

2013 Base Plan and Outlook



Transportation and Financial Base Plan for 2013 to 2015 and Outlook for 2016 to 2022

For the purpose of the *BC South Coast British Columbia Transportation Authority Act*, this 2013 Base Plan and Outlook constitutes the Base Plan prepared in 2012 for the 2013 to 2015 period and the Outlook for the 2016 to 2022 period. This Plan will serve as TransLink's 2013 Strategic Plan.



October 30, 2012

Approved by the TransLink Board and submitted to the Mayors' Council on Regional Transportation and the Regional Transportation Commissioner.

TransLink Board Members

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James Bruce, Board Vice-Chair
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About TransLink

The South Coast British Columbia Transportation Authority ("TransLink") is Metro Vancouver's regional transportation authority. TransLink is responsible for regional transit, cycling, roads, goods movement and commuting options, as well as AirCare and Intelligent Transportation System programs. Transit services are delivered through operating companies, which include the Coast Mountain Bus Company, British Columbia Rapid Transit Company, and third-party contractors. TransLink also shares responsibility for the Major Road Network (MRN) and regional cycling with its municipal partners in Metro Vancouver. TransLink is the first North American transportation authority to be responsible for planning, financing and managing all public transit in addition to major regional roads, bridges and cycling.

About the 2013 Base Plan

Under the *South Coast British Columbia Transportation Authority Act* ("SCBCTA Act"), TransLink is required to prepare a three-year base plan and seven-year outlook every year. The base plan supports implementation of the region's long-term transportation strategy, as well as progress toward the Provincial Transit Plan, Metro Vancouver's Regional Growth Strategy, Provincial greenhouse gas reduction targets and municipal plans.

This document constitutes TransLink's 2013 Transportation and Financial Base Plan and Outlook ("2013 Base Plan"). It identifies the strategic initiatives, programs, investments and services that TransLink intends to pursue from 2013 through 2015 (i.e. "plan period"), drawing only on established funding resources. It also identifies the services and major capital projects that TransLink plans to provide from 2016 through 2022 (i.e. "outlook period").

Caution regarding forward looking statements

From time to time, TransLink makes written and/or oral forward-looking statements, including in this document and in other communications. In addition, representatives of TransLink may make forward-looking statements orally to analysts, investors, the media and others.

Forward-looking statements, by their nature, require TransLink to make assumptions and are subject to inherent risk and uncertainties. In light of the uncertainty related to the financial, economic and regulatory environments, such risks and uncertainties, many of which are beyond TransLink's control, and the effects of which can be difficult to predict, may cause actual results to differ materially from the expectations expressed in the forward-looking statements.

Contents

2	A message from the Board Chair
3	A message from the CEO
4	Cutting costs, spending wisely
5	Where are we now? A decade of growth and transportation improvements Proving efficiency and cost-effectiveness Managing in tough times
14	2013 to 2015: What can we afford? What will we do for roads, bridges and cycling? What will we do for transit? How will we improve the region's transportation experience?
22	What about the future? Regional Transportation Strategy Asset management Financial sustainability
24	Outcomes: Achieving our goals Supporting regional goals, plans, policies and partnerships Is the region achieving its goals?
26	Looking ahead

27	Appendices Appendix A: Revenue sources Appendix B: Services, programs and capital expenditures Appendix C: Regional Transportation Strategy Appendix D: Outcomes Appendix E: Financial information Appendix F: Efficiencies and key performance indicators Appendix G: Financial tables Appendix H: Consultation
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A Message from the Board Chair

TransLink reached out to our partners, our stakeholders and the public to consult on the draft 2013 Base Plan, and what we heard repeatedly that the region is demanding a way forward on transportation that ensures that the progress over the past decade is not lost.

We heard a desire from people across the region for more funding to support sustainable modes of transportation, particularly transit and cycling. Given our current funding challenges and uncertainties, we are delivering as much of our previous commitments as is financially feasible, but are unable to implement the full package of initiatives identified in the 2012 Moving Forward Plan. We recognize that the people and leaders of this region are calling for further investment in sustainable transportation, and as funding becomes available and future plans are developed, this will be front and centre.

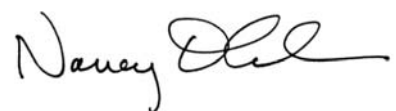
We heard that people want to focus on the future and collaborate on a renewed long-term vision and strategy for transportation. Metro Vancouver reaffirmed that they want to strengthen their partnership with TransLink to ensure that the region's plans for transportation and land use support and strengthen one another. In releasing the results of their audit of TransLink on October 16, the Province also signaled their interest in making sure the region's long-term transportation plans are supported with an appropriate long-term funding strategy.

We recognize that the Mayors' Council is no longer supportive of the time-limited property tax and is eager to resume work with the Province to find a new long-

term funding source to support transportation in our region. Metro Vancouver also called for alternative funding mechanisms and feels there will be detrimental effects on the implementation of the Regional Growth Strategy if the time-limited property tax is rescinded without the inclusion of a corresponding revenue source. The Mayors' Council request to remove the previously approved time-limited property tax is a challenge that still needs to be addressed as the expenditures in this plan rely on those revenues and we are required by law to show previously approved property taxes in a base plan.

A consensus on a long-term strategy and supportive funding is needed. TransLink and its Board welcome the collective leadership of the Mayors' Council, Metro Vancouver and the Province in their commitment to work together to identify funding solutions. We are ready to begin work immediately to confirm our collective vision and goals for transportation in the region and the strategies, policies and investments to achieve these, and to find solutions to both current and long-term funding challenges.

The future of our region is at stake. We must work together to ensure our transportation network continues to support our thriving region.



Nancy Olewiler | Board Chair

A Message from the CEO

Transportation agencies across North America are facing significant financial challenges given the economic climate over the last several years and significant reductions in core revenue sources, such as fuel taxes. TransLink is not immune. Over the next three years, revenues are projected to be \$472 million lower than forecast in last year's Moving Forward supplemental plan. However, unlike many other transportation agencies, TransLink has been able to avoid reductions in overall transit service and continues to fund expansion, albeit not at the pace previously envisioned.

Since 2009, TransLink has focused on finding efficiencies, reducing costs and leveraging our existing assets. We have been able to weather the recent financial storm because of these efforts. The 2013 Base Plan relies on \$98 million in annual efficiencies, consisting of efficiencies we already had underway, plus new efficiencies that are being introduced in this plan. This aggressive approach has meant we've had to make tough choices, some of which will have customer impacts.

On October 16, 2012, the Province released findings of the audit of TransLink undertaken by the Ministry of Finance. The audit confirms we are managing the regional transportation system well and validates the \$98 million in annual efficiencies. The audit makes a series of recommendations and identifies an additional \$41 million annually. The measures identified would require TransLink to reduce the amount of service we provide in certain areas and to reconsider some of our financial policies that allowed us to be resilient to financial challenges, and therefore need further

discussion and consideration before being adopted. We remain committed to being as efficient as possible, being fiscally responsible and operating within our means.

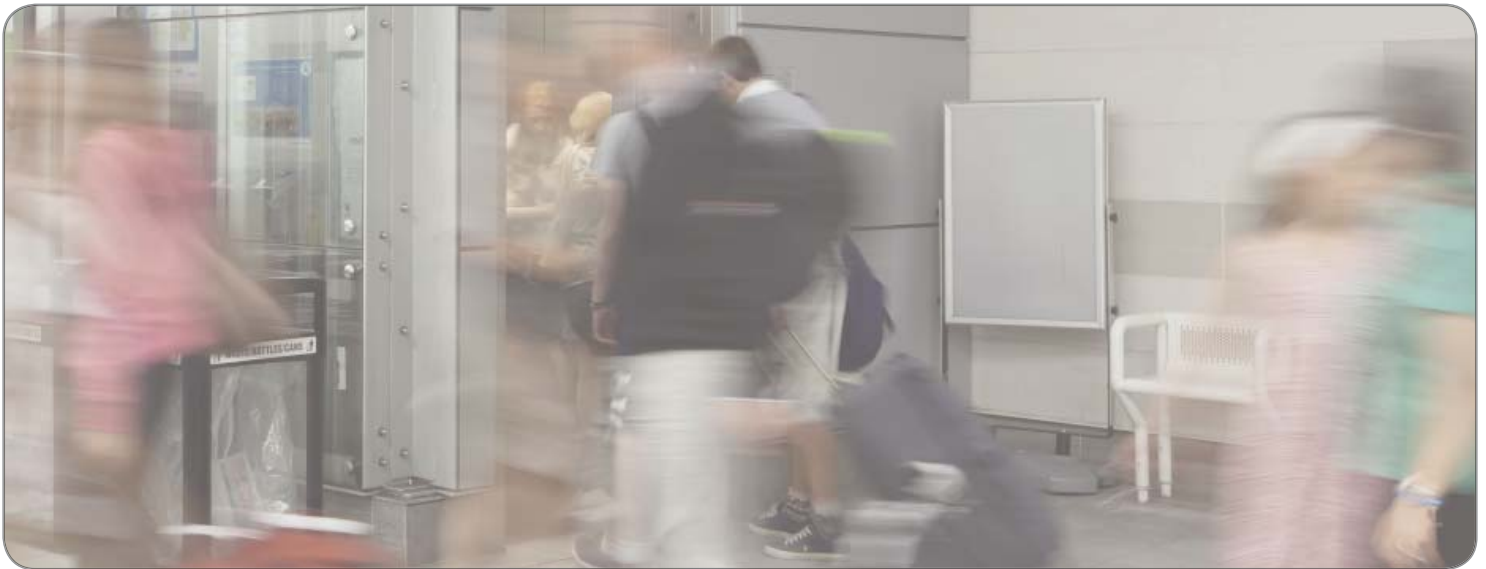
The 2013 Base Plan delivers as much of the investments from the 2012 Moving Forward Plan as is financially feasible. What we can deliver is achieved by aggressively reducing costs and seeking efficiencies, leveraging our assets to increase revenues and drawing down our reserves to the lowest level that is still fiscally responsible. As required by law, this plan assumes the previously approved time-limited property tax. We've heard the Mayors' Council's desire to not proceed with this source and we will work with them to address their concerns about the reliance on property taxes.

We know the investments in the 2013 Base Plan are not enough. We've heard the call for us to find ways to implement the full 2012 Moving Forward Plan. Over the coming months, TransLink will work with our partners to identify new funding solutions, and we will also continue to manage our expenditures carefully and look for ways to further reduce our costs.

The 2013 Base Plan is constrained by our present financial challenges, but our region must look forward and come together to ensure our growing region's needs are served.

A handwritten signature in black ink, appearing to read 'Ian Jarvis', with a stylized, flowing script.

Ian Jarvis | CEO



Cutting costs, spending wisely 2013 Base Plan and Outlook

Since 2002, there has been unprecedented expansion in transit in the region. There has been a 45 per cent increase in bus service, two rapid transit lines have opened and a third new SkyTrain line is on the way. We've leveraged new technologies to give customers better access to information. We've also made significant investments in road infrastructure and supported cycling.

Since 2008, TransLink has been cutting costs and finding efficiencies. There are almost \$100 million per year in efficiencies built into this plan. We are making the most of every dollar.

Despite these efficiencies, TransLink faces significant challenges to several revenue sources. For example, fuel tax revenue, our second largest source of income, is declining. Last year, TransLink committed to an investment plan that assumed we'd have \$144 million more in fuel tax revenue from 2013-2015 than we now expect to get.

This plan will deliver as much of the 2012 Moving Forward Plan, approved last year, as we can afford. This includes:

- Our contribution to the Evergreen Line
- Upgrades to seven SkyTrain stations to improve access and capacity
- Bus and SeaBus expansion implemented in 2012
- Highway 1 Rapid Bus from Carvolth to Braid (Lougheed)
- King George B-Line from Guildford to Newton

This plan works because we've taken a multi-pronged approach:

- Reducing costs and finding efficiencies
- Increasing revenue by leveraging our existing assets and services
- Drawing down our cumulative reserves to the minimum fiscally responsible level

We are not meeting the region's desire and need for further investment in transportation and our progress to our regional goals is, at best, modest.

A well functioning transportation system is vital to the livability of Metro Vancouver. We need to work together to define our path forward.

Where are we now?

A DECADE OF GROWTH AND TRANSPORTATION IMPROVEMENTS

Since 2002, TransLink has invested in an unprecedented expansion of the regional transportation system. Today, the people who live in Metro Vancouver have more and better choices for getting around. Major facilities such as the Canada and Millennium Lines and the Golden Ears Bridge were built and have shortened commute times and improved the efficiency of goods movement. We have invested over \$357 million to build or improve regional roads, including facilities such as the Fraser Highway, Coast Meridian Overpass, Mount Seymour Parkway and David Avenue. TransLink also contributed \$272 million to making sure the over 2,300 kilometres of Major Road Network it funds is kept in a state of good repair. We have invested \$42 million in making cycling better by funding upgrades to municipal bike facilities, funding new facilities such as the Central Valley Greenway and building a pedestrian and bicycle bridge over the Fraser River. TransLink also succeeded in providing world-acclaimed transportation service in support of the 2010 Winter Olympic Games.

TransLink leads North America in transit ridership growth. Today, we provide 45 per cent more transit service to this region than we did in 2002, while serving nearly 80 per cent more transit customers. In 2011, TransLink provided more than 233 million rides on our transit network. Research shows that over 50 per cent of people in this region use transit in a typical month, reflecting the broad reach and quality of our services.

The people who live and work here—road users, cyclists, pedestrians and transit riders—all benefit in a variety of ways from our quality transportation system. For example, the Golden Ears Bridge has saved many road users time—with 30 minutes or more in travel time savings— and money— with lower fuel and operating costs. TransLink's other major road investments also make it easier for people and goods to move around the region efficiently.

The dramatic increase in transit use also has a positive impact. Transit users save money by using the system. Fewer drivers results in lower emissions and cleaner air. Those who need to drive face less congestion, improving mobility for service providers and the movement of goods. In fact, 10 per cent fewer cars now enter the core of Vancouver than a decade ago, and traffic volume growth on other regional roads has substantially slowed.

The expansion of service over the last decade has brought clear benefits to our region, and so far we have been able to meet rising demand and get closer to achieving regional goals. But the question our region now faces is how we will meet the needs of the future within the means we have available.

FIGURE 1 TransLink Efficiencies, Past and Present

Already implemented or assumed in 2012 Plan

Cost-Saving Efficiencies

\$30 Million / Year

(\$90M total 2013-2015)

- Previous reduction of over 90 management and professional positions
- Reductions in overtime and labour costs
- No cost of living increases to exempt staff salary levels
- Reduced cost of buying goods and services
- Increase in usage of fuel efficient vehicles

Revenue-Increasing Efficiencies

\$27 Million / Year

(\$81M total 2013-2015)

- Optimization of bus services
- Reduction of fare evasion
- Increased ridership revenue by accommodating background population growth with no new service

\$57 Million / Year

(\$171M total 2013-2015)

New efficiencies introduced in 2013 Base Plan

Cost-Saving Efficiencies

\$17 Million / Year

(\$51M total 2013-2015)

- Scheduling efficiencies
tighten up schedules by reducing recovery times
- Rightsizing the transit fleet
assign vehicles to ensure that each route is served by the appropriately sized vehicle, based on customer demand
- Maintenance and operation efficiencies
improve maintenance practices
- Reduced SkyTrain frequency on Expo and Millennium Lines
on weekends from 9:30am-9:30pm

Revenue-Increasing Efficiencies

\$24 Million / Year

(\$72M total 2013-2015)

- Additional optimization of bus services
shift bus resources to routes where there are more riders; serving more riders generates more revenue
- Leveraging real estate assets
obtain commercial value from real estate assets and pursue real estate projects that deliver sustainable revenues
- Park and ride pricing
introduce or increase rates at TransLink operated park and ride lots

\$41 Million / Year

(\$123M total 2013-2015)

Average annual total efficiencies:

\$98 Million / Year

Three year total efficiencies:

\$294 Million (2013-2015)

Further, \$41 million of additional one time cost savings and efficiencies were implemented in 2012.

These efficiencies will impact customers – buses may come less frequently on routes that aren't very busy and smaller buses may be used; some less busy bus service may be cancelled; SkyTrain passengers will have to wait longer for a train on weekends and the trains will be more crowded; the risk that buses won't run on time will increase. On the other hand, passengers using the busiest routes are less likely to get passed up by an overcrowded bus and TransLink's real-time bus information will let people know when their bus is expected to arrive.

TRANSLINK IS PROVING ITS EFFICIENCY AND COST-EFFECTIVENESS

In 2008, the TransLink Board, just established under our new governance structure, faced a projected \$150 million gap between revenues and expenditures. After a period of rapid expansion, TransLink's expenditures were growing faster than its funding could support. In response, we halted further expansion, and in 2010 we implemented **\$30 million in cost-saving efficiencies**. We reduced spending by eliminating executive, management and professional positions, consolidating procurement activities and centralizing human resources and information technology. These savings continue to carry forward under this plan. TransLink delayed more extensive cost reductions until we fulfilled our service commitment to the 2010 Olympic Winter Games, which required every available bus and rail car to ensure success.

Since then, we have continued to find ways to streamline our business and make every dollar count. In 2010, we began optimizing bus service, a program to better match service with demand around the region. To date, 3.4 per cent of total bus service hours have been shifted to busier routes or times of day. This resulted in better service to more customers and was responsible for \$7 million of the \$21 million in new transit revenues added to the system in 2011. Over the next three years, the impact of improved productivity that was already assumed in previous plans is **\$27 million in additional revenue a year**.

This plan introduces more efficiency measures in addition to those that have already been implemented or assumed in our previous base plan. For example, cost savings will be achieved by tightening up bus schedules to reduce "recovery" time, the time provided at the end of a route to ensure bus schedules are reliable. More routes will be served by smaller vehicles that are less expensive to operate. Changes will be made to maintenance and other operation practices to increase cost-efficiencies. And, in order to reduce costs, SkyTrain will not run as frequently on weekends, though the same number of passengers will be carried. **The combined impact of these efforts is additional cost-saving efficiencies of \$17 million a year.**

In this plan, we are taking steps to leverage our assets and existing service to further increase revenues. In addition to the \$27 million in revenue-increasing efficiencies in our previous plans, **a further \$24 million a year in new revenues will be achieved, at no extra cost to TransLink**. Service optimization is now a core and ongoing program, and each year we will achieve productivity gains by reallocating services. We will leverage our real estate assets to generate sustainable revenues, and we will introduce or increase charges at our park and ride lots to bring a more equitable approach and ensure efficient usage of the lots.

So far, TransLink has been successful in identifying efficiencies and cost reductions while maintaining a record-high level of customer satisfaction. However, it will be difficult to achieve these further efficiencies and cost reductions without having a negative impact on our customers. For example, fewer spare buses available and tighter schedules will have an impact on how reliable our bus services are for customers. This will especially be the case when major service disruptions occur, such as a SkyTrain service stoppage or power disruption on a trolley line, as there will simply be fewer buses on standby and available to respond. While many customers will benefit from reducing crowding and fewer pass-ups from service optimization, some customers will experience a reduction in service. Some bus passengers will travel on smaller vehicles, weekend SkyTrain passengers will have to wait a little longer, and the trains will be a bit more crowded. The efficiencies that have already been implemented and previously planned and the new efficiencies being introduced are necessary in order to be able to afford the investments committed to in this plan.

TransLink is also reducing costs and taking steps to keep costs from growing. In 2012, TransLink examined and prioritized all capital projects and services on the basis of their business cases and we are only proceeding with those that are cost-effective and deliver the highest benefit to customers and the region. In total, \$82 million of initiatives from the 2012 capital program have been cancelled, deferred or reduced in scope. While there were important initiatives among these, there is not sufficient funding available to implement them at this time. We will work to reintroduce these capital initiatives—in order of priority—as resources permit.

There are a number of risks associated with this plan. The efficiencies described above must be achieved. Real estate revenues must be realized. If fuel prices increase beyond what is forecast, it will increase costs to TransLink and will likely decrease fuel tax revenues. This plan also assumes there will be no labour rate increases for the next two years. If this turns out to be something that can't be achieved, TransLink will have to reduce expenditures in other areas.



FIGURE 2 The Financial Challenge

1

In 2011, we had a plan to expand.

A \$2.24 billion investment program was approved by the Mayors' Council in October 2011. This required approximately \$70 million per year in new revenue, to be funded by 2 cents of additional fuel tax and a \$30 million per year new revenue source.

2

After plan approval, TransLink faced new financial realities.

Today, we face significant challenges to our funding sources. We are expecting \$472 million less than forecast revenue over the next 3 years, mostly because of lower fuel tax and transit revenues. (see below)

3

We've made every effort to close the gap.

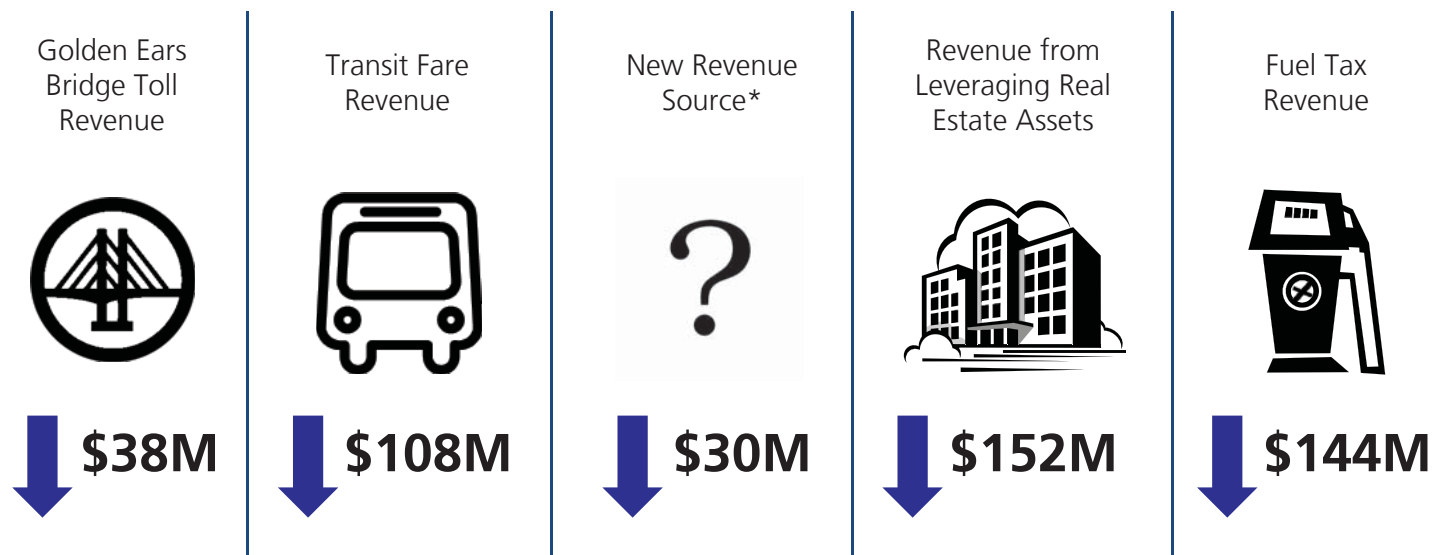
We are doing more with less by: implementing further efficiencies & cost-reductions; finding innovative ways to increase our revenues; and, drawing down our reserves to the minimum level.

4

It's still not enough.

We're still facing a revenue gap. We've had to choose projects that add the best value to the system, and defer the remainder to the future.

The following revenues are down as compared to previous forecasts



Total Shortfall for 2013-2015:

\$472M

*Time-limited property tax provides \$30M/year for 2013 and 2014, missing \$30M in 2015 from the new revenue source

MANAGING IN TOUGH TIMES

While TransLink continues to focus on being efficient and cutting costs, today we face significant challenges to our funding sources. It costs money to expand transportation services to meet the demands of this growing region, and the revenues needed to provide the additional transit, road, bicycle and pedestrian investments that can meet current and future needs to move people and goods are now in question.

TransLink's second-largest revenue source, fuel tax, is expected to be significantly lower than previously forecast. In 2011, fuel consumption dropped 5 per cent from the previous year, and TransLink is projecting a further decline of approximately 3 per cent for 2012. We now expect \$30 million less in 2012 compared to what was forecasted in our 2012 strategic plan (the 2012 Moving Forward Plan). Over the next three years, we forecast that fuel tax revenues will be \$144 million lower than what the 2012 Moving Forward Plan assumed. Forecasting fuel consumption and revenues is difficult given complex factors involved and the volatility in revenues paid to TransLink due to a recent Provincial change in collection methodology.

