website and mobile app. Metrolinx will also continue to work with our partners, including the GTAA, to share knowledge and collaboratively plan and monitor UP Express programs, and deepen our relationships with our strategic partners to deliver benefits and additional value to our mutual customers.

## **9.2 Fare Structure Changes**

Since UP Express service launch, Metrolinx has monitored all aspects of service performance including operations, customer experience and ridership. In the latter part of 2015, regular monitoring of ridership levels revealed that UP Express ridership was not trending towards the levels anticipated in the pre-launch forecasts, averaging between 2,400 and 2,600 passengers per day, half of the first year daily forecast of 5,000. Through research, several barriers to usage were identified, including: Price, low awareness, engrained travel habits and difficulty navigating to the stations.

As a result, on March 9, 2016, Metrolinx introduced the new fare structure for UP Express with significant fare reductions for travel to/from Pearson Airport, as well as alignment with GO fares for those travelling between Weston, Bloor and Union stations and a differential fare for those using PRESTO.

The new fare strategy was designed to:

- Incent trial and attract more customers to the UP Express service
- Increase ridership and repeat use
- Simplify the fare structure, by aligning fares to the number of stops a passenger travels
- Promote PRESTO card usage
- Provide additional transportation options between downtown Toronto and communities served by UP Express

On the first day of the new fares, UP Express saw ridership double to over 5,000. Recent ridership trends (as of June 2016) reveal that ridership continues to grow with average weekday (Monday to Friday) ridership at 7,100 and with peaks up to 10,000 riders during holiday travel and when there are special events in the city.

In order to address ridership capacity issues that are now occurring during weekday peak periods, Metrolinx is exploring operational changes that will include increasing the number of cars per train to increase the capacity per trip. To address crowding at stations and streamline the fare inspection process, pre-validation lines have been introduced to inspect customers' tickets prior to boarding.

While the majority of customers continue to be airport travelers, the number of customers using UP Express as a transportation option between Toronto communities and (Weston, Bloor and Union Stations) downtown has increased. Airport travelers currently comprise approximately 80 percent, with the remainder being commuters. This confirms the importance of UP primarily as an express air-rail link between Union Station and the airport, but also as an attractive local transportation option, fulfilling latent demand.

### **9.3 UP State of Good Repair**

Since the UP Express launched on June 6, 2015, the 2016-17 capital plan will focus on closing out construction at stations, maintaining and enhancing existing technology and IT systems, and delivering new infrastructure to improve the customer experience. For example, new static and digital signage will be added at stations to improve wayfinding for customers. UP Express will also be adding people counter systems onboard trains to improve understanding of boardings, capacity per train, and overall ridership trends.

## **10.0 Rapid Transit**

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### **10.1 Regional Rapid Transit Expansion**

The rapid transit expansion projects represent a large portion of the Metrolinx capital program with approximately \$1.8 billion related to the three LRT projects underway in Toronto and the bus rapid transit program, vivaNext, underway in York Region.

The Eglinton Crosstown LRT is currently in the implementation phase of the project lifecycle and will continue to make significant progress this year. Crosslinx Transit Solutions, the consortium delivering the AFP portion of the project, is now on-board and started construction in March 2016. Tunneling of the 6.5 km west segment was completed in May 2016. Tunneling for the 3.5 km east tunnel segment was completed in August 2016. Negotiation and settlement of property purchases are also underway. To date, approximately 70 percent of the 250 property acquisitions have been completed with the remaining being advanced over the next two years. The pilot vehicles for the Eglinton Crosstown LRT are currently in production and will continue to advance over the next fiscal year.

The Finch West LRT project is in the in-market period of the procurement phase. The Finch West RFP was released to the shortlisted proponents in February 2016 and will reach financial close in August 2017. The Hamilton LRT and Hurontario LRT projects are currently in the planning and design phase of the project lifecycle and will continue to

advance over the next fiscal year. The Owner's Engineer and Technical Advisor are now on board and will work to prepare reference concept designs that will ultimately be a part of the procurement documents for the AFP of the projects. The Request for Qualification (RFQ) for the Hurontario LRT is targeted for release in fall 2016 and the Request for Qualification (RFQ) for the Hamilton LRT is targeted for release in winter 2017. The Sheppard East LRT project will begin following the Finch West LRT.

