

To: Metrolinx Board of Directors
From: Robert Siddall
Chief Financial Officer
Date: September 14, 2017
Re: 2017-18 Metrolinx Business Plan

Executive Summary

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

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

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

Recommendation

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

RESOLVED:

THAT the 2017-18 Metrolinx Business Plan attached to the September 14, 2017 report of the Chief Financial Officer be approved for submission to the Minister of Transportation for the Minister's consideration and approval in accordance with section 32 of the Metrolinx Act, 2006;

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

Background

The Metrolinx Business Plan is in line with the requirements set out in the *Agencies & Appointments Directive* (the "Directive"). It presents the Metrolinx mandate and strategic direction in achieving progress on the *2017-2022 Metrolinx Five Year Strategy*. It also includes current and future views of projects, operations, capital and operating resource requirements, third party initiatives and identified risks.

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

Key Deliverables in the 2017-18 Business Plan:

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

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

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

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

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

Respectfully submitted,

Robert Siddall
Chief Financial Officer

Attachment:
2017-18 Metrolinx Business Plan