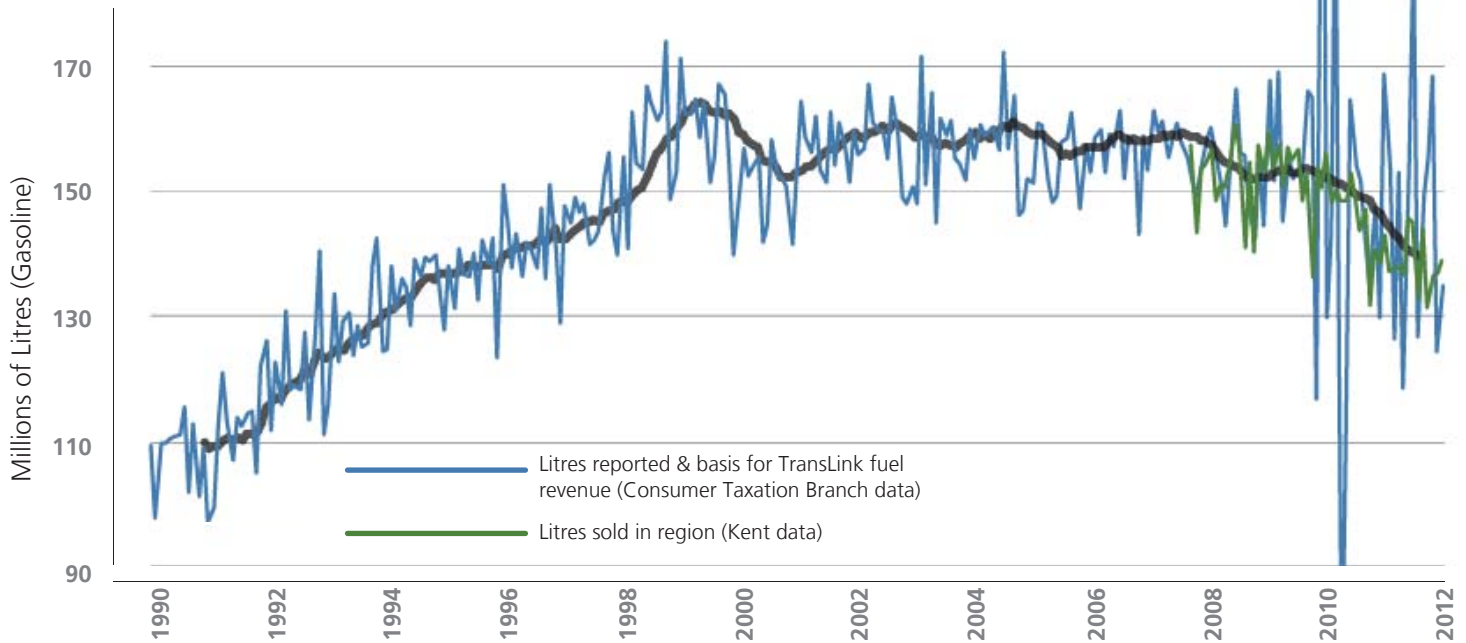
A combination of factors is likely contributing to the decline, including people driving less and using more fuel-efficient vehicles, and more people filling up their cars outside Metro Vancouver. Less driving and lower emissions are good news because it means people are making more sustainable transportation choices and reducing their environmental impact. However, lower fuel consumption has a significant impact on TransLink's overall fuel tax revenues and highlights the need for sustainable long-term funding for transportation.

Over the next three years, fare revenue will be approximately \$108 million lower than was previously anticipated. This difference is primarily caused by three factors. First, expansion of service hours is lower than expected. Second, forecasted revenues from pass programs have been reduced (negotiations are underway). Third, in April 2012, the TransLink Commissioner rejected a supplementary fare increase for 2013. Under the SCBCTA Act, TransLink can raise the price of short-term fares by up to 2 per cent each year (from April 2008 rates) without Commissioner or Mayors' Council approval. However, TransLink requested a slightly larger fare increase (i.e. supplementary fare increase) to help fund further transit expansion. The Mayors' Council approved this proposed supplementary increase in 2009, which was supposed to bring in another \$15 million of fare revenue over the plan period. The Commissioner refused to allow this supplementary increase. Instead, he suggested TransLink reapply after demonstrating \$40 to \$60 million of cumulative efficiencies in our 2013 Base Plan. After submitting the 2013 Base Plan, TransLink intends to reapply for the supplementary increase for implementation in 2014.

The 2012 Moving Forward Plan assumed proceeds from the sale of the Oakridge Transit Centre would occur in the 2013-2015 period. The timing for vacating current operations from this property has now been delayed until 2016. **\$152 million in revenue from the sale of Oakridge is no longer available to fund operations in the next three years.**

Traffic volumes on the Golden Ears Bridge are not growing as quickly as originally forecasted and **toll revenue is**

FIGURE 3 **The Decline of the Regional Fuel Consumption**
Metro Vancouver Gasoline Sales, Monthly & 12-Month Average

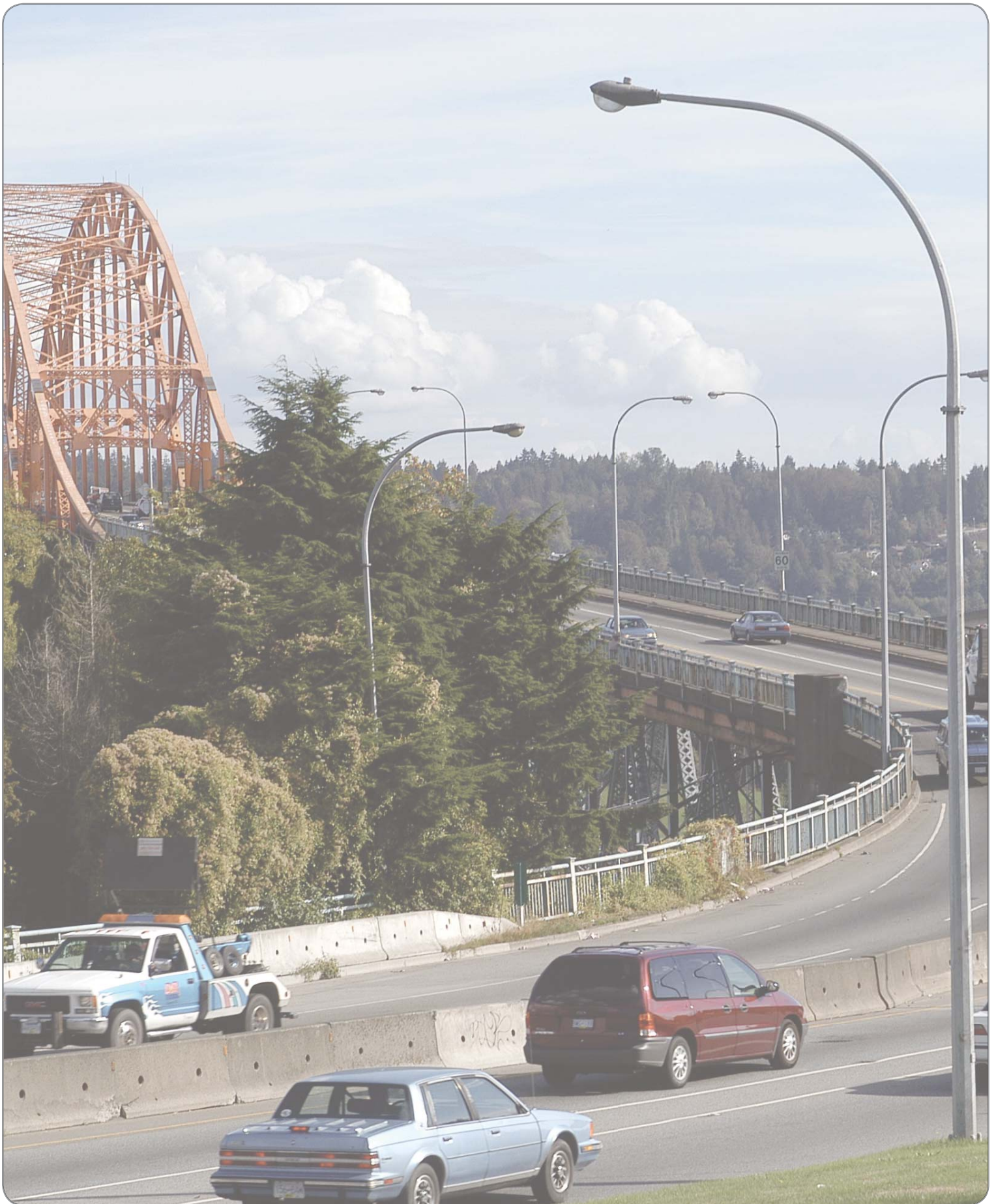


expected to be \$38 million lower over the next three years than was assumed in the 2012 Moving Forward Plan.

Finally, the 2012 Moving Forward Supplemental Plan, which was adopted by the Mayors' Council in October 2011, assumed that the Province and the Mayors' Council would agree on a new \$30 million per year funding source to fund services and projects in the plan. If this source was not identified in 2012, a time-limited property tax in the amount of \$30 million per year for 2013 and 2014 would be introduced as a means of paying for the expansion implemented in 2012. **A new \$30 million per year funding source has not been identified**, and the Mayors' Council has confirmed that they want a supplemental plan produced to remove the time-limited property tax. They have established a timeline for the Mayors' Council and Province of British Columbia to work together to identify a long-term funding model by February 28, 2013. TransLink is committed to working with the Mayors' Council and the Province over the next few months as they work to find a new long-term funding solution. Legally, this 2013 Base

Plan must include the time-limited property tax for 2013 and 2014. The removal of the time-limited property tax without replacement revenue would require TransLink to reassess what can be delivered in the plan period and service reductions and impacts to customers would be expected.

In May 2012, TransLink invited the Provincial Government to undertake an audit of the organization to help identify further opportunities for savings. On October 16, the Province released findings of its audit which **confirms we are managing the regional transportation system well and validates the \$98 million in annual efficiencies**. The audit makes a series of recommendations and identifies an additional \$41 million annually. The measures identified would require TransLink to reduce the amount of service we provide in certain areas and to reconsider some of our financial policies that allowed us to be resilient to financial challenges, and therefore need further discussion and more consideration before being adopted. We remain committed to being as efficient as possible, being fiscally responsible and operating within our means.



2013 to 2015: What can we afford?

TransLink is attempting to maintain or implement as much of the approved 2012 Moving Forward Plan as possible in light of the financial realities we now face. While we will be able to fulfill our commitment on the Evergreen Line and most station upgrade projects, this plan will only deliver one-quarter of the additional planned bus service hours. Funding for the Major Road Network and bicycle programs will not increase. All the investments in the Moving Forward Plan continue to be near-term priorities for the region and TransLink will implement these as financial resources permit.

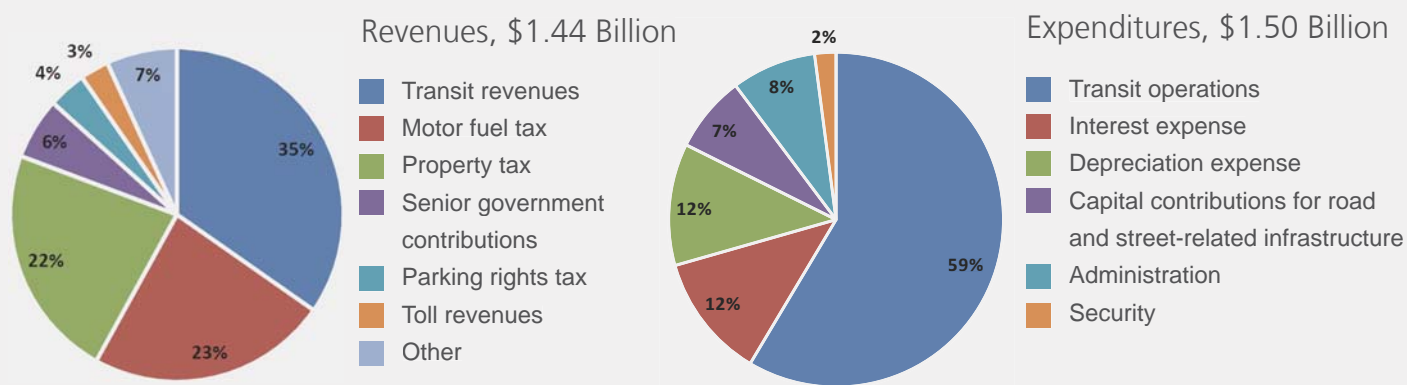
To deliver services and investments with less funding, TransLink is putting in place strategies that involve trade-offs and risks. These strategies are:

- **Reduce costs:** TransLink will continue to build in efficiencies and cost-reduction measures across all services, programs and investments.

- **Increase revenues:** TransLink will seek to increase revenue without affecting taxpayers. This includes leveraging real estate assets, selling surplus real estate, increasing fare enforcement and extending pricing to TransLink-owned park and ride lots.
- **Draw down reserves:** TransLink will tap into its cumulative funded surplus ('reserves') in order to move ahead with commitments. We are drawing down this fund to 12 per cent in 2015 (Figure 5), which is the lowest level that is still fiscally responsible.

The projected revenues and expenditures for 2013 are provided in Figure 4. Revenues include a transit fare increase in 2013, approved in TransLink's plans since 2009. This increase is lower than planned due to the Commissioner's decision to reject TransLink's application for a higher increase. As assumed in previous plans and allowed under a base plan, property tax revenue

FIGURE 4
2013 Revenues & Expenditures



Based on GAAP statements

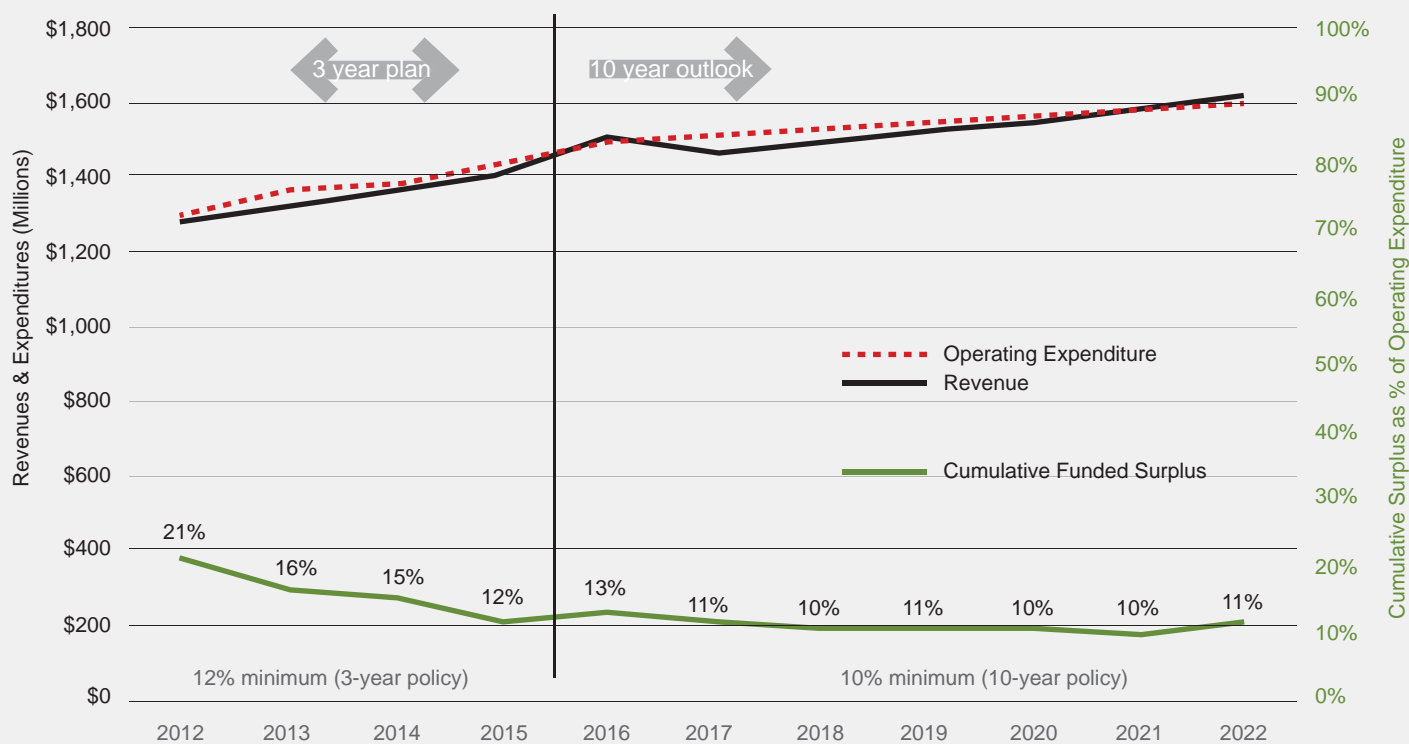
will increase by 3 per cent. Today, TransLink charges for parking at some park and ride lots and not others. TransLink will start charging for parking at all of our park and ride lots in order to provide a consistent and equitable approach for all customers, ensure the efficiency and availability of parking and generate revenue.

TransLink uses a comprehensive performance-based evaluation framework to assess and rank potential investments. The framework and process provides a transparent, objectives-driven and performance-based method for evaluating and deciding on initiatives. Financial resources are limited, and this process ensures all initiatives included in TransLink's plans are effective at

delivering benefits to customers, moves the region toward its long-term objectives and are of the highest priority.

Since not all of the initiatives from the 2012 Moving Forward Plan could be carried forward, this performance-based evaluation was used to prioritize investments for the 2013 Base Plan and determine which initiatives could be funded. Based on the revenues projected to be available and the investment prioritization, the following section outlines the programs, services and revenues that are included in the 2013 Base Plan. Going forward, TransLink will continue to use performance as a basis for investment decisions.

FIGURE 5 Historical Operating Revenue, Expenditures, and Cumulative Surplus



Based on funded statement of operations



FIGURE 6 Comparison with the 2012 Moving Forward Plan

What projects are IN?

- Evergreen Line (TransLink's contribution)
- 109,000 bus annual service hours:
 - 48,000 annual hours (implemented April 2012)*
 - White Rock to Langley bus service
 - Additional early evening SeaBus services
 - Some additional hours to address overcrowding
 - 21,000 annual hours*
 - Highway 1 Rapid Bus, Phase 1: Carvolth to Braid, 10 min peak, 30 min off-peak
 - 40,000 annual hours*
 - King George Blvd B-Line, Phase 1: Guildford to Newton, with upgrades to Newton Exchange
- Upgrades to SkyTrain stations: Main Street, Scott Road, Metrotown, Commercial-Broadway, New Westminster, Surrey Central, Joyce-Collingwood

What projects are OUT?

- 306,000 annual service hours
 - Remainder of envelope to increase bus service hours to reduce overcrowding on key routes, accommodate population growth, and meet U-Pass demand
 - Extension of 15 minute SeaBus service to every day, including Sundays and Holidays year round.
 - Full Highway 1 Rapid Bus
 - Full King George Blvd to White Rock B-Line
- Station Area Improvements
- Restoration of full funding for Major Road Network and Cycling upgrades
- Upgrade to Lonsdale Quay terminal and exchange

WHAT WILL WE DO FOR ROADS, BRIDGES, AND CYCLING?

Along with our municipal partners, TransLink provides planning, funding and coordination for more than 2,300 lane-kilometres of regionally-significant roadways, known as the Major Road Network (MRN). Under the 2013 Base Plan, TransLink will:

- Continue to fund operations, maintenance and rehabilitation of the major road network.
- Maintain basic funding to municipal road and bicycle projects, at a lower level than committed to in the 2012 Moving Forward Plan.
- Continue to operate and maintain its bridges and continue discussion on the future of the Pattullo Bridge.

As part of its commitments, TransLink provides operations, maintenance and rehabilitation funding for the Major Road Network to the municipalities. It also provides basic funding for municipal road and bicycle projects. The total envelope for contribution to municipal roads and cycling capital and operations is \$46 million per year.

In 2013, TransLink will put in place a new funding structure for contributions to municipal roads and bicycle network. The total amount of funding remains the same as 2011 levels and the new structure gives our municipal partners the flexibility to allocate funds based on their local priorities. TransLink will provide \$11,140 per lane kilometre for operations and maintenance of the MRN and \$7,960 per lane kilometre for rehabilitation of the MRN. We anticipate this will provide sufficient funding to cover 100 per cent of the operations, maintenance and rehabilitation needs for the MRN. Under the 2013 Base Plan, the MRN and bicycle upgrade program is unfunded, but municipalities can reallocate rehabilitation funding to fund upgrade projects. There is \$1.55 million in funding available for regional bicycle facilities.

During the 2013 to 2015 plan period, TransLink will operate and maintain its bridges, including the Knight Street Bridge, the Westham Island Bridge and Golden Ears Bridge. To ensure public safety, TransLink will continue to monitor the need for operational upgrades and repairs on these facilities and make improvements as needed. The awareness and education campaign for the Golden Ears Bridge will continue, as will support for the Roberts Bank Rail Corridor Program and improvements to the Lower Level Road.

The existing Pattullo Bridge does not meet current seismic and facility design standards for a new bridge and is nearing the end of its useful life. In 2008, the TransLink Board directed staff to pursue a replacement solution. TransLink will continue to work with the Cities of New Westminster and Surrey and other project stakeholders to identify a suitable solution that meets regional and local objectives. TransLink's intent is to define, bring forward and secure a funded solution no later than Fall 2014.

In the meantime, TransLink continues to operate and monitor the condition of the existing bridge. In addition, an assessment is underway to determine whether the existing bridge can be rehabilitated. If rehabilitation is technically feasible, TransLink will commence rehabilitation design work in 2013 (including seismic upgrades that would improve seismic resiliency but would not bring the existing bridge up to current standards for a new bridge). If, at the conclusion of the design work, TransLink determines that rehabilitation is a viable option, the rehabilitation work would commence. If rehabilitation is not technically feasible or if, at the conclusion of the design work, rehabilitation is not a viable option, TransLink will consider its options, including continuing to pursue agreement for a new bridge and/or bridge closure.



WHAT WILL WE DO FOR TRANSIT?

Under the 2013 Base Plan, we will:

- Continue to reduce costs in our transit system and achieve incremental fare revenues by delivering more productive and efficient schedules.
- Fulfill our commitments on the Evergreen Line.
- Move ahead with seven station upgrade projects.
- Deliver one-quarter of the additional bus service hours committed to in the 2012 Moving Forward Plan, including Highway 1 bus service with reduced frequency and a shorter route for the King George Boulevard B-Line.

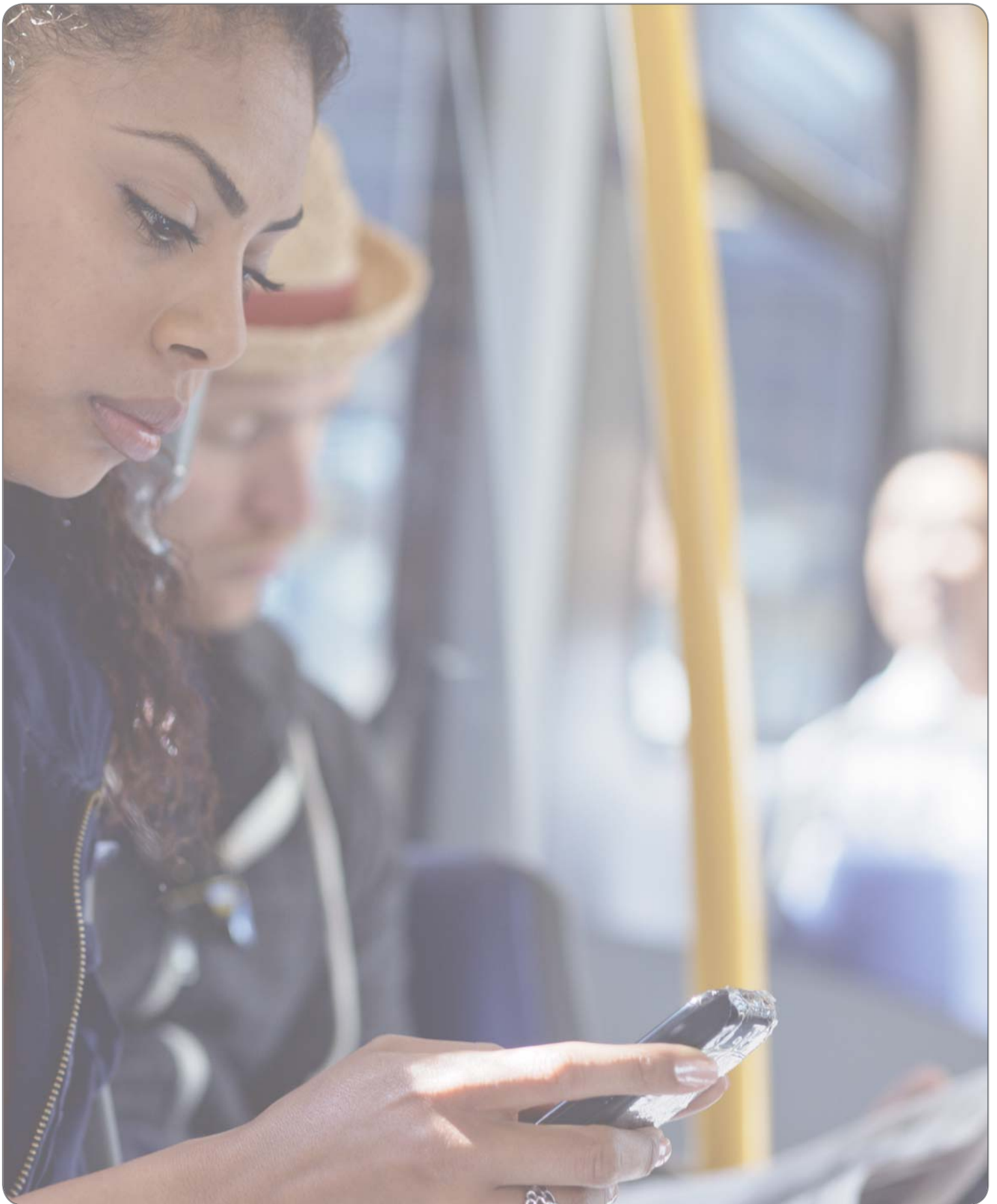
TransLink will fulfill its commitment on capital contributions relating to the Evergreen Line and work closely with the Province, who is leading the project. This rapid transit project, set to be completed in 2016, will bring SkyTrain service to the communities in and around Coquitlam City Centre from Lougheed Town Centre. The 11-kilometre Evergreen Line will provide fast, frequent and convenient rapid transit service that integrates with regional bus networks and West Coast Express. An integration plan will be developed for the Evergreen Line to identify impacts and guide the restructuring of bus services to allow for an efficient introduction of the new rapid transit line.