The Yonge Street and Highway 7 West Vaughan Metropolitan Centre (VMC) vivaNext rapidway projects are currently underway in York Region. Two of the viva rapidway projects are already in service and the Highway 7 VMC is the next segment on track to open in fall 2017.

## **10.2 Rapid Transit Projects Underway**

The Eglinton Crosstown has reached key project milestones this year. Dennis and Lea, the two tunnel boring machines (TBMs) being used in the west tunnel, recently completed their 6.5-kilometre route in May 2016. In the east segment, TBMs Humber and Don completed their 3.5-kilometre route in August 2016. In January 2017, the East Tunnel Section 3 and West Tunnel Section 2 contractors are slated to turn over the work to the AFP contractor. As of September 2017, Metrolinx plans to reach 85 percent of the property acquisition for Eglinton Crosstown. Metrolinx will also begin the review of 100 percent design packages in fall 2016.

The Finch West LRT is also underway. The design presentation and topic meetings occurring during the in-market period are ongoing. The Finch RFP is expected to close in February 2017 and financial close is planned for August 2017.

The Hurontario LRT is in its early stages of design. The Hurontario LRT team is targeting a Request for Qualification (RFQ) release in fall 2016 and aims to issue the AFP RFP in winter 2017. The Hamilton LRT is also in its early stages of design. The Hamilton team aims to issue the Hamilton RFQ in winter 2017 and will complete the reference concept designs required for the RFP release in early 2017-18.

Progress is also underway on the vivaNext bus rapid transit (BRT) projects with construction across York Region. Construction work is progressing on the Highway 7 West Vaughan Metropolitan Centre (VMC) rapidway, and utility relocation activities are nearing completion west of Jane Street. This 3.6-km segment will be in service in the next fiscal year. The segment between Mulock Drive and Davis Drive on the Yonge Street rapidway is under construction and the project team is currently working to acquire properties and complete the necessary environmental work. The Mississauga Transitway/BRT West is slated to reach substantial completion in fall 2016.

## 10.3 Funding for Other Next Wave Projects

In addition to the rapid transit projects that are already underway, Metrolinx will also move forward with planning and design work to support several other Next Wave projects including:

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

Metrolinx will be working to advance the business case, design, and/or procurement for these projects to move them forward.

## 11.0 Regional Transportation Planning

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### 11.1 Legislative Review of the Big Move

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 ten years, and that the plan be updated to ensure that it complies with the prescribed provincial plans and policies.

The RTP guides the work being done to transform the way people and goods move in the GTHA. Its long-range, 25-year vision, goals and objectives provide a blueprint to support decision-making by municipalities, agencies, and the provincial government. Developed and implemented jointly by Metrolinx with 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.

Together with Metrolinx, provincial ministries, municipalities, transit agencies, and stakeholders have made significant progress to implement the strategies of *The Big Move*, with over 90 percent of its actions and policies either completed or in progress. These efforts are transforming, and will continue to transform, mobility in the GTHA into the future. Keeping this momentum going, leveraging current investments and continuing to work as a region by incorporating new and projected growth into our planning can drive the transportation system to keep up with and manage growth in a sustainable way.

The work plan for the review and update of the RTP has been developed in alignment with the Province's review of the *Growth Plan for the Greater Golden Horseshoe*, currently underway as part of the co-ordinated land use planning review. The two plans work together to direct the region's population and employment growth to align with the transportation system, particularly rapid transit infrastructure and services. The updated

RTP will work in concert with the efforts of the Province to manage growth and address climate change to 2041, another ten years beyond *The Big Move*'s original long-range planning horizon.

The RTP review and update is staged in two phases:

- **RTP Review:** A discussion paper has been released (August 2016) that 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. This discussion paper presents an opportunity for the public, and all partners and stakeholders in planning, building and implementing the region's transportation system, to reflect on how well it is working today, in the context of *the Growth Plan for the Greater Golden Horseshoe*, and how it could perform in the future. The paper is available for partner, stakeholder and public feedback until October 31, 2016, which will in turn inform the update of the RTP
- **RTP Update:** the updated draft RTP will be released for public consultation in mid-2017. The final RTP is planned for end of 2017, with an implementation plan to follow in 2018-19

The RTP review web presence has been launched with [www.metrolinx.com/theplan](http://www.metrolinx.com/theplan) and on MetrolinxEngage.com, as well as the provincial environmental registry as an information item. A key goal is to educate, raise awareness and engage on the foundational elements of the plan.

Metrolinx staff work closely with a Municipal Technical Advisory Committee to undertake the review and update, and with the Ministry of Transportation staff to align this work with the Ministry's Greater Golden Horseshoe (GGH) Multimodal Transportation Study which has recently commenced.

## 12.0 Transit Support

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### 12.1 Smart Commute

The Smart Commute team leads TDM at Metrolinx, developing and delivering programs to support residents and workers in the GTHA to choose transportation options that make most efficient use of our transportation network, reduce congestion, and improve quality of life. This includes work to help address "first mile-last mile" challenges for travelers accessing rapid transit, and enable seamless travel experiences.

Smart Commute will continue to build on GO station access programming, including Carpool to GO, electric vehicle charging, car share, and access improvements via bicycle, including expansion of bike share services with Toronto Parking Authority. GO station travel planning will continue at select sites to support travel during construction and beyond.

Similarly, Smart Commute will provide TDM support for schools within the Eglinton Crosstown construction zone, and initiate broader TDM initiatives for travelers within the corridor.

The Active and Sustainable School Travel (ASST) initiative is building on the momentum gained in 2015 with the establishment of a GTHA ASST Hub, comprising more than 60 organizations and 100 active participants. A key element of this work will be completion of the Regional Planning for School Travel project in spring 2017, to support municipalities in developing region-specific priorities and strategic plans for their ASST programs.

Soft launch of an updated and enhanced Smart Commute workplace program was initiated in April 2016, comprising of strengthened delivery relationships with GTHA municipalities, increased focus on change opportunities, and better integration with broader Metrolinx and municipal transportation priorities.

## 13.0 Transit Procurement Initiative (TPI)

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### 13.1 Transit Procurement Made Easy

The number of Ontario municipalities participating in Metrolinx's Transit Procurement Initiative (TPI) program continues to grow - from 6 at the program's inception in 2006 to 36 in 2016. The TPI program adds significant value by supporting municipal transit agencies in making certain purchases, primarily for buses. The TPI program aggregates the purchasing volumes of the transit agencies to reduce purchase cost through economies of scale, improve quality of the delivered products, and eliminate costly duplication of what would otherwise be multiple procurement processes if each transit agency were to procure individually.

The TPI program governs a number of active supply contracts for conventional and specialized transit buses that are available to Ontario transit agencies. The program expects to deliver its 1,000th bus this year. In addition to larger buses, the TPI program is leading a mini bus procurement for ten transit agencies with an estimated quantity of 100 for smaller size buses.

Additionally, TPI is facilitating the purchase of an Intelligent Transportation-Automated Vehicle Location (ITS-AVL) solution. This technology represents a standard and sustainable solution that will help participating municipalities meet the automated announcement requirements of the Accessibility for Ontarians with Disabilities Act required for January 1, 2017.

The TPI program is yet another way in which Metrolinx supports a multi-modal transit strategy including helping municipalities to provide bus service to commuters connecting with GO Transit and LRT networks in the GTHA.

## 14.0 Metrolinx Internal

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### 14.1 Business Planning Improvements

#### **Planning & Budgeting within Hyperion**

In fiscal year 2015-16, Metrolinx implemented Hyperion Planning to enhance its planning and budgeting processes. Phase 1 dealt with the integration of workforce planning and labour budgeting processes, the automation of budget consolidation and the introduction of a formal organization wide budget variance reporting and in-year reforecasting process. The new system significantly reduced the time spent by the organization performing manual tasks and greatly improved visibility to budget information.