The 2013 Base Plan will continue commitments to key station upgrade projects to improve station capacity and accessibility to better serve our customers. These projects are funded in part by \$124 million of senior government funding. This funding requires that station upgrade projects are substantially completed by 2016; not moving ahead with upgrades at these stations would put this funding at risk. Therefore, TransLink will press

forward with the design and construction of upgrades at the following seven stations: Main Street, Metrotown, Scott Road, Commercial-Broadway, Surrey Central, New Westminster and Joyce-Collingwood. Work has already begun at some stations, including Scott Road and Main Street Stations. Under the 2013 Base Plan, in addition to the senior government funding for these projects, TransLink will contribute \$29 million to the completion of these upgrades.

With respect to bus service expansion, TransLink will only be able to deliver one-quarter of the additional bus service hours committed to in the 2012 Moving Forward Plan. TransLink will introduce service on Highway 1, but it will run less often in off-peak hours than originally planned. TransLink will also introduce the King George Boulevard B-Line in 2013, but the service will run only from Guildford to Newton. Although the service expansion that rolled out in April 2012 will stay in place, delivering a lower level of additional bus service than planned means we will have to make difficult decisions that will affect our customers.

Although we are not able to include in the 2013 Base Plan all the projects and service identified in the 2012 Moving Forward Plan, we know these are regional priorities. These initiatives include the Lonsdale Quay upgrade, bus and SeaBus service expansion, the restoration of funding for bicycle and Major Road Network upgrades past 2012, and cost-share investments with municipalities for pedestrian and bicycle facilities in station areas that support better access to the Evergreen Line and other rapid transit stations. Current financial forecasts show we do not have enough resources to move ahead with these initiatives at this time.



HOW WILL WE IMPROVE THE REGION'S TRANSPORTATION EXPERIENCE?

In 2013, TransLink will continue to build on its programs and services aimed at enhancing the customer experience for people travelling by foot, bicycle, transit and automobile, and for businesses and operators moving goods in our region.

In 2013, TransLink will introduce an automated fare collection system across all transit modes, called the Compass card system. This project is a key TransLink initiative to increase customer convenience; improve the efficiency and effectiveness of collecting fare revenue; improve transit service quality through data analysis; reduce fare evasion; increase revenue; improve safety and security on the transportation system; and, in the longer-term, provide a means to transition to a more equitable and efficient fare structure. The phased introduction of the system will include the installation of faregates at Expo, Millennium and Canada Line stations and SeaBus terminals.

Under the 2013 Base Plan, TransLink will continue to focus on improving customers' experience of the transportation network. This includes the TravelSmart program, which promotes sustainable transportation choices and more efficient use of the existing transportation network. TravelSmart combines relevant transportation information with "tipping point" incentives to encourage and help people throughout the region to better understand and use the travel options available to them.

Improving the quality and ease of access to information improves customer service quality and reduces the need for "bricks and mortar" investments, such as call centres. To do this, TransLink will continue other customer-focused initiatives, including providing real-time travel information for buses; engaging customers through social media (such as Twitter and Facebook); and providing multi-modal travel information through Google Maps. TransLink will continue to upgrade wayfinding at new or renovated facilities to help customers more easily use the transit system. Lastly, TransLink is further developing technologies and strategies to enable customers to make travel choices that save time and money.

We also expect to improve the customer experience through efficiencies in how we design service. For example, by reallocating bus service hours to higher demand routes, service optimization will reduce bus overcrowding and minimize pass-ups on some routes.

A safe and secure network is a fundamental part of delivering an excellent transportation experience to our customers. In 2013, TransLink will work with our municipal partners to consider various initiatives for improving traffic safety for motorists in the region. The 2013 Base Plan also continues to support the core strategic directions of Transit Police and Transit Security. These are reducing crime and disorder; protecting TransLink assets and the transit environment; and providing better service to the transit community. Additionally, new legislation enables greater enforcement for fare evasion and directs fine revenues to TransLink.

What about the future?

Many of TransLink's fundamental financial difficulties, such as declining fuel tax revenue, are projected to continue in 2014 and beyond. While the 2013 Base Plan is financially stable and maintains most current services and commitments, TransLink does not have sufficient resources to significantly expand the transportation network to meet projected demand. Simply maintaining current services and programs will not move the region toward its long-term goals. There is broad recognition at the local, regional and provincial levels of government of the need to renew our collective vision for transportation in the region.

In 2013, TransLink will work on a number of strategic initiatives to continue progress toward our long-term goals and financial stability.

REGIONAL TRANSPORTATION STRATEGY

In 2013, TransLink will update the region's long-term strategic planning direction, building on the foundation established in Transport 2040. This updated Regional Transportation Strategy (RTS) will provide guidance for both the long-term (30 years) and medium-term (15 years), and take a performance-based approach that seeks to achieve the region's desired outcomes in the most cost-effective way possible. The RTS will focus on developing a path forward in the following key areas: coordinating transportation and land use in support of Metro Vancouver's Regional Growth Strategy; encouraging smart travel choices; effective system management; maintaining transportation assets in a state of good repair; system expansion; and financial sustainability.

The financial sustainability pillar of the Strategy has come into sharp focus through the development of the 2012 Moving Forward Plan and this 2013 Base Plan. There is

strong interest by our elected officials and stakeholders to learn more about the costs, benefits and impacts of funding mechanisms. TransLink will continue to support the efforts of the Mayors' Council and Province to find near and long term solutions to our transportation funding challenge. This includes continued efforts to seek out innovative solutions, study and evaluate funding options, foster regional dialogue and build consensus.

There is a legislated deadline of August 1, 2013 for the updated long-term strategy. TransLink will work in close collaboration with Metro Vancouver and the Mayors' Council, and will engage the public, stakeholders, and local, regional and provincial partners in order to achieve a broad consensus on this transportation vision for the region. Development of the medium-term strategy, which will detail key policies, investments and funding for the next 15 years, will be concluded by late 2013 or early 2014. While not currently a requirement of the SCBCTA Act, TransLink's Board will seek Mayors' Council endorsement of the transportation strategy.

ASSET MANAGEMENT

TransLink is responsible for managing and maintaining assets valued at approximately \$11.7 billion— including roads, bridges, tracks, guideways, trolley wires, stations, vehicles and depots. As these assets age, future capital needs to maintain and renew them are increasing. To ensure that the region's transportation system remains in a state of good repair, TransLink will continue to prioritize spending on asset maintenance and renewal with projects and programs such as SkyTrain running rail replacement, revenue vehicle replacement and spending on depots. This plan assumes that TransLink will spend \$1.2 billion over the next ten years on asset maintenance and renewal. A discussion on how to most strategically maintain



these assets will be part of the Regional Transportation Strategy dialogue, and will focus on balancing multiple transportation objectives while ensuring the quality, safety and reliability of the transportation network.

FINANCIAL SUSTAINABILITY

In 2013, TransLink will continue to work toward identifying a strategy for diversifying revenue sources and pursuing new and innovative ways to fund transportation. The Mayors' Council and the Province have both expressed a commitment to work together to address the short and long-term funding challenges. An aggressive timeline has been identified for the Mayors' Council and the Province to develop a long-term funding model and TransLink will work with them in this process. TransLink has provided technical support to the Mayors' Council as they consider a broad range of potential funding sources to support the regional goals, including road-pricing and tolls, transit fares, fuel and carbon taxes, vehicle and parking fees, value capture mechanisms amongst many others. This is important work that TransLink will continue to support that, while difficult and often controversial, is necessary

for the organization, public and elected officials to engage in a constructive conversation on how we best develop a funding strategy that is sufficient and appropriate to deliver the programs, services and investments required to serve our growing region. The fact that revenues expected from our second largest funding source, fuel tax revenue, are forecasted to be substantially lower than previously assumed underscores the urgency for defining a way forward. Revenues represent one side of the financial sustainability equation; the other side is cost cutting. This includes both reducing the costs of how we invest today and how we deliver our day-to-day operations and the policies we pursue that enable us to cost-effectively move toward the region's long-term objectives. The new reality is not just for today, it will shape how we invest over the long term.

How we ensure a stable future for our funding and efficiency and effectiveness in our investment and decision-making will be topics for the region to discuss as we move forward with development of the Regional Transportation Strategy and decide what we want our transportation future to look like.

Outcomes: Achieving our goals

SUPPORTING REGIONAL GOALS, POLICIES, PLANS AND PARTNERSHIPS

TransLink's annual transportation and financial plans are a primary means of implementing the long-term transportation strategy and progress toward the vision, goals and objectives of the Province and Metro Vancouver. TransLink's current long-term strategy, **Transport 2040**, was adopted in 2008 and established six goals for the regional transportation system. The forecasted performance of the 2013 Base Plan has been evaluated in relation to the Transport 2040 goals. These are regional goals that were developed through extensive consultation in 2007 and are intended to move the region to a more sustainable transportation future.

The 2013 Base Plan will also support other regional policies and partnerships to help the region achieve its vision and goals. **TransLink's Sustainability Policy** (2009) commits the organization to making sustainability a key factor in its strategies, plans, business practices, decisions and operations. The **Provincial Transit Plan** (2008) calls for significant expansion of transit service in Metro Vancouver, including rail and/or bus rapid transit lines on corridors throughout the region. **Metro Vancouver's Regional Growth Strategy** (2011) focuses on land use policies to guide the future development of the region and support the efficient provision of transportation, regional infrastructure and community services. Lastly, TransLink is committed to supporting both Metro Vancouver's Integrated Air Quality and Greenhouse Gas Management Plan (IAQGGM) and the Provincial Greenhouse Gas Reduction Targets Act to reduce GHG emissions in the province by 33 per cent by 2020 and by 80 per cent by 2050 compared to 2007 levels.



IS THE REGION ACHIEVING ITS GOALS?

Unfortunately, the answer is no. Given the expected land use patterns in the region, the lack of strong demand-side management measures and the planned level of investment, only modest progress is anticipated toward most of the Transport 2040 goals. Despite the expansion that will proceed under this plan, these gains will not be sustained through the outlook period (the next ten years) because growth is outpacing investment and much of the region's future growth is expected to occur in areas that are more difficult to serve by transit, making it less likely that our region will achieve the long-term goals of Transport 2040.

While we've made some significant progress with the implementation of new transit services and transit ridership will continue to grow, the region is not on track to meet GHG reduction (Goal 1) and mode share goals for walking, cycling and transit (Goal 2). In 2012, Goal 3 from Transport 2040 was largely achieved, as over half of all jobs and housing in the region are now located on the Frequent Transit Network (FTN) as a result of regional investments. This success is expected to erode because growth within walking distance of the FTN will be offset by

FIGURE 7 Limited Progress toward the Region's Transportation 2040 Goals

GOAL 1: Greenhouse gas emissions from transportation are aggressively reduced, in support of federal, provincial, and regional targets



Region not on track to meet greenhouse gas emissions reduction targets



Nearly 30% of TransLink's bus service hours are powered by electricity or compressed natural gas (CNG)

GOAL 2: Most trips are by transit, walking, and cycling



Region not on track to meet TransLink's mode share targets



Transit mode share will plateau near 14% by 2020, well below the Provincial target of 17%



Only limited progress on shifting trips to walking and cycling

GOAL 3: The majority of jobs and housing in the region are located along the Frequent Transit Network



Achieved in 2012



Without transit supportive land use, this achievement will not be sustained past the 10 year Outlook period

GOAL 4: Traveling in the region is safe, secure, and accessible for everyone



Faregates and Compass Card initiative will be implemented in 2013



Fatalities and serious transportation injuries in the region continue to decline



Transit Police continue to improve the security on the transit system

GOAL 5: Economic growth and efficient goods movement are facilitated through management of the transportation network



Ongoing network management will improve traffic flow and travel times to provide more efficient goods movement in the region



Congestion relief is expected as some trips shift to transit due to the opening of the Evergreen Line

GOAL 6: Funding for TransLink is stable, sufficient, appropriate and influences transportation choices



Expansion for the rapid transit network (Evergreen Line) is funded



TransLink faces significant challenges to the stability of revenue sources



Funding will be reduced for some roads, bridges, cycling, and transit initiatives

growth in areas that are not on the FTN. To close the gap on these targets will require changes to land use patterns, improved transportation demand management measures and additional investment in the transportation system.

TransLink continues to prioritize safety, security and accessibility on the transit system and is actively working with municipalities to improve safety on the Major Road Network (Goal 4). An efficient and effective transportation

system is a key component of support for the regional economy (Goal 5). TransLink is developing a Goods Movement Strategy and has other initiatives underway to support goods movement. Finally, TransLink faces significant challenges to the stability of revenue sources and current financial resources are not sufficient to meet the region's needs and desire for transportation investment (Goal 6). However, we are living within our means and the 2013 Base Plan is financially sustainable.

Looking ahead

This 2013 Base Plan builds in the efficiencies we have been challenged to find and takes into account TransLink's new financial reality. However, it does not deliver enough to meet the transportation needs of the future. It delivers only some of the transit expansion that people in the region are calling for. It does not increase investment in road infrastructure that is critical to support the movement of people and goods by walking, cycling, transit and driving.

TransLink is operating within the revenues we have available, delivering more service with fewer dollars, and drawing down the reserves to the lowest level possible within our risk tolerance. What we will be able to deliver is only possible because of our focus on efficiencies, and this will affect customers.

TransLink conducted consultations on the draft 2013 Base Plan in September and October 2012, receiving input from the Metro Vancouver Board and Committees, the Mayors' Council, elected officials, stakeholder groups, municipal and regional staff, community organizations and the general public. Overall, there is support for the plan, and the proposed projects and priorities. Concern was expressed over the customer service impacts of efficiency improvements. A number of participants and organizations emphasized the need to identify the long-term transportation needs for the region, along with a sustainable funding strategy to achieve regional goals. Metro Vancouver and the Mayors' Council also emphasized the importance of working towards a common vision and funding solution for regional transportation.

As a region, we are at a critical crossroads. This plan may be enough for today. But is it enough for tomorrow? Is it enough to help build what our region needs ten years from now?

We know we are stalled in achieving the region's long-term transportation vision. But our region isn't standing still—Metro Vancouver continues to grow. A strong transportation system in the future will be critical for managing that growth in a way that supports a healthy environment, healthy people and communities, a healthy economy and a sustainable region. The financial challenges TransLink faces today are coming at a time of huge increases in demand for sustainable transportation choices and investments in the transportation network that support our region's economic competitiveness, resilience and livability.

Just as we are facing this challenge to deliver on our existing commitments, there are high expectations for future investment – for rapid transit on Broadway and in Surrey, more frequent bus service across the region, road and bicycle improvements and the replacement of the Pattullo Bridge. These are all needed, but our challenge is, and has always been, what we can afford and how to pay for it.

In the coming months, we need to decide together as a region—the Mayors' Council, the Province, the TransLink Board, our stakeholders and the public—how to manage through this growth and meet demand. We are ready to begin work immediately with the Mayors' Council, Metro Vancouver and the Province to confirm our collective vision and goals for transportation in the region, the strategies, policies and investments to achieve them, and to find solutions to both current and long term funding challenges.

In 2013, TransLink will look to renew consensus on the transportation future of our region. We invite you to be part of the development of the new Regional Transportation Strategy, and join us in candid conversations about the transportation system we want to build – how far we want to go, how fast we want to get there and how to pay for it. As a region, we need to define our path forward.

APPENDICES

Appendix A: Revenue sources	30
User Fees	31
Taxation Sources	34
Real Estate Program	36
Senior Government Contributions (Capital and Operating Contributions)	36
Interest Revenue	37
Appendix B: Services, programs and capital expenditures	38
Prioritizing Investments	38
Transit Services	39
Roads and Bridges	48
Multi-Modal Programs and Investments	53
TransLink Corporate and Transit Police	54
Appendix C: Regional Transportation Strategy	59
Performance-Based Decision-Making	59
Multi-Modal Strategies	60
Land Use Strategies	60
Demand-Side Strategies	61
Supply-Side Strategies	61
Financial Sustainability	62
Appendix D: Outcomes	63
Appendix E: Financial information	69
Statement of Revenue and Operations Summary	69
Debt Service	69
Funding Adjustments	70
Balance Sheet and Cash Flow Statement	71
Outlook for 2016 through 2022	72
Assumptions and Risks	73
Appendix F: Efficiencies and Key Performance Indicators	77
Efficiencies	77
Key Performance Indicators	80
Appendix G: Financial Tables	82
Appendix H: Consultation	90

TABLES

Table 1: Summary of Revenues (millions).....	31
Table 2: Transit Revenue Projections (millions).....	31
Table 3: Golden Ears Bridge Toll Revenue Projections (millions).....	33
Table 4: Golden Ears Bridge Toll Rates (July 2012- July 2013)	34
Table 5: Motor Fuel Tax Revenue Projections (millions).....	34
Table 6: Property Tax Projections (millions)	35
Table 7: Parking Rights Tax Revenue Forecasts (millions).....	35
Table 8: Real Estate Program Revenue Projections (millions)	36
Table 9: Senior Government Contribution Forecasts for Capital and Operations (millions).....	37
Table 10: Interest Income Projections (millions)	37
Table 11: Total Transit Service Hours by Service Type (thousands)*	40
Table 12: Transit Operations Expenditure Forecasts (millions)	40
Table 13: MRN and BICCS Program Funding Structure	50
Table 14: Major Road Network, Bridges and Bicycles (millions).....	52
Table 15: TransLink Corporate and Transit Police Expenditures (millions)	54
Table 16: 2013 to 2015 Capital Cash Flow (thousands)	57
Table 17: Major Capital Projects in the 2013 Base Plan (thousands).....	57
Table 18: Ridership Forecasts (millions)	65
Table 19: Statement of Revenue and Operations Summary (millions).....	69
Table 20: Debt Interest Expense (millions)	69
Table 21: Depreciation Expense Forecasts (millions).....	70
Table 22: Funding Adjustments (millions).....	70
Table 23: Key Assumptions for the 2013 Base Plan	73
Table 24: Cost Saving and Revenue Efficiency Initiatives in the 2013 Base Plan	78
Table 26: Consolidated Statement of Financial Position (thousands).....	82
Table 27: Statement of Operations (millions).....	83
Table 28: Funded Statement of Operations (millions).....	84
Table 29: Consolidated Statement of Cash Flows (thousands)	85
Table 30: Projected Borrowing Compared to Borrowing Limit and Select Financial Ratios (millions)	86
Table 31: Capital Cash Flows – Projects Approved and Proposed (thousands)	87
Table 32: Transit Service Hours (thousands).....	88
Table 33: Schedule of Transit Fares	89

FIGURES

Figure 1: Evaluation Criteria and Objectives.....	39
Figure 2: Regional Weekday Mode Share from the 2011 Trip Diary (preliminary results)	65
Figure 3: Transit Mode Share Trends and Forecasts	66
Figure 4: Borrowing Levels for 2013 Base Plan and Outlook	71
Figure 5: Cumulative Surplus Level Forecasts for 2012 through 2022	72

APPENDIX A: REVENUE SOURCES

This section details the estimated revenues for the three-year plan period, 2013 through 2015. Longer-term revenue forecasts for the Outlook period, 2016 through 2021, are also described in this section.

The *SCBCTA Act* defines the revenue sources that can be used in the annual Base Plans. Within that legislative framework, the 2013 Base Plan uses only “established funding sources” (as defined in the *SCBCTA Act*) to fund TransLink operations.

The 2013 Base Plan financial strategy demonstrates that revenues from “established funding sources” are sufficient to maintain the service levels, programs and investments included under this transportation plan for the region, including delivering on as much of the 2012 Moving Forward Plan as possible given the financial challenges associated with declining fuel tax revenue forecasts. This was achieved through a multi-pronged approach:

- Reducing costs and finding efficiencies
- Increasing revenues by leveraging our existing assets and services
- Drawing down reserves to the minimum fiscally responsible level

The financial strategy extends to 2022 as a 2016 through 2022 Outlook. The Outlook period captures the financial obligations and implications of the investment in services and infrastructure that have been committed as of December 2015.

Revenue projections are based on the following assumptions for 2013 to 2015:

- Transit fares: allowable increases on select fares
 - Increase in 2013 as allowed under a base plan
 - Increase in 2014 based on reapplication to the Commissioner of the increases approved in the 2010 Funding Stabilization Plan
 - 2 per cent increase on an annual basis, beginning in 2014 as allowed under a base plan
- Fuel tax rate: 17 cents/litre (statutory maximum)
- Property tax revenues: grows by 3 per cent annually
- Property tax revenues: two years of time-limited property tax of approximately \$30 million for 2013 and 2014
- Replacement tax revenues: \$18 million (statutory maximum)
- Parking rights tax rate: 21 per cent (statutory maximum)
- Bridge toll rates: increases at CPI index (assumed at 2 per cent per year)

Under this plan, total annual revenues will be \$1.5 billion by 2015.

Table 1: Summary of Revenues (millions)

	Actual 2011	Budget 2012	Forecasts			Outlook 2022
			2013	2014	2015	
Transit Revenues	\$ 444.7	\$ 456.2	\$ 497.8	\$ 533.0	\$ 549.2	\$ 697.4
Toll Revenues	\$ 33.8	\$ 39.0	\$ 40.1	\$ 41.2	\$ 42.7	\$ 55.6
User Fees	\$ 478.5	\$ 495.2	\$ 537.9	\$ 574.2	\$ 591.9	\$ 753.0
Motor Fuel Tax	\$ 311.8	\$ 330.8	\$ 335.1	\$ 332.7	\$ 332.7	\$ 339.7
Property Tax	\$ 280.2	\$ 287.6	\$ 296.1	\$ 304.9	\$ 314.1	\$ 386.3
Parking Sales Tax	\$ 53.7	\$ 51.6	\$ 52.9	\$ 53.7	\$ 54.5	\$ 60.5
Other Taxes	\$ 36.6	\$ 37.2	\$ 37.5	\$ 37.8	\$ 38.2	\$ 40.5
Time-limited Property Tax	\$ -	\$ -	\$ 29.0	\$ 29.9	\$ -	\$ -
Taxation Revenues	\$ 682.3	\$ 707.2	\$ 750.6	\$ 759.0	\$ 739.5	\$ 827.0
Real Estate Revenues	\$ -	\$ -	\$ 13.0	\$ -	\$ 45.0	\$ -
Senior Government Contributions	\$ 82.3	\$ 82.4	\$ 85.7	\$ 94.5	\$ 106.7	\$ 125.8
Amortization of deferred Concessionaire Credit	\$ 23.3	\$ 23.1	\$ 23.1	\$ 23.1	\$ 23.1	\$ 23.1
Interest Revenue	\$ 26.1	\$ 27.5	\$ 36.9	\$ 44.8	\$ 51.5	\$ 72.6
Gain on Disposal	\$ -	\$ 55.9	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 1,292.5	\$ 1,391.3	\$ 1,447.2	\$ 1,495.6	\$ 1,557.7	\$ 1,801.5

*Concessionaire's Credit is the amortization of funding provided by the Concessionaire for the right to operate the Canada Line

User Fees

TRANSIT REVENUES

Transit revenues are the largest source of revenues, accounting for more than one-third of total revenues. They are made up of transit fares, property rentals and advertising revenues. Under the 2013 Base Plan, transit revenues are budgeted at \$456 million in 2012 and increase to \$549 million in 2015. Transit fare revenues will grow during the 2013 to 2015 period due to increased ridership and planned incremental fare increases beginning in 2013, which have been assumed in TransLink's plans since 2009. Transit fare revenue in 2013 is lower than was forecasted in Moving Forward for several reasons:

- Lower fare rates because the Commissioner declined the application for a supplementary increase
- Lower revenues for pass programs
- Lower ridership because expansion hours in 2012 were lower than forecast in Moving Forward
- Adjustments to elasticities and productivity rates for background growth

In recent years, ridership has increased at a higher rate than fare revenue because greater numbers of passengers are using discounted products and pass programs.

Table 2: Transit Revenue Projections (millions)

	Actual 2011	Budget 2012	Forecasts			Outlook 2022
			2013	2014	2015	
Transit Fare Revenue	\$ 433.3	\$ 444.7	\$ 481.7	\$ 516.1	\$ 531.5	\$ 677.0
Property Rentals, Advertising, Other	\$ 11.4	\$ 11.5	\$ 16.0	\$ 16.9	\$ 17.7	\$ 20.4
Total: Transit Revenues	\$ 444.7	\$ 456.2	\$ 497.7	\$ 533.0	\$ 549.2	\$ 697.4

TransLink's fares are regulated by the *South Coast British Columbia Transportation Authority Act* ("SCBCTA Act") and by the Regional Transportation Commissioner. For short-term fare products (i.e. passes up to three days in durations, such as cash fares and DayPasses), TransLink may set prices at or

below the “targeted fare”. The “targeted fare” for a given product is equal to the fare price in 2008, plus a compounded annual increase of 2 per cent. Any increase beyond this requires approval by the Mayors’ Council and Commissioner. The prices for long-term products (e.g. monthly passes) are not subject to regulation.

In order to maintain revenues and current service levels, the 2010 Funding Stabilization Plan included a 12.5 per cent increase to the price of all products in 2013. Some products were proposed to increase to their targeted fares or only slightly above, while others (e.g. FareSavers) were proposed to increase above their targeted fares. This supplemental increase was approved by the Mayors’ Council but was not approved by the Commissioner.

Planned 2013 Fares

In 2013, TransLink will increase fares to the targeted fare. This is at or below rates that have been assumed in plans since 2009. Cash, DayPass and short-term West Coast Express prices have not risen since 2008 and will be increased. Adult FareSaver prices, which were increased in 2010, will not change. The Concession FareSaver price will be increased from \$17.00 to \$17.50 (a 3 per cent increase). Rates for monthly, weekly and annual Employer passes will increase by 12.5 per cent, as assumed in TransLink plans since 2009. The schedule of transit fares is provided in Appendix G: Financial Tables.