In fiscal year 2016-17, with Hyperion Phase 2, we will be further enhancing Phase 1 functionality, launching new functionality and integrating new account changes. There are two releases planned for Phase 2: Release 1 was delivered in July 2016, in advance of the 2017-18 budget planning cycle to provide quick-win functionality enhancements to the labour module as well as some overall functionality improvements. Release 2 will be delivered in June 2017 and will include the broader scope of enhancements along with the new account structure update.

The new system functionality will streamline budget and validation processes to shift work effort to more value added activities. It will also facilitate and promote the integration of business planning and budgeting. The net result will be improved transparency and decision-making at both operational and senior management levels.

#### **Key Performance Indicator (KPI) Dashboard Reporting**

The Corporate KPI initiative described earlier included the implementation of dashboard reporting. This dashboard reporting will be rolled out to Senior Management first and later, once KPI traceability and data collection process automation is established, will be rolled out to the business units. The dashboards will provide all levels of the organization with increased transparency to the organization's performance. It will also promote the use of data by all levels of management in budget and initiative prioritization decision making.

### 14.2 HR Profile

Human Resources (HR) works to ensure that the development of our workforce is consistent with Metrolinx's vision and aligns with the business plans as outlined. HR partners with the business units to ensure that Metrolinx has the right employees with the skills required to fulfil priorities outlined in our business plans.

## Human Resources Focus

- HR is focused on the delivery of initiatives as outlined in the 2015-2020 People Strategy – a five-year strategy that 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 human resource management, aligned to Metrolinx’s Business Plan.
- Initiatives being delivered in 2016/17 focus on enhancing employee engagement through leadership development, learning opportunities, wellness initiatives, and HR service delivery. Key deliverables in year two include:
  - Developing leadership capacity and enhancing the employee experience by developing and continuously refining programs targeted at employee wellbeing and growth including: a mentoring program, telework and refinement to the internal leadership development program.
  - Further enabling Metrolinx values and behaviours toward an organizational culture of service excellence.
  - Building human capital infrastructure through Enterprise Resource Planning (ERP) and Talent Management Software – both a part of the Human Resources Management Strategy which leverages technology to enhance data-driven decision making.
- In 2016-17 and ongoing, HR will continue to lead and support transformative realignment of Metrolinx’s existing business units to functional clusters promoting efficiency and agility to respond to, and accommodate, mandated changes.

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 their work and see the goal of delivering an integrated transportation system, resulting in a high-energy and fast-paced work environment that focuses on innovation, teamwork and excellence in service delivery. To support the Business Plan, HR partners with business units to forecast their human capital needs, both current and future, to develop a workforce plan. This plan provides structure to Metrolinx’s hiring and balances the need for growth that aligns with business requirements meeting fiscal demands.

As at April 1, 2016, Metrolinx had a staff complement of 3,535. This includes all budgeted positions including vacancies. To meet objectives as outlined in the Business Plan, Metrolinx has approved the hiring of 175 positions for the 2016-17 fiscal year. These additional positions were allocated through a workforce planning process in which business units submitted their requested positions with an accompanying business case. This increase represents a growth of 4.95 percent. The compensation philosophy is to pay at total remuneration of the market median of the 50<sup>th</sup> percentile (P50) of the broader public sector peer group with a retained 36 comparator organizations. Metrolinx leverages the commitment of its employees as a driver for enhanced employee engagement and commitment, leading to its recognition of being a Top Greater Toronto Area Employer, and a Top Employer of Young People, for three consecutive years. Improvements to the employee experience, professional development and work/life



balance initiatives all continue to support Metrolinx's commitment to being a top employer.

Metrolinx also has in place several other programs that benefit employees such as competitive compensation packages and extensive health benefits including pregnancy leave top-up, carpool/telework options, proactive and preventative well-being programs, as well as modern and sustainable work environments. These programs are comparable to that of other public sector organizations, and create a strong and compelling employee proposition that has enabled Metrolinx to attract top employees with many unique skills that are needed to support delivery of the organization's goals.

### 14.3 I&IT Profile

The Information & Information Technology Department (I&IT) provides leadership for I&IT in Metrolinx including planning & architecture, project management, solutions development and operations.