Compass Card

In 2013, TransLink will introduce an automated fare collection system called the Compass card. After the introduction of Compass card, TransLink will be discontinuing FareSavers, and customers will have the option of travelling using period (monthly, daily) pass products or through “Stored Value”. Stored Value on the Compass card provides customers the convenience of having an electronic “cash purse” loaded on the Compass card. Money in the “cash purse” can be applied toward the cost of single rides in one or more zones of travel, AddFares, or pass products (e.g. monthly passes). The Compass system will automatically calculate the correct price for zones and amount of time in the system when the customer taps out. If customers use Stored Value on the Compass card to purchase a single trip, a discount from the cash fare will be offered. The prices for Stored Value travel have been set so that average fares will be the same as they would be under the existing fare system. TransLink is applying to the Commissioner for the YVR AddFare to be applied to outbound DayPasses purchased on Sea Island and Stored Value when Compass card is introduced.

2014 and Beyond

In his decision to reject TransLink’s application for a supplemental increase, the Commissioner suggested TransLink reapply when further efficiencies were demonstrated in the 2013 Base Plan. In 2013, TransLink will reapply to increase prices in 2014 to those prices proposed in the 2010 Funding Stabilization Plan. If this application is approved, TransLink will increase prices to either the approved price or the targeted fare, whichever is greater. Starting in 2014, TransLink will also begin annual fare increases where allowable under the definition of targeted fare. In previous plans, annual increases

were compounded and implemented every three years to bring prices up to targeted levels. The Compass Card brings greater pricing flexibility, so smaller fare increases can be made each year.

U-Pass BC

U-Pass BC program revenues have been estimated using the forecast numbers of eligible students as provided by the post-secondary institutions. Ridership impacts have been included in the plan, including those on students using transit, as well as the potential for displacement of current passengers due to increased demand¹. The Province is providing financial support to the U-Pass BC program through the Provincial Transit Plan funding to ensure the new program does not have a negative financial impact for the duration of the agreement. TransLink will accommodate the program within the existing envelope of service hours. The current program expires at the end of April 2013. This plan assumes that the Province continues the U-Pass BC program or that the rates will be increased.

PROPERTY RENTAL, ADVERTISING AND OTHER

Property rental, transit advertising and other revenues are forecast to rise from the 2012 budget of \$11.5 million to \$17.7 million in 2015. The 2013 to 2015 forecasts assume the contractual minimum increase in advertising revenues. “Other” revenues include Park and Ride user fees and fare infraction revenues from the introduction of Bill 51, which are forecasted to add \$3 million in additional revenues.

Fare Evasion

TransLink continues to reduce lost revenues from fare evasion. The introduction of faregates to the transit system will help to reduce fare evasion. In addition, the Royal Assent of Bill 51 on May 31, 2012, included provisions that required TransLink to pass a fare collection bylaw that sets out fare evasion fines (bylaw may specify discounts, surcharges and interest), which are to be enforced by designated fare officers and Transit Police. The introduction of Bill 51 also entitles TransLink to the fines owed, where previously they were paid to the Province.

TOLL REVENUES

TransLink receives toll revenues from the Golden Ears Bridge. The toll revenues will be used to pay for the project over the next 30 years.

Table 3: Golden Ears Bridge Toll Revenue Projections (millions)

	Actual 2011	Budget 2012	2013	Forecasts 2014	2015	Outlook 2022
Tolls	\$ 33.8	\$ 39.0	\$ 40.1	\$ 41.2	\$ 42.7	\$ 55.6

¹ Displaced passengers are non U-Pass riders who are unable or unwilling to continue using transit due to overcrowding caused by the influx of new U-Pass ridership. Trips that exceed current network capacity are assumed to be displaced.

The revenue forecasts for the 2013 Base Plan are lower than they were in the 2012 Moving Forward plan, especially in the Outlook years. This change is mainly due to revised growth assumptions based on existing traffic volumes and an independent study to determine the impact of population growth, economic activity, redistribution of travel and reassignment of traffic. Other factors influencing the expected lower revenues include the expectation of increased transponder use when the Port Mann Bridge is reopened, resulting in a lower average toll rate charged to Golden Ears Bridge customers.

While traffic volumes are forecasted to continue growing on the Golden Ears Bridge each year, this growth is expected to slow, from 5.4 per cent in 2013 to 2.3 per cent in 2015. Toll rates vary by vehicle type and type of account, as is shown in Table 4. The current toll rate for a car is \$2.95, for a small truck is \$5.95, and for a large truck is \$8.85 if the vehicle is registered to an account and has a transponder; the current toll rate for a motorcycle is \$1.50 if it is registered to an account. Vehicles pay higher toll rates if they do not have a transponder and are not registered. The average toll rate is scheduled to increase every July by a forecasted 2 per cent annual rate of inflation. Also, there is risk related to assumptions made about the impact of tolling on the Port Mann Bridge on toll revenues of TransLink, including any changes made by the Province or the Transportation Investment Corporation to tolling on the Port Mann Bridge.

Table 4: Golden Ears Bridge Toll Rates (July 2012- July 2013)

Vehicle Classification	Transponder Registered	Video Registered	Unregistered
Car	\$2.95	\$3.50	\$4.20
Small Truck	\$5.95	\$6.50	\$7.10
Large Truck	\$8.85	\$9.50	\$10.05
Motorcycle	n/a	\$1.50	\$2.70

Taxation Sources

MOTOR FUEL TAX REVENUES

The adoption of the 2012 Moving Forward Supplemental Plan included a request to increase the fuel tax rate allowed under the *SCBCTA Act* by \$0.02 to \$0.17 per litre. The Province passed this legislative change in the spring of 2012 and the \$0.02 increase came into effect on April 1, 2012, which explains the revenue increase shown for 2012 and 2013. The revenues forecasted from the full \$0.17 fuel tax are shown in Table 5.

Table 5: Motor Fuel Tax Revenue Projections (millions)

	Actual 2011	Budget 2012	2013	Forecasts 2014	2015	Outlook 2022
Motor Fuel Tax	\$ 311.8	\$ 330.8	\$ 335.1	\$ 332.7	\$ 332.7	\$ 339.7

Fuel tax is currently TransLink's second largest source of revenue, accounting for 23 per cent of total revenues in 2013. However, as a result of declining fuel sales volumes, the fuel tax is not producing as much revenue as previously anticipated and TransLink's forecasted fuel tax revenues for the 2013 Base Plan are significantly lower than they were in the 2012 Moving Forward Plan. Forecasts for the 2013 to 2015 period are \$144 million lower than previously anticipated, and the 10-year fuel tax revenue projection for this plan period is down 15 per cent as compared to the 2012 Moving Forward Plan.

PROPERTY TAX

Property tax revenue will increase by 3 per cent per year, the maximum annual increase permitted under legislation for a base plan. Tax rates for all property classes necessary to generate the targeted revenue increase will be calculated to generate no more than the amount permitted by law and will be "rebalanced" for growth in the region and assessed values of homes. For example, if regional growth was 2 per cent, there would only be a 1 per cent increase in owner property taxes.

Table 6: Property Tax Projections (millions)

	Actual 2011	Budget 2012	2013	Forecasts 2014	2015	Outlook 2022
Property Tax	\$ 280.2	\$ 287.6	\$ 296.1	\$ 304.9	\$ 314.1	\$ 386.3
Time-limited Property Tax	\$ -	\$ -	\$ 29.0	\$ 29.9	\$ -	\$ -

Under the 2012 Moving Forward Plan, a contingency plan was approved so that if a new long-term sustainable funding source had not been implemented before the end of 2012, then a time-limited property tax would be implemented in 2013 and 2014 that would generate a total of \$29 million in the first year across all property classes, equating to approximately \$23 per year on the average residential property. Legislatively, the 2013 Base Plan builds on the previously approved 2012 Moving Forward Plan, which assumes that the time-limited property tax will be in place. Accordingly, \$29 million and \$30 million in additional property tax revenue are included above for 2013 and 2014.

PARKING RIGHTS TAX REVENUE

Under the 2013 Base Plan, parking rights tax (historically called the parking sales tax) revenue is budgeted at \$51.6 million in 2012 and is expected to increase to \$54.5 million in 2015. The tax rate is set at 21 per cent, the maximum permitted under the *SCBCTA Act*.

Table 7: Parking Rights Tax Revenue Forecasts (millions)

	Actual 2011	Budget 2012	2013	Forecasts 2014	2015	Outlook 2022
Parking Rights Tax	\$ 53.7	\$ 51.6	\$ 52.9	\$ 53.7	\$ 54.5	\$ 60.5

The 2013-2015 forecasts assume a 1.5 per cent increase on the price of paid parking, based on factors such as the rise in fuel prices, rise in the Consumer Price Index (CPI) and increase in population.

OTHER TAXES: REPLACEMENT TAX, HYDRO LEVY

The Replacement Tax forecast remains at its legislated maximum of \$18 million per year for the Base Plan and Outlook period. The tax will continue to be collected from all allowable property tax classes. The Hydro Levy will be held at the present rate of \$1.90 per month per residential account with no increases other than general population growth as projected by BC Stats.

Real Estate Program

In 2008, TransLink allocated \$50 million in seed money for the Real Estate Program to work collaboratively with internal and external stakeholders to ensure real estate property requirements are secured before transit infrastructure is required. It also seeks opportunities to minimize holding costs through interim uses and revenues. TransLink owns and/or operates assets across the BC South Coast Region and tries to leverage its assets by actively seeking commercialization opportunities. The organization also has a program in place to manage leases, land and facilities so as to optimize its footprint, real estate liabilities and holdings. TransLink will pursue partnerships on projects that will provide long-term revenue. Where sustainable recurrent income is not achievable, TransLink will seek to maximize the sale value of surplus land holdings. TransLink expects gains from the Revolving Land Account to be able to contribute to the operational budget by 2015. This plan includes proceeds from the sale of surplus properties to manage through funding challenges.

Table 8: Real Estate Program Revenue Projections (millions)

	Actual	Budget	Forecasts			Outlook
	2011	2012	2013	2014	2015	2016-2022
Funds Transferred from Real Estate Revolving Land Account		\$ -	\$ 13.0	\$ -	\$ 45.0	\$ 195.0
Gain on Disposal	\$ -	\$ 55.9	\$ -	\$ -	\$ -	\$ -

Senior Government Contributions (Capital and Operating Contributions)

The Federal and Provincial governments contribute to TransLink's capital projects through sources such as the Provincial Transit Plan, Building Canada Fund and the Strategic Priorities (Federal Gas Tax) Fund. The Federal Gas Tax Fund focuses on transit investments that reduce greenhouse gas emissions and other contaminants to the air and water.

Senior government funding is applied to projects meeting the funding program's criteria up to the allowable limit. These funds are restricted and most cannot be used for TransLink's day-to-day business operations. The Summary of Capital Program, Table 9, provides more details on the specific contribution levels from the Federal and Provincial Governments.

Table 9: Senior Government Contribution Forecasts for Capital and Operations (millions)

	Actual 2011	Budget 2012	Forecasts			Outlook 2022
			2013	2014	2015	
Capital	\$ 60.6	\$ 63.2	\$ 66.4	\$ 75.2	\$ 87.4	\$ 106.5
Operations	\$ 21.7	\$ 19.2	\$ 19.3	\$ 19.3	\$ 19.3	\$ 19.3
Total Contributions	\$ 82.3	\$ 82.4	\$ 85.7	\$ 94.5	\$ 106.7	\$ 125.8

A portion of senior government contributions are derived from Gas Tax Fund allocations targeted for vehicle fleet replacement and fleet purchases to implement service initiatives identified in this plan. Provincial Transit Plan funding supports both the Highway 1 Bus Rapid Transit and the majority of the rapid transit station upgrades. Building Canada Fund resources are also required for the rapid transit station upgrades. Operating contributions of \$19.3 million per year are the deferred provincial contributions for the Canada Line. The Capital Summary provides more details on the specific contribution levels from the federal and provincial governments.

Interest Revenue

Interest revenue is interest earned on sinking funds, capital contributions, debt reserve funds and cash balances. Interest earned is restricted and cannot be used to fund operations with the exception of interest from cash balances.

Table 10: Interest Income Projections (millions)

	Actual 2011	Budget 2012	Forecasts			Outlook 2022
			2013	2014	2015	
Interest Income	\$ 26.1	\$ 27.5	\$ 36.9	\$ 44.8	\$ 51.5	\$ 72.6

Interest revenue in the plan increases mainly due to the accumulation of further contributions to the sinking fund. The funds accumulated in this sinking fund go towards funding maturing debt issues which happens in the later part of the Outlook period.

APPENDIX B: SERVICES, PROGRAMS AND CAPITAL EXPENDITURES

The 2013 Base Plan objective is to keep as many of the planned projects from the 2012 Moving Forward Plan as possible, while also maintaining existing service levels and assets in a state of good repair. TransLink has identified ways of improving efficiencies and effectiveness to help close this gap. The following table highlights the investments that were approved in the 2012 Moving Forward Plan that are going ahead in the 2013 Base Plan. Within each of the following sections, the variations between the 2012 Moving Forward Plan and the 2013 Base Plan are outlined.

What projects from the Moving Forward Plan will proceed

- TransLink's commitment to the Evergreen Line
- Bus service expansion that was implemented up to April, 2012 (48,000 annual hours)
 - White Rock to Langley bus service, introduced in April 2012
 - Additional evening SeaBus sailings
 - Targeted expansion to address overcrowding
- Highway 1 Rapid Bus, Phase 1: Carvolth Exchange to Braid SkyTrain Station (with future extension to Lougheed) (21,000 annual hours)
- King George Boulevard B-Line, Phase 1: Guildford to Newton (40,000 annual hours)
- Station Upgrade Projects, including: Main Street, Scott Road, Metrotown, Commercial-Broadway, Joyce-Collingwood, New Westminster and Surrey Central

What projects from the Moving Forward Plan will not proceed under this plan

- Remainder of the bus and SeaBus service hours (306,000 annual hours)
 - To reduce overcrowding on key routes and to meet U-Pass demand
 - Full Highway 1 Rapid Bus
 - Full King George Boulevard B-Line to White Rock
 - Extension of 15-minute SeaBus service to everyday, including Sundays and Holidays year-round
- Restored funding for Major Roads Network and Cycling upgrades
- Upgrades to Lonsdale Quay

Prioritizing Investments

As outlined above, not all initiatives planned in the 2012 Moving Forward Plan are able to be carried forward into the 2013 Base Plan. Therefore, a comprehensive evaluation framework was used to assess and rank initiatives in terms of their effectiveness toward achieving the Transport 2040 goals and priorities identified for the 2013 Base Plan. This is an approach that is similar to how TransLink has evaluated and prioritized initiatives in past plans. The framework and process provides an objectives-driven, performance-based method for planning and prioritization. Figure 1 presents the evaluation criteria and objectives.

Figure 1: Evaluation Criteria and Objectives

OBJECTIVES	CRITERIA
REGIONAL PRIORITIES	
GHGs Aggressively Reduced	Reduces VKT
	Improves system operations and efficiency
	Greater use of low emission fleet technology
	Greater use of low carbon content fuel
Non SOV Mode Share	Serve existing transit ridership in an efficient manner
	Influences efficient transportation choices
	Promotes shifts to transit, cycling and walking, where feasible
	Encourages future shifts to transit, cycling and walking
Complete Communities	Encourages complete and transit-oriented communities
	Expands access to regional transit and cycling networks
	Promotes regional mobility
System Optimization	Encourage modal integration
	Improves the resilience of the transportation system
	Improves system safety
	Promotes universal accessibility
Economic Growth & Goods Movement	Supports efficient access to regional centres and economic gateways
	Manages congestion
	Improves travel time reliability
Financially Sustainable	Maximizes leveraging opportunities
	Make efficient use of existing infrastructure
	Prioritizes cost-effectiveness
	Prioritizes long-term growth in cost-effectiveness
2013 Plan Priorities	
Net Financial Impact to TransLink	Incremental revenue less operating costs
	Debt service on TransLink capital costs
Level of Risk	Financial
	Political and strategic
	Reputational- schedule and successful project delivery
Leverages Significant Other Investment/Funding	Extent of capital contribution (to TransLink)
	Extent of investment (made directly)
	Interdependencies with other projects or investments
Urgency	Time constraints on partner funding
	Impact on customers of not proceeding (safety risk, accessibility, crowding)
	Intensity of previous commitment
Readiness	Project is ready to implement
	Delaying will have negative financial impact

Transit Services

TransLink's integrated transit system includes service of various levels of frequency, speed and daily span provided with bus, rail, marine, commuter rail and custom transit, to meet the needs of diverse markets. Under the 2012 Moving Forward Plan, TransLink proposed an increase of 415,000 annual bus

and SeaBus service hours to be implemented in 2012, 2013 and 2014. In 2012, only 48,000 hours were implemented and the remainder were placed on hold until it was determined there was a means to pay for them. Under this plan, an additional 61,000 revenue service hours will be implemented. Table 11: Total Transit Service Hours by Service Type below summarizes the service hours by service type to be provided.

Table 11: Total Transit Service Hours by Service Type (thousands)*

Service Hours in Thousands	Actual	Budget	Forecasts			Outlook
	2011	2012	2013	2014	2015	2022
Conventional Bus	4,222	4,297	4,253	4,242	4,200	4,173
Community Shuttle	552	565	567	593	653	653
West Vancouver Conventional Bus	135	135	135	135	135	135
SkyTrain Expo and Millennium Lines	1,166	1,171	1,126	1,126	1,126	1,126
SkyTrain Canada Line	182	195	196	196	196	196
SkyTrain Evergreen Line	0	0	0	0	0	138
Rapid Transit Total	1,348	1,366	1,322	1,322	1,322	1,460
SeaBus	11	11	11	11	11	11
West Coast Express	42	42	42	42	42	42
Total Conventional Transit	6,310	6,416	6,330	6,345	6,363	6,474
Custom Transit (HandyDART)	603	598	598	598	598	598
Total Service Hours	6,913	7,014	6,928	6,943	6,961	7,072

*includes changes to both revenue and non-revenue transit service hours

TRANSIT OPERATIONS EXPENDITURES

Transit operating expenditures are budgeted at \$878.3 million in 2013 and are forecasted to be \$912.4 million in 2015. In 2013, transit accounts for 77 per cent of TransLink's total operations expenditures. Transit revenue will cover 57 per cent of transit operations costs.

Table 12: Transit Operations Expenditure Forecasts (millions)

	Actual	Budget	Forecasts			Outlook
	2011	2012	2013	2014	2015	2022
Bus	\$ 592.3	\$ 624.4	\$ 622.9	\$ 624.3	\$ 639.6	\$ 700.2
SkyTrain Expo/Millennium Lines & West Coast Express	\$ 125.3	\$ 135.7	\$ 138.0	\$ 141.3	\$ 145.3	\$ 142.6
SkyTrain Canada Line	\$ 98.3	\$ 108.9	\$ 108.8	\$ 110.2	\$ 112.3	\$ 128.7
SkyTrain Evergreen Line	\$ -	\$ -	\$ -	\$ -	\$ 11.3	\$ 15.6
Capital Infrastructure Contributions	\$ -	\$ -	\$ 8.6	\$ 11.6	\$ 3.9	\$ -
Property Taxes, Rentals, Fare Media	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operations	\$ 815.9	\$ 869.0	\$ 878.3	\$ 887.4	\$ 912.4	\$ 987.1

*The Canada Line expenditures include payment to the concessionaire to cover its operating expenditures and capital repayments, which are elevating the average annual growth rate metric.

** Evergreen Line operating costs in 2015 are related to start up. The Evergreen Line will go into service in 2016.

Operations costs for transit services (except the Canada, Expo and Millennium Lines) are projected to grow at or below inflation forecasts, reflecting continued focus on operational efficiency and effectiveness. The higher-than-inflation increase in Canada Line is due to the terms of the contracted payment schedule, which are lower in the early years of the contract. Expo and Millennium Line costs

reflect the impact of the 48 new cars placed in service in 2010 coming off warranty, as well as some increased operating costs associated with planned station upgrades.

MANAGING THE TRANSIT NETWORK

Service Optimization

Starting in 2010, TransLink pursued a Service Optimization Initiative (SOI) to increase the productivity of its existing service. To date, more than 170,000 hours, or 3.4 per cent of the total bus service hours, have been reallocated from lower demand routes or times of day to higher demand routes and time periods. At the same time, population growth has also increased demand for transit. As a result of SOI and population growth, capacity utilization has increased from 84 per cent in 2009 to 88 per cent in 2011, boardings per revenue hour have increased from 54 to 58 over the same period, and fare revenue increased by 5 per cent (\$21 million). Additional SOI adjustments are planned in 2012 and 2013 as part of the program.

The 2013 Base Plan establishes an ongoing Service Optimization Program that will reinvest 25,000 hours a year in order to achieve higher productivity on the bus network. This will include reallocation of revenue hours from low productivity services and time periods, reductions in hours and days of operation, cancellations of very low performing routes and reinvestments focused on reducing overcrowding on key corridors with some investment in longer term ridership growth.

In support of this effort, an annual review of system performance is conducted, which looks at trends in bus system ridership at a system-wide, sub-regional and route-by-route basis. The 2011 Bus System Performance Review (BSPR) is the first of these annual reviews and was published in May 2012².

Compass Card and Faregates

In 2013, TransLink will introduce an automated fare collection system, called Compass card, across all transit modes. Faregates at the Expo, Millennium and Canada Line stations and SeaBus terminals will also be installed. This project is a key initiative to increase customer convenience, improve the efficiency and effectiveness of collecting fare revenue, improve transit service quality through data analysis, reduce fare evasion and increase revenue, and improve safety and security on the transportation system. The Provincial and Federal Governments are providing financial support for this project.

Construction to prepare the stations for the installation of gating and related equipment will be completed by the end of 2012. System installation began in July 2012 and will be completed on the rail system by the end of 2012 and bus system in early 2013. Phased implementation of the Compass card program will begin in 2013.

² This report is available online at www.translink.ca.

Transit Service Guidelines Update

Developed in 2004, TransLink's Transit Service Guidelines established the key service quality and performance indicators used to guide on-going monitoring and management of the regional transit network. In 2013, TransLink will review and update the Transit Service Guidelines to include performance-based decision-making and improve the tracking, analysis and reporting of regional transit system performance.

Area Transit Plans

Area Transit Plans identify future transit networks and priorities for improving local transit service in Metro Vancouver's 21 municipalities. Each plan includes a long-range transit vision, established in coordination with local growth patterns and land use plans. It also includes identified shorter-range transit priorities for consideration in subsequent base or supplemental plans or ongoing network management efforts in each of the seven sub-regions in Metro Vancouver. The North Shore Area Transit Plan will be completed in 2012, and the Area Transit Plans for the Richmond and Northeast Sector sub-regions are expected to be initiated upon completion of the Regional Transportation Strategy update.

Park and Ride

TransLink is adopting a comprehensive Park and Ride policy to guide the strategic decisions concerning park and ride facilities in the region. Park and ride facilities serve an important role in the regional transportation system by enabling access to the transit network to those customers with low transit accessibility at their place of residence. The policy addresses the current inconsistencies in facility amenities, pricing, management and access priority across the different park and ride facilities that are under our operation control.

The policy will enable the correct level of park and ride supply to be provided across the region, consistent with TransLink's strategic goals. Where park and ride supply is not being provided by third parties, TransLink will explore interventions, including providing new supply, to increase access to the transit system.

Pricing is an additional tool and the policy introduces paid parking at all lots. The price levels will be set to meet a number of key objectives, including: providing greater equity (e.g. all transportation users are paying for the infrastructure they use); cost-recovery (e.g. both land and operational costs); improving the efficiency of the system; recognizing future land development potential; and leveraging assets and major TransLink projects. There are also major customer service benefits from pricing, such as greater certainty of finding a parking space is provided at oversubscribed facilities and the ability to provide consistent facility amenities. As a result, TransLink will develop an implementation strategy using variable pricing at all the parking lots under its control.

Currently, roughly 3,500 of the 4,300 spaces under TransLink operational control already have pricing in place. In December 2012, the new Carvolth Exchange park and ride facility is scheduled to open, with roughly 650 spaces. This facility will be served by the new Highway 1 Rapid Bus service across the Port

Mann Bridge connecting to Braid Station, as well as existing local services. In addition, work is underway to deliver park and ride facilities associated with the Evergreen Line.

For the purposes of this plan, increases in revenue generation are assumed starting in 2013.

BUS AND SEABUS SERVICES

Overall Services

Under this plan, 2012 service levels will be maintained and an additional 61,000 annual service hours will be implemented, resulting in a total expansion of 109,000 annual service hours as compared to the 2012 Base Plan.

The following new services are scheduled to be implemented under this plan:

- King George Boulevard B-Line Service: Beginning in 2013, 40,000 annual service hours will be allocated to a phased implementation of B-Line service connecting Guildford Town Centre, Surrey Central and Newton Town Centre. Newton Exchange will be upgraded to accommodate this new service. Extension of the service to White Rock Centre, as contemplated in the 2012 Moving Forward Plan, will be deferred.
- Highway 1 Rapid Bus: Coinciding with the opening of the new Port Mann Bridge, expected in December 2012, 21,000 annual service hours will be allocated to provide an express, high-reliability service on the Highway 1 corridor linking a new Carvolth Exchange and park and ride in Langley with the Braid SkyTrain Station. Off-peak service levels will be lower than planned in the 2012 Moving Forward Plan, and service will be extended to Lougheed Town Centre Station when ramps are completed. This project benefits from Provincial Transit Plan funding for the infrastructure supporting this service initiative.
- Additional bus service changes will be proposed to improve the productivity of the system by reallocating services from lower performing routes to high demand routes through ongoing Service Optimization, as described above.

Making the Bus System More Efficient

TransLink is committed to ensuring the bus system is as efficient as possible. Over the 2013 Base Plan period, TransLink will pursue the following initiatives:

- Recovery times: Recovery time is the time added to the end of a trip to ensure that the vehicle is able to make the subsequent trip on schedule. This is to account for traffic congestion and other unforeseen delays that may occur along the route. CMBC³, working with new automatically collected operations data, has initiated a review of recovery and other non-revenue time to ensure it is minimized while maintaining an acceptable level of service reliability. In 2012, this initiative identified a savings of 48,000 hours on the conventional bus system, reducing the

³ Coast Mountain Bus Company (CMBC) is one of TransLink's operating subsidiaries.

amount of recovery time from 18.2 per cent of total service hours to 17.1 per cent. The 2013 Base Plan sets a target of further reductions in recovery time to 16 per cent of total service hours in 2016 and to just over 15 per cent by the end of the outlook period. TransLink will work to minimize service impacts for customers, including monitoring impacts on reliability and customer satisfaction, making adjustments as required. TransLink's increased provision of real-time transit information will help mitigate some customer impacts that may arise.

- 'Right-sizing' the fleet: Right-sizing the fleet means ensuring that each transit route is served by the appropriate vehicle based on customer demand, and having the right number of vehicles of the right types within the fleet to provide appropriate service. Lower demand routes may be better served with smaller vehicles such as a Community Shuttle, while high demand routes may be better served by an articulated bus. TransLink works with CMBC to analyze passenger boardings and make adjustments with as little impact on the customers' experience as possible. To take advantage of a lower cost per hour of service, the plan will increase the share of service operated by Community Shuttles.
- Service Optimization Initiative: As described in the previous section, "Managing the transit network," TransLink will establish an ongoing program of optimization with a reallocation of approximately 25,000 service hours each year for the balance of the plan period.

Reducing Spare Ratios

TransLink's fleet contains spare vehicles that allow for routine maintenance activities and responding to unforeseen events. TransLink's bus fleet spare ratio (the ratio of spare vehicles to vehicles required for operation) has been high because TransLink retained vehicles to provide extra service during the Olympics. Spare vehicles have also been retained with the expectation that service would be expanded as contemplated in the 2012 Moving Forward Plan. In 2012, targets were established for lower spare ratios by fleet type. Through a combination of retirements and fewer replacement purchases, the fleet will be reduced to meet the new spare ratio targets. This will provide capital cost savings over the plan period. Having fewer spare vehicles in reserve will increase the time for TransLink to expand service should such a decision be made in the future, as waits of up to two years for new fleet orders are typical.

Depots

In accordance with our regional bus facility plan, TransLink will begin construction of the Hamilton Transit Centre in Richmond in 2013 and the centre will be operational by 2015. This modern facility will allow for efficient maintenance and dispatch and have capacity for future service growth. TransLink will close the North Vancouver Transit Centre in 2015 and service will be redistributed to remaining transit centres.

CUSTOM TRANSIT

TransLink's Custom Transit services provide transportation for customers who are not able to use conventional transit without assistance. The Custom Transit program includes HandyDART (a shared

ride, pre-booked, door-to-door service that uses specialized lift-equipped vehicles for registered persons with temporary or permanent disabilities) and HandyCard (a prequalified program for persons with permanent disabilities that provides concession fares on conventional transit, the ability to bring an attendant on conventional transit for free and the opportunity to purchase TaxiSaver coupons).

TransLink currently operates 332 custom transit vehicles. However, actions were undertaken in late 2012 to determine the best balance between asset utilization and spare ratio. The HandyDART and TaxiSaver programs together provided 1.39 million passenger trips in 2011.

In July 2012, the TransLink Board confirmed the continuation of the TaxiSaver program. Further analysis is being done to address potential program growth concerns and review other service delivery options to better manage costs and program effectiveness.

For 2013, TransLink will take action to address the increasing number of weekend HandyDART trip denials. To maintain the custom transit service in a state of good repair, 133 HandyDART vehicles will be replaced over the three-year period, some of which will include the trial of smaller van-based units.

Custom Transit is an on-demand service, therefore service hours can fluctuate year-to-year based on demand. The budgeted envelope of available service hours, however, will remain at 2012 levels.

RAPID TRANSIT

TransLink's rapid transit system consists of three high-capacity rail services in dedicated rights-of-way: the Expo Line, the Millennium Line and the Canada Line. Under the 2013 Base Plan, service on the Canada Line will be maintained at 2012 levels. There will be a 3.8 per cent decrease in service hours (45,000 hours) on the Expo and Millennium Lines by adjusting service frequencies on Saturdays and Sundays from approximately 9:30am to 9:30pm.

There are a number of state-of-good repair projects on the Expo and Millennium Lines, such as a propulsion power upgrade, a running rail replacement and an overhaul of Expo Line elevators and escalators. The existing power distribution system has been in service since 1986 and requires an increase in capacity to better accommodate past and future fleet increases. This propulsion power upgrade will ensure smooth train operation well into the future. Sections of the running rail in tight curves will be replaced. Also, Expo Line escalators and elevators, most of which are over 25 years old, will be overhauled to extend their useful life.

Additionally, rather than incur significant capital costs associated with replacing older vehicles, beginning in early 2013 TransLink is undertaking the refurbishment of 114 older Mark I vehicles to extend their service life by 15 years.

EVERGREEN LINE PROGRAM

The 2012 Moving Forward Plan confirmed TransLink's financial support for the provincially-led Evergreen Line project and outlined TransLink's responsibility for integrating the new service with existing services. The project is expected to be completed in 2016.

Integration of the rapid transit line will require upgrades across the transportation network. The region's busiest transfer hub, Commercial-Broadway Station, will undergo expansion to accommodate projected Evergreen Line-related ridership increases as well as local area population and employment growth. TransLink is responsible for the multimodal integration projects within the 2013 Base Plan period as listed below.

Evergreen Line Multimodal Integration

The Evergreen Line multimodal integration project will include:

- Commercial-Broadway station upgrades
- development of station area plans and infrastructure for Evergreen Line stations in collaboration with municipalities
- pedestrian, bicycle, transit priority and other urban design improvements within 800 meters of the station to enhance access to the rapid transit line and support urban development identified in station area plans and cost-shared with municipalities
- enhanced information, such as walking maps and trip planning information for each station area
- wayfinding improvements to inform customers of the new operating pattern and enhance navigation

STATION UPGRADES

TransLink has begun necessary station upgrades on the Expo Line. The 2013 Base Plan provides funding to meet TransLink's contribution requirement to receive \$160 million of funding through the federal and provincial governments to upgrade key stations in the region for improved capacity, accessibility and implementation of faregates. Upgrades are prioritized for stations with the most significant deficiencies (consistent with the Provincial Transit Plan and Expo Upgrade Strategy).

Commercial-Broadway Station Phase II Upgrades

The Commercial-Broadway Station upgrade project is a component of the successful implementation of the Evergreen Line and will support future capacity increases on the rapid transit network as outlined in the Provincial Transit Plan and the Expo Upgrade Strategy. Detailed design is expected to begin in 2013 and the project will be complete in 2016. Upgrades at this station will include:

- construction of an additional inbound platform for the Expo Line, with associated platform access improvements, to accommodate the projected increase in transfer volumes from the Evergreen Line
- widening the crossing of the Grandview Cut between platforms 1 and 2 and the north station concourse

- upgrading the bus waiting areas serving the station complex

Main Street Station Upgrades

Main Street Station will be upgraded to meet TransLink's accessibility standards, improve the transfer experience for passengers arriving by bus, increase the capacity of the Expo Line and provide space for faregates.

Construction activities are expected to begin in 2012 with the project complete in 2014. The project includes:

- an expanded east station house
- escalator and elevator access to the platform at the east entrance
- a reconfigured west station house with direct escalator access to the platform from street level
- additional station retail and bike parking

Metrotown Station Upgrades

The Metrotown Transit Village Plan was adopted in 2007. Working closely with the City of Burnaby, TransLink will upgrade Metrotown Station and its environs to offer improved accessibility, expanded circulation and capacity to accommodate current and projected passenger volumes, enhanced overall passenger experience, convenient bus transfers and faregates.

Construction is expected to begin in 2013 with the project complete in 2015. Upgrades include:

- a new mezzanine and station houses to serve transfer movements to a new bus exchange
- reconfigured and expanded bus exchange immediately below the station
- a down escalator from the platform
- expanded elevator capacity
- improved integration with the redeveloping, surrounding neighbourhood

Scott Road Station Upgrades

Scott Road Station is being modernized to improve accessibility, capacity and customer amenity. The first phase of this upgrade, a new elevator at the west station house to make the bus exchange accessible to persons with disabilities, was completed in late 2012. Work is underway now to renovate the bus exchange island and both station houses to improve customer amenity, safety and security.

Surrey Central Station Upgrades

Surrey Central Station upgrades were first conceived in the Surrey Central Transit Village Plan, adopted in 2007. The station improvements support implementation of the South of Fraser Area Transit Plan, the Expo Upgrade Strategy and the redevelopment of Surrey Centre by upgrading the current off-street bus exchange and an additional entrance to the Surrey Central SkyTrain station. The upgrades will be closely coordinated with the City of Surrey and other partners to further the development of this regional hub. Planning is underway and the project is expected to be complete by 2016.

New Westminster Station Upgrades

New Westminster station is being integrated into an adjacent mixed-use development. Upgrades to the station will include new finishes, replacement of mesh screens, replacement of station elements that are near the end of their working lives and updated wayfinding to address changes to station circulation and access. Construction of some elements is underway and the project will continue in 2013.

Joyce-Collingwood Station Upgrades

Joyce-Collingwood Station serves a high-density, mixed-use neighbourhood and serves as an important bus transfer location. Upgrades to increase passenger and bus capacity and enhance accessibility were identified in the Expo Upgrade Strategy. Planning will begin in 2013 to identify high priority elements for improvement and the project is expected to be complete by 2016.

STATION AND EXCHANGE PLANNING

In addition to the Station Upgrade projects, TransLink will work with municipalities to coordinate efforts by agencies and the private sector to leverage the significant station upgrade investments in a manner that supports regional and municipal objectives. This plan does not include a funding program to cost share on station area improvements with municipalities. TransLink will contribute to the construction of a transit terminal at the UBC Point Grey Campus.

Planning will continue for new or expanded exchanges under the 2013 Base Plan. Implementation timing will depend on confirmation of available funding in future plans. Priorities for planning include Phibbs Exchange, Langley Centre and Guildford Centre.

WEST COAST EXPRESS

The 20-year service agreement between TransLink and the Canadian Pacific Railway to operate the West Coast Express expires in 2015. Negotiations for renewal will be initiated within the time period covered by the 2013 Base Plan. A fuller understanding of the future interaction of the service with the Evergreen Line is required, as well as an understanding of the overall market for long distance travel in the corridor. Accordingly, TransLink will complete a West Coast Express Strategy in 2012 with subsequent implementation work expected to identify appropriate future service and infrastructure requirements.

West Coast Express service levels will be maintained at 2012 levels throughout the Plan period.

Roads and Bridges

TransLink provides planning, funding and coordination for more than 2,300 lane-kilometres of regionally-significant roadways, the Major Road Network (MRN). The *SCBCTA Act* empowers TransLink to:

- establish guidelines to identify which roads can become part of the MRN
- establish standards for management, operation, construction and maintenance
- review and approve all proposed changes that could result in a reduction of people-moving capacity on the MRN
- designate routes and times for dangerous goods movement
- approve the prohibition of truck movements from any road in the region (including non-MRN roads)

In support of fostering goods movement in the region, TransLink will continue to work with the municipalities to designate the MRN for the movement of dangerous goods, in accordance with Section 23 of the *SCBCTA Act*.

In 2013, TransLink will also continue to support the Roberts Bank Rail Corridor Program, a multi-agency partnership initiative to improve safety and goods movement reliability at several rail/road crossings in Delta, Surrey and the Langleys. TransLink will also continue to support the Low Level Road upgrade project, a Port Metro Vancouver and Transport Canada joint initiative to improve safety, reliability and the movement of goods in the City of North Vancouver

MRN AND BICYCLE INFRASTRUCTURE

In 2012 TransLink successfully completed a cooperative review with Metro Vancouver municipalities to improve the management and funding framework for the Major Road Network and bicycle facilities in the region. The new framework provides better alignment with the *SCBCTA Act* and regional objectives, as well as providing the municipalities with improved flexibility to better manage investments in the network.

As part of its MRN commitments, TransLink provides Operating, Maintenance and Rehabilitation (OMR) funding for the MRN to the municipalities, as well as funding for upgrades to minor capital and cycling projects. In 2013, TransLink will hold the funding envelope for the MRN and Bicycle Capital constant to the 2011 budget level, but will consolidate the previously allocated funding of \$10 million for MRN minor capital upgrades and \$3 million for cycling upgrades into the OMR funding, giving municipalities the ability to spend the funds where they are most needed.

Table 12 outlines the changes to the funding structure. Municipalities will be able to request lower OMR non-pavement funding and increased OMR pavement funding for the following year, enabling the municipalities to have greater flexibility in determining how they want to spend the allocated funds.

Table 13: MRN and BICCS Program Funding Structure

Major Road Network (MRN) and Bicycle Programs	Description	2013	2014	2015
Operations and Maintenance (Operating)	Funding allocated to municipalities on a per lane km basis to cover 100 per cent of operations and maintenance of MRN roads. Municipalities can request to divert a portion of their allocation to Rehabilitation.	\$11,140 / lane km \$25.7M total	\$11,140 / lane km	\$11,140 / lane km
Rehabilitation (Capital)	Funding allocated to municipalities on a per lane km basis to cover 100 per cent of rehabilitation of MRN roads. Municipalities can request to divert a portion of their allocation to fund Bicycle or Road capital upgrades.	\$7,960 / lane km \$18.4M total	\$7,960 / lane km	\$7,960 / lane km
MRN and Bicycle Upgrades (Capital)	Capital funding for upgrades to municipal bike facilities and MRN roads. There is no funding currently allocated for this program but municipalities can request to divert a portion of their allocation from the Rehabilitation program.	\$0	\$0	\$0
BICCS – Regional Needs	Capital funding TransLink contributes to municipalities for regionally significant bike projects.	\$1.55M	\$1.55M	\$1.55M
TransLink-Owned Bicycle Infrastructure	Funding TransLink spends on TransLink-owned bike facilities.	\$0.45M	\$0.45M	\$0.45M
Total		\$46.1M	\$46.1M	\$46.1M

BRIDGES

TransLink also owns and maintains a number of major bridge structures: Pattullo Bridge, Knight Street Bridge, Golden Ears Bridge, Westham Island Bridge, and the Canada Line bike and pedestrian bridge. In 2013, TransLink will continue to operate and maintain these bridges to ensure public safety, and will monitor the need for operational upgrades and repairs on these facilities and implement improvements as needed.

Pattullo Bridge

The existing Pattullo Bridge does not meet current seismic and facility design standards for a new bridge. Technical studies conducted over the last four years have revealed that the bridge is nearing the end of its useful life because of issues related to structure, seismic condition, roadway safety and riverbed scour of the foundations.

In 2008, the TransLink Board directed staff to pursue a replacement solution and TransLink has proposed a new crossing that will result in new connections to municipal roads. To date, consensus of the directly affected municipalities on the scope and location of the new crossing has not been reached. TransLink will continue to work with the Cities of New Westminster and Surrey and other project stakeholders to ensure that all reasonable alternatives for the future Pattullo Bridge have been properly assessed, and to identify a suitable solution that meets regional and local objectives. If agreement is reached, TransLink's intent would be to define, bring forward and secure a funded solution no later than fall 2014. If the funded solution is a new bridge it would be in operation approximately six years later.

In the meantime, TransLink continues to monitor the condition of the existing bridge, investing an additional \$3 million per year in operations, inspections, maintenance, and non-seismic repairs.

In addition, an assessment is underway to determine whether the existing bridge can be rehabilitated.

- If the assessment indicates that rehabilitation is technically feasible, TransLink will commence design work in 2013 for rehabilitation of the existing bridge (including seismic upgrades, deck replacement, pedestrian safety measures and pier stabilization). This design work is expected to take up to 18 months to complete. If, at the conclusion of the design work, TransLink determines that rehabilitation is a viable option, the rehabilitation work would commence immediately. While the rehabilitation is not expected to bring the existing bridge up to current seismic standards for a new bridge due to engineering limitations, the seismic resiliency of the rehabilitated bridge would be improved.
- If the assessment determines that rehabilitation is not technically feasible or if, at the conclusion of the design work, TransLink determines that rehabilitation is not a viable option, TransLink will consider its options, including continuing to pursue agreement for a new bridge and/or bridge closure.

Updated timing and financial requirements associated with rehabilitating the existing bridge will be reflected in the 2014 strategic plan, based on technical work undertaken in 2013.

Up to \$7 million is available in the Base Plan for studies related to the existing and future Pattullo Bridge, including rehabilitation assessment, conceptual design work, detailed traffic analysis, and stakeholder and public consultation.

CYCLING

TransLink will initiate an Implementation Plan for the Regional Cycling Strategy in 2013, which will outline specific actions for key aspects of cycling, including:

- bicycle infrastructure
- wayfinding
- parking and end-of-trip facilities
- bicycle-transit integration
- education, encouragement and enforcement
- planning and monitoring

The Strategy will be incorporated into the regional transportation strategy and the implementation will be completed as future TransLink budgets permit. Funding to cycling programs will be provided through the above MRN and BICCS funding structure.

Table 14: Major Road Network, Bridges and Bicycles (millions)

	Actual 2011	Budget 2012	Forecasts			Outlook 2022
			2013	2014	2015	
Major Road Network and Bridge Operations	\$ 36.2	\$ 38.9	\$ 33.2	\$ 36.0	\$ 36.9	\$ 38.1
Golden Ears Bridge	\$ 12.0	\$ 13.2	\$ 13.4	\$ 13.4	\$ 13.7	\$ 16.6
Albion Ferry	\$ 0.4	\$ 0.2	\$ -	\$ -	\$ -	\$ -
Total Operations & Maintenance	\$ 48.6	\$ 52.3	\$ 46.6	\$ 49.4	\$ 50.6	\$ 54.7
MRN and Bike Capital Programs	\$ 48.8	\$ 66.2	\$ 64.3	\$ 36.0	\$ 24.5	\$ 20.5
Total Roads, Bridges and Bicycles	\$ 97.4	\$ 118.5	\$ 110.9	\$ 85.4	\$ 75.1	\$ 75.2

AIRCARE

This provincial program has been administered by TransLink since 1999. It has been one of the most effective vehicle testing programs in North America and has helped cut vehicle-generated emissions by almost half. Over the years, the program has taken almost one million cars off the road until they met emissions standards. Vehicle technology and industry standards have advanced and resulted in an improved automotive fleet. In the spring of 2012, the Province announced the light-duty vehicle focused AirCare program will end on December 31, 2014. The program will continue to operate as normal for calendar years 2013 and 2014 with an expected total of about one million inspections to be performed.

Multi-Modal Programs and Investments

CUSTOMER SERVICE

E-Communication

Customer information is core to TransLink's business. People who are well-informed about options and current conditions will be able to make more efficient and timely travel choices. TransLink has engaged in a number of electronic communication initiatives, including:

- real-time travel information for buses, mobile devices and desktops
- development of the Regional Traffic Data System (RTDS) to provide real-time road speed and travel time information
- an upgrade to our mobile site (m.translink.ca)
- social media applications (such as Twitter and Facebook)
- transit and bike information through Google Maps
- enhancements of the TransLink website with more options for accessing service information and new tools to help improve navigation
- TravelSmart website enhancements to include online Tracker

Under the 2013 Base Plan, TransLink will continue to improve our existing communications tools and seek new opportunities where appropriate. In addition, TransLink will continue to measure and report annually on effectiveness in all of its operations, as part of the statutory reporting requirements.

Wayfinding

Wayfinding refers to the various types of information that customers rely on to plan, confirm and complete a journey. TransLink developed a wayfinding strategy that lays the groundwork for an integrated system of information across modes. In 2010, a wayfinding standards manual was adopted to guide the provision of more and higher quality information on the bus and rail system.

Consistent with past plans, TransLink will continue to upgrade wayfinding at new or renovated facilities and wayfinding improvements will be implemented with the Evergreen Line rapid transit project.

TRAVELSMART

TravelSmart is a suite of programs, information and online tools designed to promote travel behaviour change by increasing awareness of travel options and trip reduction initiatives.

Under the 2013 Base Plan, TransLink will continue to provide a wide range of programs under the TravelSmart brand, supported by partnerships with employers, municipalities, schools and other public and private agencies. Travelsmart.ca will continue as a centralized hub for program support, information and tools to help Metro Vancouverites make more sustainable travel choices. The programs include:

- the Employer Pass program

- support for rideshare and vanpool programs
- active transportation sponsorship and promotion
- TravelSmart Schools program
- targeted outreach to new Canadians and seniors
- other programs such as Corporate Car Share, Telework, Guaranteed Ride Home program and assistance implementing workplace programs

TransLink Corporate and Transit Police

Under the 2013 Base Plan, combined expenditures for TransLink Corporate and Transit Police total \$110.3 million in 2012 and are forecasted to be \$136.7 million in 2015.

Table 15: TransLink Corporate and Transit Police Expenditures (millions)

	Actual 2011	Budget 2012	Forecasts			Outlook 2022
			2013	2014	2015	
TransLink Corporate	\$ 65.1	\$ 73.3	\$ 80.9	\$ 79.9	\$ 81.5	\$ 90.8
SmartCards and Gating and Studies	\$ 8.3	\$ 7.4	\$ 41.6	\$ 22.2	\$ 21.3	\$ 23.3
Subtotal - TransLink	\$ 73.4	\$ 80.7	\$ 122.5	\$ 102.1	\$ 102.8	\$ 114.1
Transit Police	\$ 27.1	\$ 29.6	\$ 31.0	\$ 33.3	\$ 33.9	\$ 36.9
Total TransLink and Police	\$ 100.5	\$ 110.3	\$ 153.5	\$ 135.4	\$ 136.7	\$ 151.0

TRANS LINK CORPORATE EXPENDITURES

TransLink has been working hard to streamline corporate processes and make the organization operate in a more efficient manner. As part of this, key human resources activities and technology services from across the enterprise were centralized under TransLink. The result is a one-time increase in TransLink corporate expenditures between 2011 and 2012, but an overall decrease in associated costs.

In 2013, TransLink will incur one-time costs associated with the introduction of Compass Card, the Pattullo Bridge feasibility study and relocation of TransLink offices. These costs are outlined below:

- Compass Card will have start-up costs of \$24 million in 2013, and on-going costs of \$18 million per year for the remainder of the plan period
- the Pattullo Bridge study accounts for \$7 million in 2013 for the work that needs to be completed in to define the scope of the Pattullo Bridge replacement
- TransLink will relocate its office to New Westminster in 2013. Included in the plan is a one-time cost of \$4 million for the transfer, decommissioning the existing space and the duplication of lease space during the transition
- an ongoing increase in investments in technology, which will provide better utilization of information, reduce system risks, allow for technology upgrades and investment in new technology such as NextBus and scheduling
- TransLink's stepped merit increase for staff of approximately \$3 million

TRANSIT POLICE

The Transit Police remain the most effective and flexible solution dedicated to reducing crime and disorder, ensuring high levels of police presence on the region's transportation network and enhancing the perception of safety. Research has determined that while there are many models for providing security on transit systems, different types of systems and environments may require different solutions. One solution that has emerged clearly from all of the discussion, however, is that dedicated police presence is one component of effective safety and security on public transportation.

The role transit authorities play in addressing crime and fear of crime on public transit directly impacts the bottom line, as perceptions of violence and fear of crime has been proven to cause loss of ridership and revenues. Lack of order—as evidenced by aggressive panhandling, vandalism, graffiti, people vending unauthorized items, people avoiding payment of fare or flagrant violations of a system's rules—are some of the most important policing issues a transit system can face. While seemingly minor at first glance, these quality of life violations often result in patron discomfort, and the discomfort fuels perceptions of fear. If left unchecked, such activity can influence patrons to seek another mode of transportation.

In 2011, the Police Board approved the 2011-2015 Transit Police Strategic Plan⁴. Within the Transit Police Plan, there are three Strategic Directions containing 29 goals. The Strategic Directions are:

- reducing crime and disorder
- protecting TransLink assets and the transit environment
- providing better service to the transit community

In 2011, a Transit Police focus on crime and social disorder issues resulted in a 14 per cent reduction in Crimes Against People and a 15 per cent reduction in Crimes Against Property per 100,000 boardings. To-date in 2012, Crimes Against People have been reduced a further 17 per cent.

Under the 2013 Base Plan, Transit Police will continue to work in close collaboration with Transit Security, SkyTrain⁵, CMBC, jurisdictional police and other law enforcement partners to deliver effective and efficient policing in Metro Vancouver. For 2013, key initiatives include:

- enhancing Transit Police's role in protecting the people, property and revenue
- exploring opportunities to collaborate with Transit Security and Jurisdictional Police Departments
- participating in projects or developing programs that reinforce the practice of excellent customer service and support the protection of our transit community

⁴ The Transit Police Strategic Plan and the Chief Officer's Directional Statement are available online transitpolice.bc.ca.

⁵ British Columbia Rapid Transit Company (BCRTC), also called SkyTrain, is one of TransLink's operating subsidiaries.

- establishing new methods for how Transit Police holds itself responsible and how they are accountable to the transit community
- ensuring that any criminal assault on TransLink frontline staff is relentlessly followed up until conclusion
- continuing to protect revenue understanding this goes beyond fare evasion. Transit Police's efforts in addressing fare evasion also prove to reduce crime and disorder on the system
- continuing to seek out additional efficiency opportunities that align with effective delivery of policing services

Transit Police are committed to zero growth in the police officers it employs in the coming years. With the launch of Compass Card in 2013, Transit Police will assess opportunities to increase police presence on buses and at transit exchanges. The organization will increase productivity and identify new models of deployment to successfully manage the increase in service area expected with the development of the Evergreen Line.