In 2015-16, in response to the growth of Metrolinx, I&IT transformed the way in which it enabled Metrolinx to serve its customers, leverage its information assets through the innovative use of information technology and manage operations. With the conclusion of the I&IT transformation in early 2016-17, I&IT is now a more informed, integrated, reliable and agile organization, able to quickly adapt and respond with solutions to meet the growing and changing needs of our customers.

As part of the transformation, I&IT has integrated its project management, solutions design and delivery, architecture and transition to operation processes into a single, integrated and scalable delivery methodology. Project governance and oversight is established and integrated into the methodology at defined points in the project's life cycle. I&IT will also continue to optimize its functions, services and products in order to improve external customer and internal stakeholder experiences.

For 2016-17, I&IT initiatives fall into four categories of focus. Highlighted below are a subset of I&IT priorities:

#### **1. Enabling Enterprise-Scale Business Transformation:**

- **Enterprise Asset Management (EAM)**  
The EAM multi-year program will implement a transformative, enterprise-wide asset management system across all assets, which includes: the development of standard asset management business processes, sustainment organization and people change management activities, and the implementation of a technology solution that automates and supports business processes
- **Enterprise Resource Planning (ERP)**  
Integrate Metrolinx is a multi-year ERP program providing Metrolinx with best-in-class business processes and enabling technologies to improve the way we save, enter, manage and analyze 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

- Cybersecurity (CSP)  
The CSP multi-year program will implement a comprehensive, integrated business and I&IT approach towards improving Metrolinx's cybersecurity posture. 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 Portfolio  
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 and delivering an Enterprise Document & Records Management solution (further details below)

## **2. Integrated Planning and Portfolio Management**

- I&IT will take a holistic view of risks, assets (information, hardware, software) programs and projects for integrated decision-making against strategic alignment. Factors that will contribute into integrated decision-making include (but not limited to): cost, risk, value, age, and usage etc.

## **3. Project Delivery**

- Union Station Revitalization  
Providing I&IT operations support to the Capital Projects Group for the revitalization of the Bay Concourse at Union Station as per Metrolinx Five Year Strategy (2015-2020)
- Web Refresh  
Redesign of the gotransit.com and metrolinx.com websites to enhance user experience. Implement a content management system to support the new web sites
- Open Metrolinx  
The Open Data Program is a result of the Open Data Directive mandated by the Ontario Provincial Government in November 2015. The Program's goal is to enhance transparency within government. The focus of this initiative is to establish the inventory, processes and governance to facilitate the sharing of Metrolinx data via a centralized Web portal by 2017
- Computer Aided Dispatch and Automatic Vehicle Location (CAD AVL)  
Implementation of the CAD AVL system will modernize the onboard customer experience for bus, rail and UP Express riders as well as to improve Metrolinx bus operations performance
- Enterprise Document and Records Management System (EDRMS)  
Deliver the foundational elements of an electronic document and records management solution to support electronic information management at Metrolinx

- *Digital and Innovation Strategy*  
The objective of this initiative is to collaboratively lead the digital transformation of the business and facilitate adoption of the digital technologies across the organization. The mandate includes enabling the transformation of Metrolinx to a digital, data driven enterprise that integrates people, processes and capabilities to deliver a world class customer and operational experience. This will be achieved through leveraging our data better through analytics, developing an enhanced mobile/ web/ social media strategy, and by providing our customers with a more streamlined multi-channel experience for enhanced efficiency and improved service

#### **4. Solutions Modernization**

- A portion of our business solutions are delivered via near end of life technology and require modernization and replacement. I&IT will ensure the continued availability of critical business solutions through the application of a portfolio management approach. This approach will inform investment decision-making through the integrated analysis of risk, value and cost of software applications and infrastructure

## **14.4 Communication Plan**

During 2016-17, Metrolinx will continue to focus its communications activities on effectively showcasing the organization as a leader in delivering regional transit and transportation solutions.

Communications activities will continue to focus on key strategic directions:

- Community relations: expanding our reach into the various communities that will be impacted by future construction as well as future projects which are at the planning stages
- Increasing our level of communication in support of the Metrolinx mandate and services

A key objective for the organization and for Communications & Public Affairs will be to build awareness and support for the work we will be undertaking to build new rapid transit as well as transform GO Transit. Support will be delivered through the development of communications and marketing campaigns as well as ongoing community and digital engagement to build public awareness and support for Metrolinx objectives.