In 2012, Transit Police began the implementations of 30 recommendations identified in an independent Operational Review directed at improving efficiency. The result has been significant cost savings and an increase in productivity such as the following:

- New business practices in the management of overtime reduced overtime costs by \$295,000 (51 per cent) during the first six months of 2012. Savings are expected to be over \$500,000 in 2012.
- Return-to-work programs and stricter management of sick time has resulted in a 30 per cent decrease in the number of police officers on long term sick/injury leave.
- New expenditure controls and austerity programs have increased savings through scales of economy by purchasing goods through local police departments (e.g. uniforms, ammunition, fuel).
- The vehicle fleet has been decreased from 44 to 36 vehicles. The police vehicles are used for investigations, prisoner transportation, station lockup, victim management, witness interviews, collection of evidence, responding to bus operator assaults and other bus-related complaints.

SUMMARY OF CAPITAL EXPENDITURES

The ten-year Capital Plan includes a three-year work plan and a seven year-outlook for enterprise-wide capital projects to address corporate priorities that include maintaining existing services (MES), ensure a state of good repair (SOGR) and undertake upgrades or expansion as needed.

Table 16: 2013 to 2015 Capital Cash Flow (thousands)

Project Description	2013-15 Cash Flow	Contributions			TransLink Net Cost
		Provincial	Federal	Other	
Bike Program	11,063	-	-	-	\$ 11,063
Bridges	2,716	-	-	-	\$ 2,716
Roads	113,691	-	-	-	\$ 113,691
Transit	402,575	-	(239,838)	(163)	\$ 162,575
Rapid Transit	600,661	(76,595)	(94,066)	-	\$ 430,000
Marine	20,683	-	(15,799)	-	\$ 4,884
Commuter Rail	24,230	-	-	-	\$ 24,230
IT	24,653	-	-	-	\$ 24,653
Total	\$ 1,200,272	\$ (76,595)	\$ (349,703)	\$ (163)	\$ 773,812

Note: The above capital program table includes MRN expenditures, but excludes real estate acquisition

TransLink will undertake some significant capital expenditures during the plan and outlook periods across the organization, including bus, rail, road and information technology (IT). As part of CMBC's fleet replacement program, \$192 million will be invested over the plan period in conventional buses to maintain the assets in a state of good repair. This will reduce the conventional fleet size as CMBC adjusts its spare ratio. The second original SeaBus is also planned to be replaced over the plan period. Custom Transit will invest \$24 million over the plan period to maintain its assets in a state of good repair and replace 137 HandyDART vehicles, some of which will include the trial of smaller van-based units. \$30 million will be invested in community shuttles to right-size the fleet to better serve lower productivity routes. TransLink will also be investing \$135 million in transit centres, including the build and start up of the Hamilton Transit Centre and the design and start of construction of the Marpole Transit Centre.

TransLink will also be investing \$152 million over the plan period in rail projects, including wayside power propulsion and TransLink's contribution to the station upgrade projects at Main Street, Scott Road, Metrotown, Commercial-Broadway, New Westminster, Surrey Central and Joyce-Collingwood.

TransLink will invest \$61 million to support the MRN, cycling programs and bridge maintenance, including the Pattullo Bridge.

IT investments of \$25 million will be made, which include a new time entry system and new financial systems.

Major Capital Projects

In accordance with Section 194 of the *SCBCTA Act*, Table 17: Major Capital Projects in the 2013 Base Plan identifies all capital projects exceeding \$50 million planned for the Plan and Outlook period.

Table 17: Major Capital Projects in the 2013 Base Plan (thousands)

Project Description	Capital Cost	Beginning in Year
Evergreen Line Contribution (excludes contributions already made)	\$375,000	2012

EXPO Line Propulsion Power System Upgrades	\$58,361	2009
Marpole Maintenance Centre Site Implementation (design and construction, excludes land cost)	\$86,670	2014
Hamilton Transit Centre Design & Construction	\$125,633	2012
Smart Card & Faregate Project - Phase 3*	\$186,000	2008
Pattullo Bridge - Seismic upgrade	\$150,000	2016

*This plan assumes some additional costs for forecast purposes which may not correspond exactly with the current project budget.

Strategic Priorities Fund

The Strategic Priorities Fund is a federal initiative started in 2005 that allows for the transfer of federal gas tax funds for environmental improvements such as reduced GHG emissions, clean air and clean water. In Metro Vancouver, the gas tax fund has been dedicated to transit initiatives. It is governed by an agreement between Metro Vancouver, Union of British Columbia Municipalities (UBCM) and TransLink, and is administered through the UBCM's Gas Tax Fund Management Committee. To access gas tax funding, TransLink makes an application for projects that meet the fund objectives. Upon approval of these projects, funds are transferred to TransLink and held as restricted funds until project milestones are reached or the project is completed.

To date, gas tax funds have allowed TransLink to improve the accessibility of the fleet, replace older buses with new fuel-efficient vehicles and expand the transit fleet, including a new SeaBus passenger ferry and 14 new SkyTrain vehicles in addition to bus fleet expansion. As a result of federal gas tax funding, TransLink was able to expand service 22.6 per cent between 2006 and 2011.

Over the plan and outlook period, a number of fleet projects are supported by federal gas tax funds including:

- replacement of 282 conventional buses
- investment in 226 Community Shuttles
- replacement of 350 HandyDART vehicles

The total cost of the gas tax projects over the plan and outlook period is \$377 million, \$334 million of which is funded by federal gas tax.

APPENDIX C: REGIONAL TRANSPORTATION STRATEGY

In 2013, TransLink will update the region's long-term transportation strategy. There is broad recognition at the local, regional and provincial levels of government of the need to renew our collective vision and goals for transportation in the region. In 2012, TransLink worked in collaboration with local and regional government partners on research and policy analysis to understand the regional and local context and challenges. This work will continue in 2013 with a broad regional dialogue that will engage the public, stakeholders and local, regional and provincial partners to identify the policies, investments and funding needed to advance the region towards its long-term goals. TransLink will work in close collaboration with Metro Vancouver and the Mayors' Council in order to meet the legislated deadline of August 2013. While not currently a requirement of the SBCTA Act, the TransLink Board will seek Mayors' Council endorsement of the long-term transportation strategy.

This Regional Transportation Strategy (RTS) update will build on Transport 2040 (the existing long-term strategy) by establishing more detailed goals and targets and providing more refined policy, investment and funding direction. The RTS will advance solutions that are multi-modal (considering the movement of people and goods by all modes) and resilient (capable of performing well in multiple possible futures). Taking an explicitly performance-based approach that seeks to achieve our desired outcomes as cost-effectively as possible, the RTS will focus in the following key areas:

- coordinating transportation and land use in support of Metro Vancouver's Regional Growth Strategy
- encouraging smart transport choices
- effective system management
- maintaining our assets in a state of good repair
- network expansion
- financial sustainability

TransLink will also take this opportunity to prepare a medium-term (15-year) transportation strategy that is more implementation-oriented and focused on TransLink actions, policies, and investments that support the regional direction established in the long-term strategy. This document will include a more refined multi-modal network concept and prioritized projects and initiatives, with agreed-upon funding and phasing plans.

Some of the key areas of interest for the Regional Transportation Strategy are outlined below.

Performance-Based Decision-Making

TransLink seeks to make decisions, introduce policies and make investments that help us, as a region, to

achieve our desired outcomes as cost-effectively as possible. To this end, and to provide transparency and clarity to its partners, TransLink is working to develop a performance-based decision-making policy that defines an outcomes-based approach to planning and investing in the regional transportation system. The policy is intended to clarify the process for determining the priority, scope and timing of initiatives, and ultimately their inclusion in plans. Policy development and consultation will occur via the Regional Transportation Strategy dialogue.

Multi-Modal Strategies

The Regional Transportation Strategy will be explicitly multi-modal and cover movement of both people and goods. The RTS will articulate regional strategies for each of the modes, including how they should work together in a multi-modal context to best achieve our goals.

For goods movement, in addition to developing a regional strategy, TransLink will continue to work with agency and industry partners and stakeholders on several initiatives including the applied Freight Research Initiative; the Empty Container Information Management System; and developing technology-based solutions that benefit goods movement efficiency.

Regional-level strategies will also be developed to support the movement of people by walking, cycling, transit and driving. For transit, for example, the strategy will establish a coordinated policy framework to ensure ongoing planning and management of the transit network is undertaken in a consistent and cost-effective manner. Key components will include specific policy direction and principles related to transit investment priorities, route and network design considerations, network quality and service level expectations and decision-making processes.

Land Use Strategies

Having a land use pattern that is supportive of walking, cycling and transit is essential for supporting a high level of performance from the regional transportation system. Transport 2040, the proposed Regional Growth Strategy and municipal Official Community Plans all call for the integration of land use and transportation planning. For its part, TransLink will bring together a range of existing and new initiatives under one policy program to encourage more effective coordination and outcomes in this area. This work will include the development of guidelines for fostering transit oriented communities throughout a range of land use and built environment characteristics as well as strategies and actions that will support investment in the regional transit system.

Demand-Side Strategies

Fare Policy Review

Preliminary long-term fare policy development work will be undertaken, including research, peer practice review and analytical tool and policy development. The Compass card system will provide the necessary planning data to be used as input in the full Fare Policy Review.

Supply-Side Strategies

Asset Management

TransLink is responsible for managing and maintaining assets valued at approximately \$11.7 billion – including roads, bridges, tracks, guideways, trolley wires, stations, vehicles and depots. As these assets age, future capital needs to maintain and renew them are increasing. To ensure that the region's transportation system remains in a state of good repair, TransLink will continue to prioritize spending on asset maintenance and renewal with projects and programs such as SkyTrain running rail replacement, revenue vehicle replacement, and spending on depots. This plan assumes that TransLink will spend \$1.2 billion over the next ten years on asset maintenance and renewal. A discussion on how to most strategically maintain these assets will be had as part of the Regional Transportation Strategy dialogue, and will focus on balancing multiple transportation objectives while ensuring the quality, safety and reliability of the transportation network.

Rapid Transit Studies

Several rapid transit studies have been completed or are nearing completion. In 2013 the findings of these studies will be considered in the context of the RTS in order to support decisions on rapid transit investment. Major decisions on system investment are best made as part of a comprehensive regional planning process that considers associated policy measures that are needed to pay for and to ensure optimal performance of any investments. The RTS will document the preferred multi-modal network for the region and the conditions required to support the various investments. These studies include:

- Expo Upgrade Strategy: identified fleet, station and supporting system upgrades to meet the long-term capacity and accessibility needs on the Expo Line, the region's busiest rapid transit line.
- UBC Line and Surrey Rapid Transit Studies: evaluated rapid transit technology and alignment alternatives for the Broadway corridor to UBC and in Surrey and surrounding communities.
- West Coast Express Strategy: assesses the current and future transportation needs for West Coast Express Service and evaluated alternatives for concepts to meet those needs.

- Burnaby Mountain Gondola Study and Business Case: assessed options and identified a business case for replacing a portion of bus service between the Millennium Line and Simon Fraser University and the surrounding residential community on Burnaby Mountain with a gondola-based transit service.

Financial Sustainability

In 2013, TransLink will continue to work toward identifying a strategy for diversifying revenue sources, and pursuing new and innovative ways to fund transportation. This is important work that, while difficult and often controversial, is necessary for the organization, public and elected officials to engage in. It involves a constructive conversation on how we best develop a funding strategy that is sufficient and appropriate to deliver the programs, services and investments that are required to serve our growing region. The fact that revenues expected from our second largest funding source, fuel tax revenue, are forecasted to be substantially lower than previously assumed underscores the urgency for defining a way forward. Revenues represent one side of the financial sustainability equation; the other side is cost cutting. This includes both reducing the costs of how we deliver our day-to-day operations and how we invest and establish policies that enable us to cost-effectively move us towards the region's long-term objectives. An example of this approach is how we are developing new strategies for more effectively leveraging real estate assets and regional partnerships.

How we ensure a stable future for our funding and efficiency and effectiveness in our investment and decision-making will be topics for the region to discuss as we move forward with development of the Regional Transportation Strategy and decide what we want our transportation future to look like.

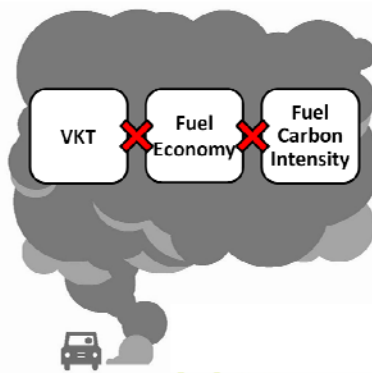
APPENDIX D: OUTCOMES

This section evaluates regional performance toward the Transport 2040 goals through the plan and outlook period. Only modest progress will occur towards most of the Transport 2040 goals through 2015, mostly due to vehicle efficiency improvements and the upcoming Evergreen Line. In spite of significant rapid transit network expansion, these gains will not be sustained through the outlook period, making the long-term goals of Transport 2040 more difficult to accomplish. Land use changes are essential in meeting regional and provincial transportation targets. Without transit-oriented land uses, and increased transit capacity and cycling infrastructure to support it, the ability to shift trips from personal vehicles and reduce GHG emissions will be greatly limited. Under this plan, there will be little progress in the region towards reduced reliance on personal vehicles, traffic congestion and our ability to move people and goods efficiently. This limits our ability to meet the conditions required to fulfill the Transport 2040 aspirations for a sustainable region.

The following analysis uses quantitative methods when possible, supplemented by qualitative analysis. TransLink offers comment on the implications for 2022 if current resource levels are extrapolated into the future.

Goal 1: Greenhouse gas emissions (GHG) from transportation are aggressively reduced, in support of federal, provincial and regional targets

GHGs from transport are a product of distance (vehicle kilometres traveled, or VKT), fuel economy (determined by vehicle fuel efficiency and network operations, such as congestion), and the carbon intensity of fuels.



TransLink works to reduce GHG emissions by:

1. **Reducing vehicle kilometres travelled (VKT)** through initiatives that influence transportation mode shift and support smart land use.
2. **Improving system operations and efficiency** through improvements to roadway operations, such as bus-only lanes and real-time traffic information, which can reduce GHG emissions per kilometre traveled.

3. **Greater use of low-emission fleet technology.** Nearly 30 per cent of TransLink's bus service hours are powered by electricity or compressed natural gas (CNG).
4. **Greater use of low carbon content fuel.** The diesel used by TransLink's fleet contains 5 per cent renewable content⁶.

The 2013 Base Plan is expected to deliver moderate progress on GHG emission reductions between 2013 and 2016, with greater gains in the outlook period due to the opening of the Evergreen Line. TransLink's average transit fleet fuel-efficiency and GHG emissions rates compare favourably to peer regions due to the electric-powered SkyTrain system and trolley buses, hybrid and alternative fuel conventional buses and community shuttles. Through the period of this plan and outlook, TransLink will build on past successes from the replacement of older generation diesel buses through the continued replacement of transit buses and the replacement of one SeaBus in 2013 (new SeaBus vessels are 20 per cent more efficient than older generation vessels).

Goal 2: Most trips are by transit, walking and cycling

TransLink supports alternatives to single occupant vehicle trips by:

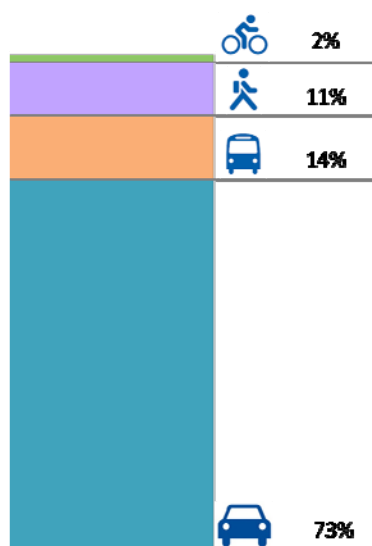
1. **Serving existing transit ridership in an efficient manner** by maintaining base transit service levels and through our continued efforts to optimize transit services.
2. **Influencing efficient transportation choices** through the TravelSmart program and continued use of revenue streams that have a demand management effect.
3. **Promoting shifts to transit, cycling and walking** by adding new services strategically to catch new ridership demand.
4. **Encouraging future shifts to transit, cycling and walking** through partnerships with municipalities to integrate transportation and land use planning decisions.

Limited progress toward this goal is expected under this plan, in part due to decreasing transit service levels per capita (2.61 hours per capita in 2012, declining to 2.25 in 2022), which will occur if additional expansion investments beyond what is identified in this plan are not made in the intervening years. As a reference for these forecast impacts, Figure 2 shows the breakdown of regional weekday mode share as revealed in the preliminary results from the 2011 Trip Diary⁷.

⁶ B5 biodiesel, which is 5 per cent biodiesel and 95 per cent petrodiesel.

⁷ The Trip Diary is a household level survey TransLink carries out about every four to five years to better understand travel behaviours in the region. Participants are asked to provide details about all trips made within a 24-hour period, including mode, destination and trip purpose.

Figure 2: Regional Weekday Mode Share from the 2011 Trip Diary (preliminary results)⁸



Preliminary 2011 Trip Diary results indicate that transit mode share has increased substantially since 1999, from 10 per cent to 14 per cent. Under the 2013 Base Plan, transit ridership is expected to grow by about 3.3 per cent by the end of 2015, with an additional 12 million annual boardings expected, as compared to 2012 (Table 16). This increased ridership is due to population growth and ongoing efforts to optimize transit services. Transit's share of total trips is expected to remain at approximately 14 per cent through the plan and outlook periods. This is well below the Provincial Transit Plan's 2020 target of 17 per cent of weekday trips.

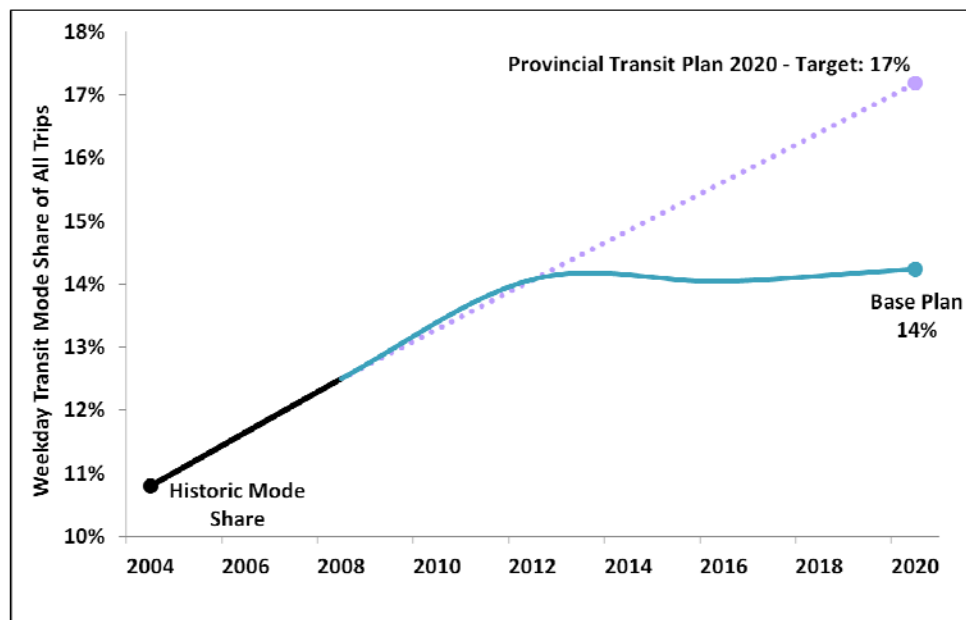
Table 18: Ridership Forecasts (millions)

(millions)	Actual 2011	Budget 2012	2013	Forecasts 2014	2015	Outlook 2022
System Total: Revenue Passenger Trips	233.3	239.1	234.7	238.3	242.2	272.5
Individual Passenger Boardings By Mode*						
Conventional Bus and Community Shuttle	227.6	233.9	233.1	236.5	239.6	253.5
SkyTrain Expo and Millennium Lines	81.1	83.6	82.2	83.2	84.2	89.9
SkyTrain Canada Line	39.7	41.6	46.2	47.2	48.9	58.8
SkyTrain Evergreen Line	-	-	-	-	-	16.9
Rapid Transit Total	120.8	125.3	128.4	130.4	133.1	165.5
SeaBus	6.3	6.6	6.6	6.8	7.1	8.9
West Coast Express	2.8	2.9	3.0	3.1	3.2	4.1
Total Conventional Transit Boardings	357.5	368.6	371.1	376.8	383.0	432.0
Custom Transit (HandyDART)	1.5	1.5	1.5	1.5	1.5	1.5
System Total: Passenger Boardings	359.0	370.2	372.6	378.4	384.5	433.6

*A single passenger revenue trip often includes more than one boarding and may also include combinations of transit modes.

⁸ These preliminary figures may differ from the final estimates. Figures are rounded.

Figure 3: Transit Mode Share Trends and Forecasts



Preliminary results from the 2011 Trip Diary indicate that walking mode share has declined since the 1990s, remaining steady at the 2004 level of 11 per cent. This is not expected to increase under this plan. Greater gains have been achieved in cycling, with cycling mode share increasing slightly to nearly 2 per cent (from 1.5 per cent). Achieving greater shifts to walking, cycling and transit is dependent on investments in pedestrian and cycling infrastructure, demand-side management measures, and supportive land uses.

Goal 3: The majority of jobs and housing in the region are located along the Frequent Transit Network (FTN)

By influencing the location of jobs and housing, the Frequent Transit Network (FTN) both supports and is supported by the development of complete communities. The objectives of this goal are to:

1. Encourage complete and transit-oriented communities.
2. Expand access to regional transit and cycling networks.
3. Promote regional mobility.

Based on data from the recently released 2011 Census of Canada and Pitney Bowes Canada Business Points, this goal has been achieved with 54 per cent of the region's dwellings and 66 per cent of regional jobs located within walking distance⁹ of the FTN. This achievement results primarily from expansion of the FTN network, though employment growth has been slightly stronger along the FTN. Employment

⁹ Walking distance is defined as within a five-minute walk to a frequent bus corridor (400m) or within a 10-minute walk to a rapid transit station (800m).

and residential projections provided by Metro Vancouver indicate that by 2022, growth within walking distance of the Frequent Transit Network will be offset by growth in areas that are less conducive to transit. It is expected that progress on this goal will erode in the Outlook period unless development in the region is concentrated along the FTN.

Goal 4: Traveling in the region is safe, secure and accessible for everyone

This plan maintains the funding for the Transit Police and prioritizes state of good repair projects on TransLink-owned infrastructure to ensure the highest level of safety on the system. These investments optimize the system by:

1. Encouraging modal integration.
2. Improving the resilience of the transportation system.
3. Improving system safety.
4. Promoting universal accessibility.

The Compass card and faregates initiative, which will be implemented in 2013, will increase the public's sense of safety and security on the transit system, and will be designed to provide full accessibility. TransLink's fleet will remain fully accessible and custom transit hours will be maintained. Safety and accessibility will be improved at Main Street, Metrotown, Commercial-Broadway, Surrey Central, New Westminster and Joyce-Collingwood SkyTrain stations.

On the road network, the incidence of traffic-related fatalities and serious injuries has been declining since 2007. TransLink is working with municipalities to improve safety and security levels through the designation of a Dangerous Goods Movement Network on the Major Road Network. In 2012, TransLink summarized baseline conditions for traffic safety on the MRN. In 2013, TransLink will work with the municipalities to consider various initiatives for improving traffic safety for motorists in the region.

Goal 5: Economic growth and efficient goods movement are facilitated through management of the transportation network

Projects that further this goal are grounded by the following objectives:

1. Support efficient access to regional centres and economic gateways.
2. Manage congestion.
3. Improve travel time reliability.

The 2013 Base Plan will deliver limited progress towards this goal. TransLink will continue to work with Transport Canada and the Ministry of Transportation and Infrastructure on the Applied Freight Research Initiative (AFRI). Through a series of detailed studies focusing on various freight market sectors, AFRI informs decision makers to help increase the efficiency and reliability of goods movement in the region.

TransLink will also continue to identify opportunities to improve network efficiency. Initiatives such as transit signal prioritization, the Major Road Network review and Goods Movement Strategy, have the

potential to improve traffic flow and travel times. Additional congestion relief is expected as personal vehicle trips shift to transit due to the opening of the Evergreen Line and other transit improvements. Efforts to improve congestion must be carefully evaluated as experience worldwide has also shown that gains can be lost to induced travel over time.

Goal 6: Funding for TransLink is stable, sufficient, appropriate and influences transportation choices

Investments within this plan must be sustainable within TransLink's existing funding structure over the long term. Investments made in this plan meet the following objectives:

1. Maximize leveraging opportunities.
2. Make efficient use of existing infrastructure and services.
3. Prioritize cost-effectiveness.
4. Prioritize long-term growth in cost-effectiveness.

TransLink continues to work with the Province and Mayors' Council to achieve this goal, but faces significant financial challenges. As detailed in Appendix A, the 2013 Base Plan is constrained by less fuel revenue than anticipated, the Commissioner's rejection of TransLink's fare increase application, continued reliance on TransLink funding reserves, no new revenue source to fund projects committed to within the 2012 Supplemental Plan (Moving Forward), and is at risk of losing the time-limited property tax approved as a stop-gap measure.

Under the 2013 Base Plan, TransLink will leverage significant senior government funding and work to make transit services more productive. Combined with the funding increases put in place under the 2010 Funding Stabilization Plan and 2012 Supplemental Plan, this plan ensures that TransLink is able to maintain current service levels and a state of good repair of the transit system while expanding the rapid transit network. However, reductions in capital and operations programs for roads, bridges, cycling and transit infrastructure were necessary within the identified funding envelope.

APPENDIX E: FINANCIAL INFORMATION

Statement of Revenue and Operations Summary

Table 19: Statement of Revenue and Operations Summary (millions)

	Actual 2011	Budget 2012	2013	Forecasts 2014	2015	Outlook 2022
Transit Revenues	\$ 444.7	\$ 456.2	\$ 497.8	\$ 533.0	\$ 549.2	\$ 697.4
Toll Revenues	\$ 33.8	\$ 39.0	\$ 40.1	\$ 41.2	\$ 42.7	\$ 55.6
User Fees	\$ 478.5	\$ 495.2	\$ 537.9	\$ 574.2	\$ 591.9	\$ 753.0
Motor Fuel Tax	\$ 311.8	\$ 330.8	\$ 335.1	\$ 332.7	\$ 332.7	\$ 339.7
Property Tax	\$ 280.2	\$ 287.6	\$ 296.1	\$ 304.9	\$ 314.1	\$ 386.3
Parking Sales Tax	\$ 53.7	\$ 51.6	\$ 52.9	\$ 53.7	\$ 54.5	\$ 60.5
Other Taxes	\$ 36.6	\$ 37.2	\$ 37.5	\$ 37.8	\$ 38.2	\$ 40.5
Time-limited Property Tax	\$ -	\$ -	\$ 29.0	\$ 29.9	\$ -	\$ -
Taxation Revenues	\$ 682.3	\$ 707.2	\$ 750.6	\$ 759.0	\$ 739.5	\$ 827.0
Real Estate Revenues	\$ -	\$ -	\$ 13.0	\$ -	\$ 45.0	\$ -
Senior Government Contributions	\$ 82.3	\$ 82.4	\$ 85.7	\$ 94.5	\$ 106.7	\$ 125.8
Amortization of deferred Concessionaire Credit	\$ 23.3	\$ 23.1	\$ 23.1	\$ 23.1	\$ 23.1	\$ 23.1
Interest Revenue	\$ 26.1	\$ 27.5	\$ 36.9	\$ 44.8	\$ 51.5	\$ 72.6
Gain on Disposal	\$ -	\$ 55.9	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 1,292.5	\$ 1,391.3	\$ 1,447.2	\$ 1,495.6	\$ 1,557.7	\$ 1,801.5
Transit Operations	\$ 815.9	\$ 869.0	\$ 878.3	\$ 887.4	\$ 912.5	\$ 987.2
Roads, Bridges and Bicycles	\$ 97.4	\$ 118.5	\$ 110.9	\$ 85.4	\$ 75.1	\$ 75.2
Transit Corporate & Police	\$ 100.5	\$ 110.3	\$ 153.5	\$ 135.4	\$ 136.8	\$ 151.0
Operating Expenditures	\$ 1,013.8	\$ 1,097.8	\$ 1,142.7	\$ 1,108.2	\$ 1,124.4	\$ 1,213.4
Surplus Before Interest and Depreciation	\$ 278.7	\$ 293.5	\$ 304.5	\$ 387.4	\$ 433.3	\$ 588.1
Interest Expense	\$ 171.6	\$ 172.8	\$ 180.2	\$ 190.3	\$ 209.2	\$ 255.3
Depreciation Expense	\$ 159.4	\$ 163.3	\$ 176.7	\$ 193.6	\$ 210.1	\$ 253.5
Surplus/(Deficit) before Other Items	\$ (52.3)	\$ (42.6)	\$ (52.4)	\$ 3.5	\$ 14.0	\$ 79.3
Provision for Contingency Fund Adjustment	\$ -	\$ (11.4)	\$ (14.9)	\$ -	\$ -	\$ -
Surplus/(Deficit) before Funding Adjustments	\$ (52.3)	\$ (54.0)	\$ (67.3)	\$ 3.5	\$ 14.0	\$ 79.3
Funding Adjustments	\$ 18.0	\$ 16.0	\$ 14.1	\$ (19.5)	\$ (46.3)	\$ (58.7)
Funded Surplus/(Deficit)	\$ (34.3)	\$ (38.0)	\$ (53.2)	\$ (16.0)	\$ (32.3)	\$ 20.6
Opening Cumulative Funded Surplus	\$ 322.0	\$ 287.7	\$ 275.0	\$ 221.8	\$ 205.9	\$ 157.9
Adjustment for 2012 forecast deficit		\$ 25.3				
Cumulative Funded Surplus	\$ 287.7	\$ 275.0	\$ 221.8	\$ 205.9	\$ 173.6	\$ 178.5

The Statement of Operations does not include the results of AirCare and Transportation Property and Casualty Company Inc. ("TPCC")

The 2012 budgeted cumulative surplus was based on the 2011 year end cumulative surplus forecast in August of 2011

The 2013-2015 forecast reflects the current 2012 year end cumulative surplus forecast

Debt Service

INTEREST EXPENSE

Interest expense is budgeted at \$173 million in 2012 and will increase to \$209 million in 2015.

Table 20: Debt Interest Expense (millions)

	Actual 2011	Budget 2012	Forecasts			Outlook 2022
			2013	2014	2015	
Interest Expense	\$ 171.6	\$ 172.8	\$ 180.2	\$ 190.3	\$ 209.2	\$ 255.3

Increases through 2015 are due to the additional debt that will be incurred as the organization finances the tail-end of the expansion drive implemented prior to 2010, Compass card and faregate project costs, replacement of vehicles and bus infrastructure, and forecasted interest rates increases.

DEPRECIATION EXPENSE

Depreciation expense expenditures are budgeted at \$163 million in 2012 and are forecasted to increase to \$210 million in 2015.

Table 21: Depreciation Expense Forecasts (millions)

	Actual 2011	Budget 2012	Forecasts			Outlook 2022
			2013	2014	2015	
Depreciation Expense	\$ 159.4	\$ 163.3	\$ 176.7	\$ 193.6	\$ 210.1	\$ 253.5

The growth in the depreciation expense primarily reflects the replacement of assets, with new assets being more expensive than the older replaced assets due to inflation.

Funding Adjustments

TransLink is required by the *SCBCTA Act* to generate sufficient funds to pay for its expenditures and cannot budget for a funding deficit. The legislation specifies that TransLink must retain an accumulated fund surplus. The funded annual surplus/deficit and resulting cumulative fund balance are determined by adjusting the excess (deficiency) of revenue over expenditures (consistent with Canadian Generally Accepted Accounting Principles) for the following:

- reversing depreciation and other non-cash expenditures
- reversing restricted capital contributions and capital payments to municipalities for the MRN
- adding payments to sinking funds and public-private partnerships (P3) for debt repayment

A combined negative funding adjustment means further funding is required, while a combined positive funding adjustment means less funding is required.

Table 22: Funding Adjustments (millions)

	Actual 2011	Budget 2012	Forecasts			Outlook 2022
			2013	2014	2015	
Funding Adjustments	\$ 18.0	\$ 16.0	\$ 14.1	\$ (19.5)	\$ (46.3)	\$ (58.7)

Balance Sheet and Cash Flow Statement

BALANCE SHEET

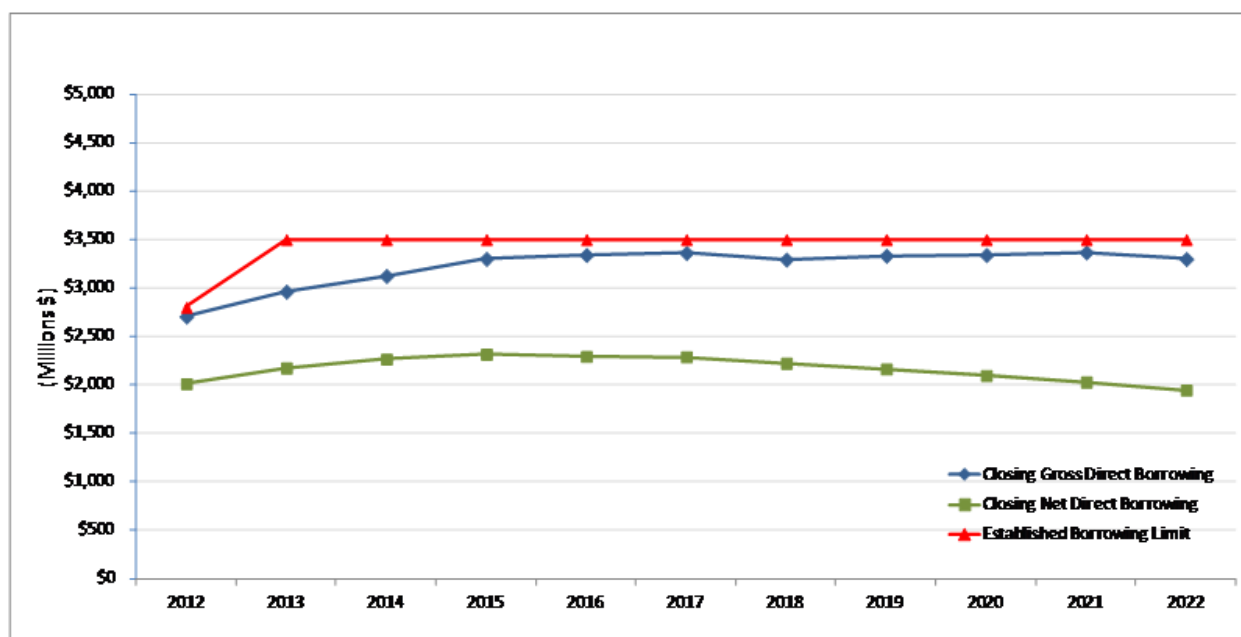
The balance sheet (Consolidated Statement of Financial Position) is included in Appendix G: Financial Tables. Total assets will increase by \$700 million between the end of 2012 and 2015, bringing the total assets to \$6.63 billion by the end of 2015. The increase in capital assets of \$387 million over this period represents additions of \$967 million less \$580 million in amortization of capital assets during the three-year forecast period. The balance of the increase in total assets is a \$309 million increase in sinking and debt reserve funds and long-term investments together with a \$5 million increase in current assets.

Between the end of 2012 and 2015, total liabilities will increase by \$717 million to fund the above-mentioned increase in total assets. The funding comes from both long-term (direct) debt and senior government contributions.

Over the outlook period, total assets will decrease by about \$161 million. A \$745 million decrease in total liabilities is offset by a \$584 million increase in the fund balances. This is because the deferred government transfer are amortized over a shorter period than the assets they have helped fund.

The plan's gross direct debt level reaches \$3.36 billion in 2017 then declines very slowly to \$3.3 billion by the end of the outlook period (2022). This is under the existing debt limit of \$3.5 billion. Figure 4 demonstrates this trend as current debt obligations will be retired through the course of this plan and outlook, while limited new debt will be added.

Figure 4: Borrowing Levels for 2013 Base Plan and Outlook



CASH FLOW STATEMENT

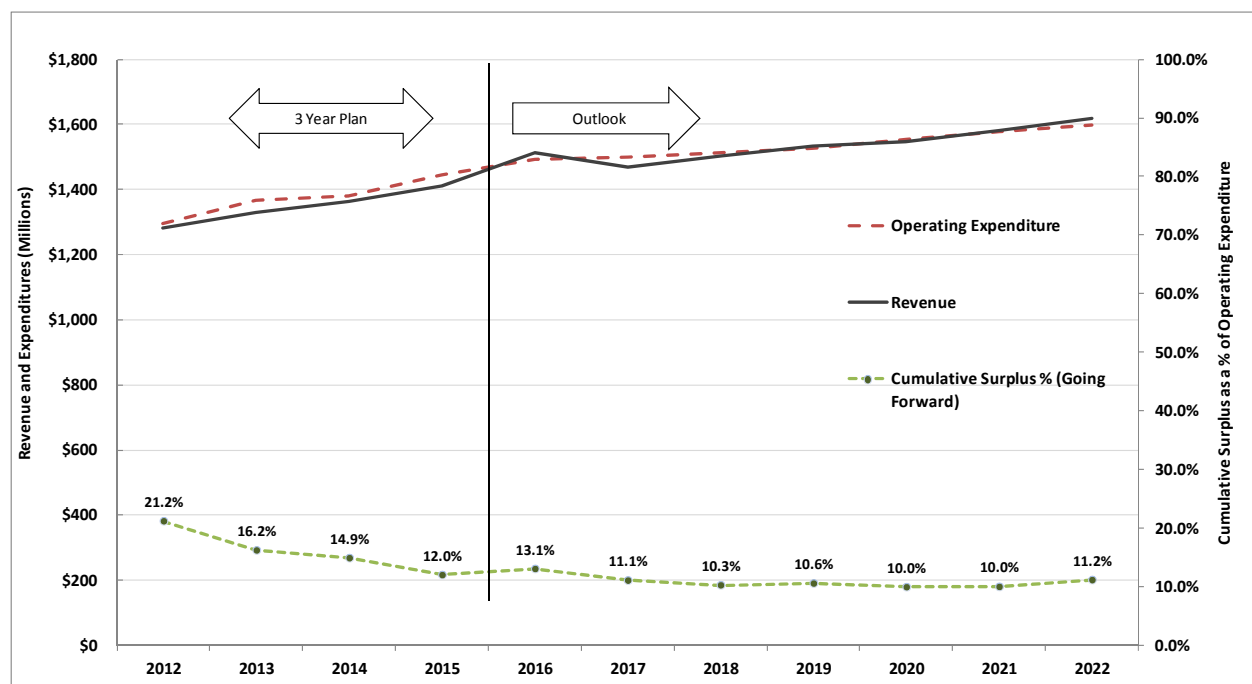
The cash flow statement (Consolidated Statement of Cash Flows) can be found in Appendix G: Financial Tables. The 2013 Base Plan cash from operations amounts to \$424 million for 2013 to 2015. Debt service payments in the Plan period total \$637. Investing activities total \$966 million before real estate, and are funded by cash on hand, cash from real estate activities and long-term borrowing over the three years. TransLink actively manages its cash situation and will access its short-term borrowing facility on a temporary basis within periods.

Total capital expenditures for the period 2013 to 2015 are \$967 million excluding contributions to municipalities for roads and bike programs. Federal and provincial funding finances \$360 million of the \$967 million.

Cash is \$380 million in cash surplus at the end of 2015. The Outlook shows a cash surplus from operations of \$394 million at the end of 2022.

Outlook for 2016 through 2022

Figure 5: Cumulative Surplus Level Forecasts for 2012 through 2022



Note: The dotted green line is the Cumulative Surplus, as a % of operating expenditures, for the 2013 Base Plan. Based on the Funded Statement of Operations

Assumptions and Risks

Economic assumptions have been developed through research from a variety of sources. A primary source has been the estimates from the Province of British Columbia's Budget and Fiscal Plan (2011/2012 to 2013/14), which reflect consensus opinion of a blue ribbon panel of economic advisors. Fuel volumes reflect current volumes, provincial growth forecasts to 2013/14 and trending beyond that period.

Table 23: Key Assumptions for the 2013 Base Plan

Assumption % Change/Rate per Year	2013	2014	2015	2016-2022	Impact \$ million / yr	
Real GDP growth	2.2%	2.5%	2.5%	2.0%		
Goods and Services Inflation	1.5%	1.9%	2.1%	Variable	+ / -	1.8
Construction (excluding road construction) Inflation	2.5%	2.5%	2.5%	2.5%	+ / -	0.0
Road Construction Inflation	3.0%	3.0%	3.0%	Variable	+ / -	0.0
Hydro Cost	2.9%	1.9%	2.0%	2.0%	+ / -	0.2
Gasoline Cost (per litre & net of HST rebate)	\$1.48	\$1.51	\$1.56	\$1.6 to \$1.91		
Diesel Cost (per Litre & net of HST rebate)	\$1.47	\$1.49	\$1.53	\$1.56 to \$1.78	+ / -	0.8
Interest Rates						
- Short Term	2.30%	3.30%	4.20%	5.25%	+ / -	1.1
- Long Term	4.1%	4.6%	5.2%	Variable	+ / -	12.8
Regional Fuel Consumption						
- Gasoline (million litres)	1,701	1,684	1,679	1679 to 1679	+ / -	2.9
- Diesel (million litres)	271	274	278	283 to 319	+ / -	0.5

* The pretax cost per litre is projected to grow with general inflation of 2% starting 2016.
 ** 2013-2014 0%, then 2%/year

OTHER MAJOR ASSUMPTIONS DRIVEN BY TRANS LINK

- Operation, maintenance and rehabilitation funding for roads is maintained at the 2011 rate, adjusted for a 2 per cent annual allowance for inflation.
- Continuation of senior government funding is assumed in this plan. TransLink will continue to utilize all available funding where applicable.
- This plan also assumes there will be no labour rate increases for the next two years.

SOURCES FOR KEY ASSUMPTIONS

Goods and Services Inflation – Rates are based on the Province of British Columbia Budget and Fiscal Plan 2012/13 to 2014/15.

Gross Domestic Product (GDP) – Rates are based on the Province of British Columbia Budget and Fiscal Plan 2012/13 to 2014/15.

Construction (excluding road construction) Inflation – The rates are based on BC-specific construction cost data as reported by BTY Group's Q4-2011 Market Intelligence, Provincial Snapshot report. BTY Group is a Canadian infrastructure development and advisory services firm.

Road Construction Inflation – These rates are based on US Department of Transportation, Federal Highway Administration, National Highway Construction Cost Index (NHCCI) data.

Diesel Cost – The price forecasts are based on the US Energy Administration forecasts, converted to Canadian prices and reflecting Metro Vancouver taxes.

Interest Rates – The rates for 2012 were determined by calculating a mid-point average of the forecasts of eight Canadian chartered banks. Subsequent years are based on the Province of British Columbia Budget and Fiscal Plan 2012/13 to 2014/15.

Regional Fuel Consumption – As described previously in the Fuel Tax Revenue section, TransLink's fuel tax revenue uses historical volumes and extrapolation of trends for 2013-2015, and provincial growth estimates through the Outlook period, supported by gasoline and diesel cost forecasts.

IDENTIFICATION OF RISK FACTORS AND POTENTIAL RISK MANAGEMENT MEASURES

TransLink's risk management strategies, policies and limits are designed to ensure TransLink's risks and related exposures are aligned with corporate business objectives and risk tolerances. Using an Enterprise Risk Management (ERM) process, annual assessments are conducted that focus on strategic, political, reputational, financial, human resources, business effectiveness, health and safety, environmental, reporting and regulatory risks.

All residual risks that are considered high or moderate are incorporated into a corporate risk action plan whereby risks are assigned to an executive who is accountable for reporting back on efforts to mitigate this risk. The Chief Executive Officer provides an update to the Board of Directors at each Board meeting.

TransLink's governance structure requires that a three-year Base Plan with Outlook be adopted each year. This structure, along with the alignment of the Budget and the Plan, ensures that TransLink is able to continually monitor all revenues and expenditures and modify its strategy to respond to changes in conditions.

i. ENERGY

Fuel Tax Revenue – This high risk factor is the impact of changes in fuel tax revenue assumptions, which are based on projected costs of fuel and consumption growth rates. Fuel consumption is determined by a number of complex factors (including price, population, economic factors, availability of alternatives) and is difficult to forecast. As the projected fuel consumption for gasoline vehicles increases by

1 per cent, the impact on the cumulative surplus would be \$3.6 million per year. An additional risk is that reported fuel volumes have become increasingly variable since 2008/2009 due in large part to a shift in the tax collection point. This has resulted in initial over collection of tax revenue and overpayment to TransLink followed by negative adjustments. These adjustments (or refunds) can occur up to 48 months following payment.

Transit Operations Fuel Cost – This is a medium risk factor. To mitigate the risk of volatility, Coast Mountain Bus Company secures future contract prices up to a year in advance on up to 75 per cent of the anticipated diesel volume consumption requirements. A 1 per cent change to the price of purchased fuel impacts expenditures by \$400,000. TransLink is investigating further hedging opportunities.

BC Hydro – This is a low risk factor. Rate estimates for 2012/13 to 2014/15 are provided in the provincial budget estimates. As rates are not yet available for beyond that point, the assumption is based on inflation. If the rate exceeds 2 per cent, it would be managed through cost containment.

ii. TRANSIT FARE REVENUES

This is a medium risk factor. Fares are one of the largest revenue sources, contributing more than 35 per cent of TransLink's total revenues. Ridership assumptions are the inherent driver for fare revenue projections. A 1 per cent change in ridership will result in a fluctuation of approximately \$5 million per year in revenues.

iii. ECONOMIC FACTORS

This is a low risk factor. Future interest rates, inflation and general economic growth are notable risk factors that increase over the planning horizon. The economic factor assumptions are based primarily upon the provincial three-year budgets. As the economy emerges from the present downturn, general inflation may exceed the annual rate increases allowed under the *SCBCTA Act*. A 1 per cent increase in general inflation over the plan and outlook period would have a \$9 million financial impact on TransLink expenditures.

iv. SENIOR GOVERNMENT CONTRIBUTION

This is a low risk factor. The continuation of federal and provincial capital contributions is essential for TransLink's 2013 Base Plan and Outlook. This plan assumes that the Federal Government's Strategic Priorities Fund is entirely directed to TransLink.

v. GAIN (LOSS) FROM THE SALE OF ASSETS

This is a medium to high risk factor. TransLink will manage the financial risk of surplus assets not being sold at forecasted amounts. Strategies would include additional cost containment and a re-evaluation of the capital investment plan.

vi. OPERATIONAL SAVINGS

This is a medium-high risk factor.

This plan assumes notable reductions in recovery time which will have impacts on customers and requires CMBC identify schedule efficiencies.

This plan assumes cost reductions through increased use of smaller vehicles. Achieving these savings depend on being able to procure smaller vehicles and allocating them to services where ridership will not be impacted.

APPENDIX F: EFFICIENCIES AND KEY PERFORMANCE INDICATORS

This section provides an overview of past efficiencies TransLink has achieved and are continued forward in this plan, new efficiencies being introduced and information on Key Performance Indicators for conventional and custom transit services.

Efficiencies

TransLink is continuing to take steps to improve its efficiency. For TransLink, becoming more efficient means looking at both sides of the ledger to find ways to reduce costs and increase revenues, while continuing to provide a quality transportation system that the region can rely on. This approach includes finding ways to increase revenues from the services we provide, because TransLink's perspective is that "a dollar earned is a dollar saved."

Recognizing challenges to its funding, in late 2009 TransLink decided to cut its 2010 Operations Budget as an essential cost-saving component of the 2010 Funding Stabilization Plan. These changes, in addition to other cost-saving measures that followed between 2010 and 2012, carry over into the 2013 Base Plan. The benefit of these past decisions will continue to provide savings into future years. On top of these efficiencies and savings, new efficiencies are being introduced in this plan that will provide savings that are over and above the savings that are attributed to these earlier decisions. Table 22 provides more information about the different efficiency measures advanced by TransLink.

EFFICIENCIES AND NEW REVENUES CARRIED ON FROM PREVIOUS PLANS

In late 2009 TransLink cut \$30 million from its 2010 Operations Budget as an essential component of the 2010 Funding Stabilization Plan. These savings were achieved through a wide-range of cost-cutting initiatives, including:

- Reduction of over 90 professional and management positions across the organization
- Reductions in overtime and labour costs associated with operating and maintaining the system
- No economic increases to exempt staff salary levels since 2009
- Reduced cost of buying goods and services through consolidation of orders and more effective contracting
- Reduced discretionary spending for studies, consulting services, administration, marketing and communications
- Decreased fuel costs from anti-idling initiatives and use of hybrid vehicles

TransLink outperformed this budget target in both 2010 and 2011 and actual controllable spending was lower in 2011 than 2010. These reductions in costs were achieved at the same time TransLink absorbed the administration of parking rights tax and continued to invest in Information Technology which

external reviews indicated were required to manage risk. These cost-reduction measures have been carried forward and continue to pay dividends each year and will contribute a total cost savings of \$90 million between 2013 and 2015.

Table 24: Cost Saving and Revenue Efficiency Initiatives in the 2013 Base Plan

Already implemented or assumed in 2012 Plan

Cost-Saving Efficiencies \$30 Million / Year (\$90M total 2013-2015)	Revenue-Increasing Efficiencies \$27 Million / Year (\$81M total 2013-2015)
<ul style="list-style-type: none"> • Reduction of over 90 management and professional positions • Reductions in overtime and labour costs • No cost of living increases to exempt staff salary levels • Reduced cost of buying goods and services • Increase in usage of fuel efficient vehicles 	<ul style="list-style-type: none"> • Optimization of bus services \$10.0 M • Reduction of fare evasion \$4.0 M • Increased ridership revenue by accommodating background population growth with no new service \$13.3 M
	\$57 Million / Year (\$171M total 2013-2015)

New efficiencies introduced in 2013 Base Plan

Cost-Saving Efficiencies \$17 Million / Year (\$51M total 2013-2015)	Revenue-Increasing Efficiencies \$24 Million / Year (\$72M total 2013-2015)
<ul style="list-style-type: none"> • Scheduling efficiencies tighten up schedules by reducing recovery times \$5.4 M • Rightsizing the transit fleet assign vehicles to ensure that each route is served by the appropriately sized vehicle, based on customer demand \$3.1 M • Maintenance and operation efficiencies improve maintenance practices, including reducing the spare ratio \$8.8 M • Reduced SkyTrain frequency on Expo and Millenium Lines on weekends from 9:30am-9:30pm \$0.5 M 	<ul style="list-style-type: none"> • Additional optimization of bus services shifting bus resources to routes where there are more riders; serving more riders generates more revenue \$3.2 M • Leveraging real estate assets obtaining commercial value from real estate assets and pursuing real estate projects that delivery sustainable revenues \$18.3 M • Park & Ride pricing introducing or increasing rates at TransLink operated park and ride lots \$2.2 M
	\$41 Million / Year (\$123M total 2013-2015)

Average annual total efficiencies: \$98 M / Year

Three year total efficiencies: \$294 Million (2013-2015)

During the same period, TransLink put in place an aggressive Service Optimization initiative to increase the effectiveness of transit services by shifting bus service to routes or times of day where there are more riders, and in so doing increase ridership and fare revenue at no additional cost. By the end of 2012, TransLink will have reallocated over 170,000 bus hours. In 2012, Service Optimization will accommodate 5 million more annual passenger boardings and contribute an estimated \$7 million in

additional fare revenue. When shifting services to higher demand routes and times of day, the benefit of increased ridership carries forward, and continues to increase in future years.