We will continue to promote and build awareness of our three service brands – specifically, to increase awareness of UP and to drive ridership. We will also continue to promote PRESTO as the convenient, electronic fare card with a special focus on the continued expansion of PRESTO on the TTC, Canada’s largest transit agency. Public and customer communications to support the rollout on TTC will once again be a prime focus for Metrolinx this year.

## Appendix

### Key Assumptions

#### Fuel Price

For GO 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 in one direction. 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 2016-17 budgeted volume, rising unit price for diesel could lead to a potential budget shortfall of 3 to 9 million dollars or more depending on the percentage increase. Exhibit 22 below lists the fuel prices used in fiscal year 2016-17 Annual Business Plan and corresponding budget shortfalls resulting from possible gas price increase.

#### Exhibit 22: Metrolinx Fuel Price Volatility

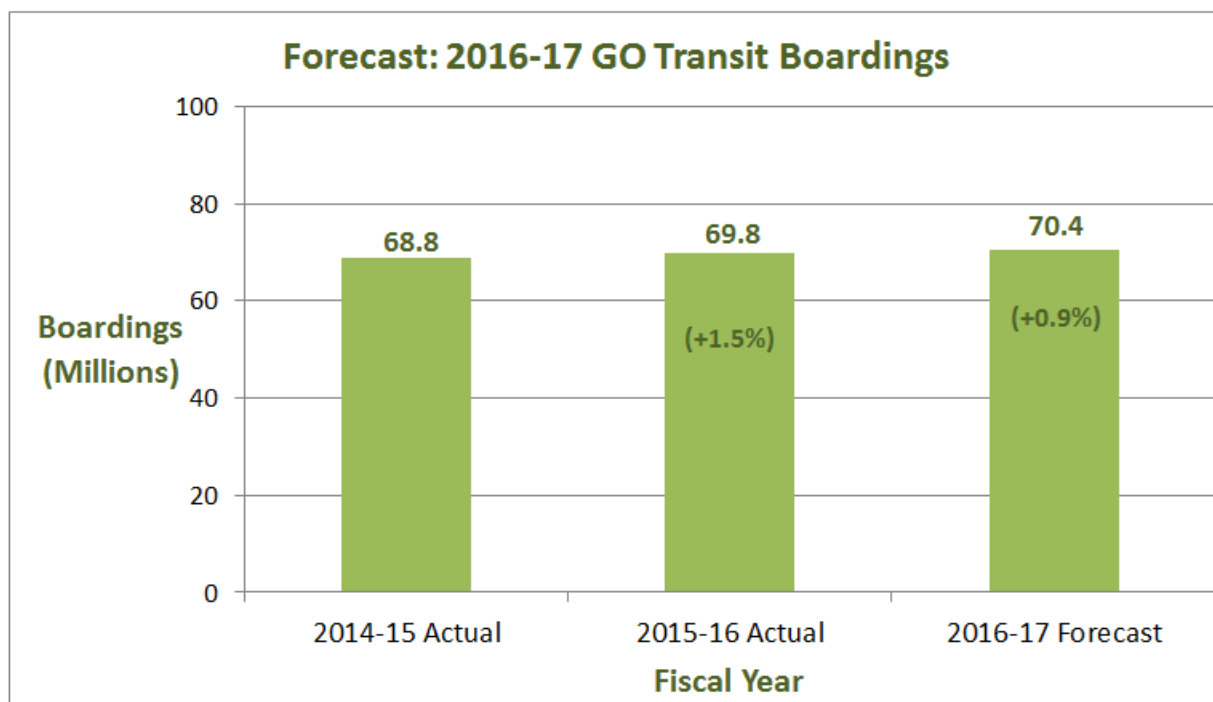
GO Transit Fuel Budget - Impact of Unit Price Change						Potential Budget Shortfall		
BU	Direct Price/ litre (\$)	Outsourced Price / Litre	Budgeted Volume (M litres)	Total Budget (\$M)	5% Price Increase	10% Price Increase	15% Price increase	
Bus	0.8480	0.9489	24.99	\$ 21.65	-\$1.08	-\$2.16	-\$3.25	
Rail	0.7500	0.8509	50.00	\$ 37.50	-\$1.88	-\$3.75	-\$5.63	
UP	0.7500	0.8509	3.24	\$ 2.43	-\$0.12	-\$0.24	-\$0.36	
<b>Grand Total</b>			78.23	\$ 61.58	-\$3.08	-\$6.16	-\$9.24	

#### GO Transit Ridership

In fiscal year 2015-16, GO Transit implemented a number of service enhancements to improve its quality of service, convenience and value. There are more peak hour train trips on both the Lakeshore East Line and Lakeshore West Line, as well as new and increased bus trips across the GO Transit network. These service enhancements, along with external factors such as development intensity near the GO Transit network and growth in population and jobs, contribute to GO ridership across GTHA.

For fiscal year 2016-17, total GO ridership growth (as measured by boardings) is forecasted to be 0.9 percent higher than ridership for 2015-16.

## Exhibit 23: Metrolinx Ridership Growth



### GO Transit Fare Increase

GO Transit implemented a fare increase on February 1, 2016. There was no increase on the minimum fare which is still set at \$5.30. PRESTO users will continue to pay less than paper ticket users. GO Transit is increasing the initial discount for using PRESTO. This means that PRESTO users will actually pay less for short-distance trips than they do currently because those fares will not increase. Fare increases help cover the increasing operating costs and allow the organization to meet the needs of growing ridership, providing excellent and reliable customer services, helping to provide enhanced service, improving communications, and well-maintained facilities and equipment.

The February 1, 2016, GO Transit fare adjustment has increased the base adult single fare as follows:

- a 40 cent increase on fares between \$5.70 and \$6.50
- a 50 cent increase on fares between \$6.51 and \$8.25
- a 60 cent increase on fares greater than \$8.25

## **UP Express Ridership**

UP Express became fully operational in June 2015 with ridership at about 0.8 million in fiscal year 2015-16 for the partial year that it operated. For fiscal 2016-17, UP Express ridership is forecasted at 2.4 million based on a new fare price implemented since March 2016, using a forecasting model that accounts for various fare product offerings and the fare structure. Fare products include round trip discounts, concessions, meet and greet tickets, volume discounts, on board payments, long layover ticket types, and airport employee discount program.

## List of Acronyms

AFP	Alternative Financing and Procurement
AMT	Agence metropolitaine de transport
ASST	Active and Sustainable School Travel
BCA	Business Case Assessment
BRT	Bus Rapid Transit
CAD AVL	Computer Aided Dispatch and Automatic Vehicle Location system
CN	Canadian National Railway
CP Rail	Canadian Pacific Railway
CSIF	Canada Strategic Infrastructure Fund
CSP	Cybersecurity
CTA	Canada Transportation Act
CUTA	Canadian Urban Transit Association
EAM	Enterprise Asset Management
EAs	Environmental Assessments
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
GCH	Greater Golden Horseshoe
GEXR	Goderich and Exeter Railway
GHG	Greenhouse Gas
GTA	Greater Toronto Area
GTHA	Greater Toronto and Hamilton Area
HR	Human Resources
I&IT	Information & Information Technology Department
IO	Infrastructure Ontario
IT	Information Technology
ITS-AVL	Intelligent Transportation-Automated Vehicle Location
KPI	Key Performance Indicator
LRT	Light Rail transit
LVC	Land Value Capture
PA	Public Address
PNR	Pacific Northern Railworks
GO RER	Regional Express Rail
RFP	Request for Proposal
RFQ	Request for Qualification
RT	Rapid Transit
RTP	Regional Transportation Plan
TAC	Technical Advisory Committee
TBMs	Tunnel Boring Machines
TDM	Transportation Demand Management
TPAP	Transit Project Assessment Project
TPI	Transit Procurement Initiative
TTC	Toronto Transit Commission
TTR	Toronto Terminal Railways
UP Express	Union Pearson Express
USRC	Union Station Rail Corridor
VMC	Vaughan Metropolitan Centre