Service Optimization helps increase productivity of the system, but higher demand across the whole system is also forecasted, with the result of an additional \$13 million in revenues on top of the Service Optimization effects previously described. These trends are forecast to continue as population and employment grows, the region increases in density and energy costs remain high.

The combination of previously-planned Service Optimization and general higher demand are forecast to contribute an additional \$70 million in revenue between 2013 and 2015.

NEW EFFICIENCIES AND REVENUES INTRODUCED IN THE 2013 BASE PLAN

TransLink is committed to ensuring that it is managing the transportation network as efficiently as possible. Over the 2013 Base Plan period, TransLink will pursue a number of initiatives to achieve new efficiencies and revenues.

New Cost-Saving Efficiencies

- **Scheduling efficiencies:** The 2013 Base Plan sets a target of further reductions in recovery time to 16 per cent of total service hours in 2016 and to just over 15 per cent by the end of the outlook period. TransLink will work to minimize service impacts for customers, including monitoring impacts on reliability and customer satisfaction, making adjustments as required. TransLink's increased provision of real-time transit information will help mitigate some customer impacts that may arise. Also, SkyTrain has instituted new scheduling software that will allow for cost-savings through reductions to non-revenue service kilometres.
- **Right-sizing the fleet:** This means ensuring that each transit route is served by the appropriate vehicle based on customer demand. Lower-demand routes may be better served with smaller vehicles such as a Community Shuttle, while high-demand routes may be better served by an articulated bus. TransLink works with CMBC to analyze passenger boardings and make adjustments with as little impact on the customers' experience as possible. To take advantage of a lower cost per hour of service, the plan will increase the share of service operated by Community Shuttles.
- **Maintenance and operation efficiencies:** A number of initiatives will be undertaken to improve maintenance practices. Most significantly, this includes reducing the bus fleet spare ratio. TransLink's fleet contains spare vehicles that allow for routine maintenance activities and responding to unforeseen events. TransLink's spare ratio (the ratio of spare vehicles to vehicles required for operation) has been high because TransLink retained vehicles to provide extra service during the Olympics. Spare vehicles were also retained with the expectation that service would be expanded as contemplated in the 2012 Moving Forward Plan. In 2012, targets were established for lower spare ratios by fleet type. Through a combination of retirements and fewer replacement purchases, the fleet will be reduced to meet the new spare ratio targets. This will result in capital cost savings over the plan period. Having fewer spare vehicles in reserve will increase the time for TransLink to expand service should such a decision be made in the future, as waits of up to two years for new fleet orders are typical.

- Reducing SkyTrain frequency: SkyTrain service will run less frequently on weekends from 9:30 a.m. to 9:30 p.m. on the Expo and Millennium Lines. Running less-frequent service during these times will save an average of approximately \$0.5 million per year between 2013 and 2015.

New Revenue-Increasing Efficiencies

TransLink will undertake a number of initiatives to increase revenue from its assets and services. This includes establishing an ongoing program of service optimization with a reallocation of approximately 25,000 transit service hours each year of the plan. Other revenue-increasing opportunities will be pursued through the leveraging of real estate assets to deliver sustained revenues to fund operations, as well as introducing or increasing pricing rates at park and ride lots. In total, it is forecasted that these initiatives will generate an average of \$24 million in additional revenue per year between 2013 and 2015.

Through past and current actions, TransLink has achieved total efficiencies that will provide an average of \$98 million per year in savings and new revenue between 2013 and 2015. So far, TransLink has been successful in identifying efficiencies and cost reductions while maintaining a record high level of customer satisfaction. However, in the future it may become more challenging to continue to put in place additional cost-saving measures without having a negative impact on our customers.

The audit confirms we are managing the regional transportation system well and validates the \$98 million in annual efficiencies. The audit makes a series of recommendations and identifies an additional \$41 million annually. The measures identified would require TransLink to reduce the amount of service we provide in certain areas and to reconsider some of our financial policies that allowed us to be resilient to financial challenges, and therefore need further discussion and consideration before being adopted. We remain committed to being as efficient as possible, being fiscally responsible and living within our means.

Key Performance Indicators

Key Performance Indicators for TransLink's conventional and custom transit services are summarized in Table 25. These indicators demonstrate increased efficiency over the plan period in terms of boardings per service hour and cost recovery. Cost per revenue passenger is flat and cost per vehicle kilometer is growing slightly above inflation.

Table 25: Key Performance Indicators for the 2013 Base Plan

Key Performance Metric*	Actual results			Budget	Forecasts			2009 - 2015 Avg Annual Growth Rate
	2009	2010	2011	2012	2013	2014	2015	
Conventional System								
Boarding per Service Hour	52.12	54.40	56.21	57.46	58.82	59.77	60.57	
Annual change	4.4%	3.3%	2.2%	2.7%	2.4%	1.6%	1.3%	2.5%
Operating Cost per Revenue Passenger 1	\$4.03	\$3.90	\$3.64	\$3.87	\$4.07	\$4.05	\$4.04	
Annual change	-3.2%	-6.7%	6.2%	7.8%	5.3%	-0.5%	-0.3%	0.0%
Operating Cost per Revenue Passenger (without energy) 1	\$3.77	\$3.64	\$3.37	\$3.56	\$3.75	\$3.73	\$3.72	
Annual change	-3.4%	-7.4%	5.7%	7.3%	5.3%	-0.5%	-0.3%	-0.2%
Average Fare per Revenue Passenger	\$1.89	\$1.89	\$1.86	\$1.87	\$2.06	\$2.18	\$2.21	
Annual change	0.0%	-1.6%	0.5%	3.9%	10.5%	5.5%	1.3%	2.6%
Cost Recovery (all Transit Revenue) 1	48.3%	51.4%	52.6%	49.3%	52.1%	55.2%	56.1%	
Annual change	6.4%	2.3%	-6.3%	-4.5%	5.8%	5.9%	1.7%	2.5%
Operating Cost per Total Vehicle Km - All 1	\$5.50	\$5.61	\$5.60	\$6.01	\$6.32	\$6.39	\$6.46	
Annual change	2.0%	-0.2%	7.4%	6.2%	5.1%	1.1%	1.1%	2.7%
Operating Cost per Total Vehicle Km - All (without energy) 1	\$5.14	\$5.23	\$5.18	\$5.54	\$5.82	\$5.89	\$5.95	
Annual change	1.8%	-1.0%	6.9%	5.7%	5.1%	1.1%	1.0%	2.5%
Access Transit								
Boarding per Service Hour	2.61	2.47	2.53	2.54	2.55	2.55	2.55	
Annual change	-5.4%	2.4%	0.3%	2.2%	0.6%	0.0%	0.0%	-0.4%
Operating Cost per Revenue Passenger	\$33.17	\$34.03	\$33.35	\$34.81	\$35.27	\$35.62	\$36.37	
Annual change	2.6%	-2.0%	4.4%	3.5%	1.3%	1.0%	2.1%	1.5%
Operating Cost per Total Vehicle Km	\$4.66	\$4.60	\$4.59	\$4.86	\$4.89	\$4.94	\$5.05	
Annual change	-1.3%	-0.2%	5.8%	4.0%	0.8%	1.0%	2.1%	1.3%
Operating Cost per Service Hour	\$78.38	\$76.39	\$77.22	\$80.67	\$ 82.32	\$ 83.12	\$ 84.87	
Annual change	-2.5%	1.1%	4.5%	5.7%	2.0%	1.0%	2.1%	1.3%
1 Operating cost exclude one time costs of \$16M for Compass card and \$4M for relocation of Corporate office in 2013 and \$11M for Evergreen Line in 2015								

APPENDIX G: FINANCIAL TABLES

Table 26: Consolidated Statement of Financial Position (thousands)

		FORECAST					OUTLOOK					
for the years ending 31 Dec.	thousands	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assets												
Current assets												
Cash & Short Term investments		387,841	354,260	394,100	380,292	409,829	364,379	296,904	326,342	328,856	357,541	393,505
Accounts receivable		81,431	83,874	86,390	88,982	91,651	94,401	97,233	100,150	103,154	106,249	109,436
Supplies inventory		40,617	41,836	43,091	44,383	45,715	47,086	48,499	49,954	51,452	52,996	54,586
Prepaid expenses		7,676	7,906	8,143	8,387	8,639	8,898	9,165	9,440	9,723	10,015	10,315
		517,564	487,875	531,723	522,044	555,834	514,764	451,800	485,885	493,186	526,801	567,843
Long-term investments		117,838	123,141	128,682	134,473	140,524	146,848	153,456	160,362	167,578	175,119	182,999
Debt reserve Fund		45,245	45,383	44,190	44,791	43,298	41,549	38,162	37,100	36,612	34,859	31,168
Debt sinking fund		647,855	741,899	813,536	940,370	1,004,945	1,031,082	1,032,480	1,132,380	1,205,901	1,303,509	1,321,120
Capital assets		4,601,578	4,778,077	4,922,472	4,988,237	5,017,043	5,037,496	4,953,437	4,821,862	4,684,378	4,524,796	4,365,887
Total Assets		5,930,081	6,176,376	6,440,604	6,629,914	6,761,645	6,771,739	6,629,336	6,637,589	6,587,655	6,565,084	6,469,016
Liabilities and Fund Balances												
Current liabilities												
Other Short term borrowing		89,205	89,795	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Accounts payable and accrued liabilities		186,439	192,032	197,793	203,727	209,839	216,134	222,618	229,297	236,176	243,261	250,559
Total Current Liabilities		275,644	281,827	287,793	293,727	299,839	306,134	312,618	319,297	326,176	333,261	340,559
Employee future benefits		73,858	81,244	89,369	98,306	108,136	118,950	130,845	143,929	158,322	174,154	191,570
Deferred government transfer		1,247,236	1,304,101	1,353,022	1,378,287	1,302,907	1,207,194	1,100,753	998,107	901,180	802,108	707,678
SkyTrain Canada Line - Deferred concessionaire credits		642,474	619,396	596,318	573,240	550,162	527,084	504,006	480,928	457,850	434,772	411,694
Golden Ears Bridge Contractor liability		1,032,200	1,044,515	1,050,832	1,050,370	1,048,478	1,045,014	1,039,834	1,032,805	1,023,759	1,012,534	998,969
Long-term debt		2,616,132	2,871,686	3,033,393	3,210,459	3,250,446	3,271,009	3,203,192	3,242,692	3,249,099	3,277,554	3,208,557
Total Liabilities		5,887,544	6,202,770	6,410,727	6,604,388	6,559,968	6,475,384	6,291,248	6,217,757	6,116,385	6,034,383	5,859,026
Fund balances		42,537	(26,394)	29,878	25,527	201,677	296,355	338,087	419,832	471,271	530,702	609,990
Total Liabilities and Fund Balances		5,930,081	6,176,377	6,440,605	6,629,915	6,761,645	6,771,739	6,629,336	6,637,589	6,587,656	6,565,084	6,469,016

Table 27: Statement of Operations (millions)

	Actual 2011	Budget 2012	Forecasts			Outlook						
			2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Transit Revenues	\$ 444.7	\$ 456.2	\$ 497.8	\$ 533.0	\$ 549.2	\$ 569.8	\$ 592.7	\$ 613.4	\$ 636.0	\$ 658.3	\$ 678.0	\$ 697.4
Toll Revenues	\$ 33.8	\$ 39.0	\$ 40.1	\$ 41.2	\$ 42.7	\$ 44.5	\$ 46.4	\$ 48.4	\$ 50.2	\$ 52.1	\$ 53.8	\$ 55.6
User Fees	\$ 478.5	\$ 495.2	\$ 537.9	\$ 574.2	\$ 591.9	\$ 614.3	\$ 639.1	\$ 661.8	\$ 686.2	\$ 710.4	\$ 731.8	\$ 753.0
Motor Fuel Tax	\$ 311.8	\$ 330.8	\$ 335.1	\$ 332.7	\$ 332.7	\$ 333.6	\$ 334.6	\$ 335.6	\$ 336.5	\$ 337.6	\$ 338.6	\$ 339.7
Property Tax	\$ 280.2	\$ 287.6	\$ 296.1	\$ 304.9	\$ 314.1	\$ 323.5	\$ 333.2	\$ 343.2	\$ 353.5	\$ 364.1	\$ 375.1	\$ 386.3
Parking Sales Tax	\$ 53.7	\$ 51.6	\$ 52.9	\$ 53.7	\$ 54.5	\$ 55.3	\$ 56.2	\$ 57.0	\$ 57.9	\$ 58.7	\$ 59.6	\$ 60.5
Other Taxes	\$ 36.6	\$ 37.2	\$ 37.5	\$ 37.8	\$ 38.2	\$ 38.5	\$ 38.8	\$ 39.1	\$ 39.5	\$ 39.8	\$ 40.1	\$ 40.5
Time-limited Property Tax	\$ -	\$ -	\$ 29.0	\$ 29.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxation Revenues	\$ 682.3	\$ 707.2	\$ 750.6	\$ 759.0	\$ 739.5	\$ 750.9	\$ 762.8	\$ 774.9	\$ 787.3	\$ 800.2	\$ 813.5	\$ 827.0
Real Estate Revenues	\$ -	\$ -	\$ 13.0	\$ -	\$ 45.0	\$ 110.0	\$ 30.0	\$ 30.0	\$ 25.0	\$ -	\$ -	\$ -
Senior Government Contributions	\$ 82.3	\$ 82.4	\$ 85.7	\$ 94.5	\$ 106.7	\$ 118.4	\$ 130.1	\$ 141.2	\$ 138.1	\$ 131.2	\$ 128.8	\$ 125.8
Canada Line Concessionaire credit	\$ 23.3	\$ 23.1	\$ 23.1	\$ 23.1	\$ 23.1	\$ 23.1	\$ 23.1	\$ 23.1	\$ 23.1	\$ 23.1	\$ 23.1	\$ 23.1
Interest Revenue	\$ 26.1	\$ 27.5	\$ 36.9	\$ 44.8	\$ 51.5	\$ 61.0	\$ 63.1	\$ 61.3	\$ 59.7	\$ 64.2	\$ 67.7	\$ 72.6
Gain on Disposal	\$ -	\$ 55.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 1,292.5	\$ 1,391.3	\$ 1,447.2	\$ 1,495.6	\$ 1,557.7	\$ 1,677.7	\$ 1,648.2	\$ 1,692.3	\$ 1,719.5	\$ 1,729.1	\$ 1,764.8	\$ 1,801.5
Roads, Bridges and Bicycles	\$ 97.4	\$ 118.5	\$ 110.9	\$ 85.4	\$ 75.1	\$ 69.3	\$ 70.3	\$ 70.9	\$ 72.0	\$ 73.1	\$ 74.1	\$ 75.2
Transit Operations	\$ 815.9	\$ 869.0	\$ 878.3	\$ 887.4	\$ 912.5	\$ 925.5	\$ 924.8	\$ 934.6	\$ 947.0	\$ 961.2	\$ 973.8	\$ 987.2
TransLink Corporate & Police	\$ 100.5	\$ 110.3	\$ 153.5	\$ 135.4	\$ 136.8	\$ 139.6	\$ 141.1	\$ 145.2	\$ 145.0	\$ 146.7	\$ 149.8	\$ 151.0
Operating Expenditures	\$ 1,013.8	\$ 1,097.8	\$ 1,142.7	\$ 1,108.2	\$ 1,124.4	\$ 1,134.4	\$ 1,136.2	\$ 1,150.7	\$ 1,164.0	\$ 1,181.0	\$ 1,197.7	\$ 1,213.4
Surplus Before Interest and Depreciation	\$ 278.7	\$ 293.5	\$ 304.5	\$ 387.4	\$ 433.3	\$ 543.3	\$ 512.0	\$ 541.6	\$ 555.5	\$ 548.1	\$ 567.1	\$ 588.1
Interest Expense	\$ 171.6	\$ 172.8	\$ 180.2	\$ 190.3	\$ 209.2	\$ 235.6	\$ 239.9	\$ 242.3	\$ 244.5	\$ 248.3	\$ 255.0	\$ 255.3
Depreciation Expense	\$ 159.4	\$ 163.3	\$ 176.7	\$ 193.6	\$ 210.1	\$ 223.6	\$ 233.7	\$ 240.1	\$ 241.8	\$ 248.4	\$ 252.6	\$ 253.5
Surplus/(Deficit) before Other Items	\$ (52.3)	\$ (42.6)	\$ (52.4)	\$ 3.5	\$ 14.0	\$ 84.1	\$ 38.4	\$ 59.2	\$ 69.2	\$ 51.4	\$ 59.5	\$ 79.3
Provision for Contingency Fund Adjustment	\$ -	\$ (11.4)	\$ (14.9)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Surplus/(Deficit) before Funding Adjustments	\$ (52.3)	\$ (54.0)	\$ (67.3)	\$ 3.5	\$ 14.0	\$ 84.1	\$ 38.4	\$ 59.2	\$ 69.2	\$ 51.4	\$ 59.5	\$ 79.3
Funding Adjustments	\$ 18.0	\$ 16.0	\$ 14.1	\$ (19.5)	\$ (46.3)	\$ (62.7)	\$ (67.2)	\$ (69.8)	\$ (63.1)	\$ (58.5)	\$ (56.2)	\$ (58.7)
Funded Surplus/(Deficit)	\$ (34.3)	\$ (38.0)	\$ (53.2)	\$ (16.0)	\$ (32.3)	\$ 21.4	\$ (28.8)	\$ (10.6)	\$ 6.1	\$ (7.1)	\$ 3.3	\$ 20.6
Opening Cumulative Funded Surplus	\$ 322.0	\$ 287.7	\$ 275.0	\$ 221.8	\$ 205.9	\$ 173.6	\$ 195.0	\$ 166.2	\$ 155.6	\$ 161.7	\$ 154.6	\$ 157.9
Adjustment for 2012 forecast deficit		\$ 25.3										
Cumulative Funded Surplus	\$ 287.7	\$ 275.0	\$ 221.8	\$ 205.9	\$ 173.6	\$ 195.0	\$ 166.2	\$ 155.6	\$ 161.7	\$ 154.6	\$ 157.9	\$ 178.5

The Statement of Operations does not include the results of AirCore and Transportation Property and Casualty Company Inc. ("TPCC")
The 2012 budgeted cumulative surplus was based on the 2011 year end cumulative surplus forecast in August of 2011
The 2013-2015 forecast reflects the current 2012 year end cumulative surplus forecast

Table 28: Funded Statement of Operations (millions)

	Actual 2011	Budget 2012	Forecasts			Outlook						
			2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Transit Revenues	\$ 444.7	\$ 456.2	\$ 497.8	\$ 533.0	\$ 549.2	\$ 569.8	\$ 592.7	\$ 613.4	\$ 636.0	\$ 658.3	\$ 678.0	\$ 697.4
Toll Revenues	\$ 33.8	\$ 39.0	\$ 40.1	\$ 41.2	\$ 42.7	\$ 44.5	\$ 46.4	\$ 48.4	\$ 50.2	\$ 52.1	\$ 53.8	\$ 55.6
User Fees	\$ 478.5	\$ 495.2	\$ 537.9	\$ 574.2	\$ 591.9	\$ 614.3	\$ 639.1	\$ 661.8	\$ 686.2	\$ 710.4	\$ 731.8	\$ 753.0
Motor Fuel Tax	\$ 311.8	\$ 330.8	\$ 335.1	\$ 332.7	\$ 332.7	\$ 333.6	\$ 334.6	\$ 335.6	\$ 336.5	\$ 337.6	\$ 338.6	\$ 339.7
Property Tax	\$ 280.2	\$ 287.6	\$ 296.1	\$ 304.9	\$ 314.1	\$ 323.5	\$ 333.2	\$ 343.2	\$ 353.5	\$ 364.1	\$ 375.1	\$ 386.3
Parking Sales Tax	\$ 53.7	\$ 51.6	\$ 52.9	\$ 53.7	\$ 54.5	\$ 55.3	\$ 56.2	\$ 57.0	\$ 57.9	\$ 58.7	\$ 59.6	\$ 60.5
Other Taxes	\$ 36.6	\$ 37.2	\$ 37.5	\$ 37.8	\$ 38.2	\$ 38.5	\$ 38.8	\$ 39.1	\$ 39.5	\$ 39.8	\$ 40.1	\$ 40.5
Time-limited Property Tax	\$ -	\$ -	\$ 29.0	\$ 29.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxation Revenues	\$ 682.3	\$ 707.2	\$ 750.6	\$ 759.0	\$ 739.5	\$ 750.9	\$ 762.8	\$ 774.9	\$ 787.4	\$ 800.2	\$ 813.4	\$ 827.0
Real Estate Revenues	\$ -	\$ -	\$ 13.0	\$ -	\$ 45.0	\$ 110.0	\$ 30.0	\$ 30.0	\$ 25.0	\$ -	\$ -	\$ -
Senior Government Contributions	\$ 21.7	\$ 19.2	\$ 19.3	\$ 19.3	\$ 19.3	\$ 19.3	\$ 19.3	\$ 19.3	\$ 19.3	\$ 19.3	\$ 19.3	\$ 19.3
Interest Revenue	\$ 3.9	\$ 2.1	\$ 7.5	\$ 11.5	\$ 15.6	\$ 19.7	\$ 19.3	\$ 16.6	\$ 15.6	\$ 16.4	\$ 17.1	\$ 18.5
Gain on Disposal	\$ -	\$ 55.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 1,186.4	\$ 1,279.6	\$ 1,328.3	\$ 1,364.0	\$ 1,411.3	\$ 1,514.2	\$ 1,470.5	\$ 1,502.6	\$ 1,533.5	\$ 1,546.3	\$ 1,581.6	\$ 1,617.8
Roads, Bridges and Bicycles	\$ 48.6	\$ 52.3	\$ 46.6	\$ 49.4	\$ 50.6	\$ 48.9	\$ 49.9	\$ 50.5	\$ 51.6	\$ 52.7	\$ 53.7	\$ 54.7
Transit Operations	\$ 815.9	\$ 869.0	\$ 869.7	\$ 875.8	\$ 908.6	\$ 924.0	\$ 923.5	\$ 934.6	\$ 947.0	\$ 961.2	\$ 973.8	\$ 987.2
TranLink Corporate & Police	\$ 100.5	\$ 110.3	\$ 153.5	\$ 135.4	\$ 136.8	\$ 139.6	\$ 141.1	\$ 145.2	\$ 145.0	\$ 146.7	\$ 149.8	\$ 151.0
Operating Expenditures	\$ 965.0	\$ 1,031.6	\$ 1,069.8	\$ 1,060.6	\$ 1,096.0	\$ 1,112.5	\$ 1,114.5	\$ 1,130.3	\$ 1,143.6	\$ 1,160.6	\$ 1,177.3	\$ 1,192.9
Surplus Before Interest and Depreciation	\$ 221.4	\$ 248.0	\$ 258.5	\$ 303.4	\$ 315.3	\$ 401.7	\$ 356.0	\$ 372.3	\$ 389.9	\$ 385.7	\$ 404.3	\$ 424.9
Interest Expense	\$ 105.5	\$ 106.0	\$ 112.6	\$ 122.0	\$ 140.8	\$ 167.3	\$ 171.8	\$ 174.5	\$ 177.1	\$ 181.4	\$ 188.8	\$ 189.9
Capital Repayments	\$ 150.1	\$ 168.7	\$ 184.1	\$ 197.4	\$ 206.8	\$ 213.0	\$ 213.1	\$ 208.5	\$ 206.8	\$ 211.3	\$ 212.2	\$ 214.4
Surplus/(Deficit) before Other Items	\$ (34.3)	\$ (26.7)	\$ (38.3)	\$ (16.0)	\$ (32.3)	\$ 21.4	\$ (28.8)	\$ (10.7)	\$ 6.1	\$ (7.1)	\$ 3.3	\$ 20.6
Provision for Contingency Fund Adjustment	\$ -	\$ (11.4)	\$ (14.9)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Funded Surplus/(Deficit)	\$ (34.3)	\$ (38.1)	\$ (53.2)	\$ (16.0)	\$ (32.3)	\$ 21.4	\$ (28.8)	\$ (10.7)	\$ 6.1	\$ (7.1)	\$ 3.3	\$ 20.6
Opening Cumulative Funded Surplus	\$ 322.0	\$ 287.7	\$ 275.0	\$ 221.8	\$ 205.9	\$ 173.6	\$ 195.0	\$ 166.2	\$ 155.6	\$ 161.7	\$ 154.6	\$ 157.9
Adjustment for 2012 forecast deficit		\$ 25.3										
Cumulative Funded Surplus	\$ 287.7	\$ 275.0	\$ 221.8	\$ 205.9	\$ 173.6	\$ 195.0	\$ 166.2	\$ 155.6	\$ 161.7	\$ 154.6	\$ 157.9	\$ 178.5
<i>The Statement of Operations does not include the results of AirCare and Transportation Property and Casualty Company Inc. ("TPCC")</i> <i>The 2012 budgeted cumulative surplus was based on the 2011 year end cumulative surplus forecast in August of 2011</i> <i>The 2013-2015 forecast reflects the current 2012 year end cumulative surplus forecast</i>												

Table 29: Consolidated Statement of Cash Flows (thousands)

for the years ending 31 Dec.	thousands	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
FORECASTS						OUTLOOK						
Cash provided by (used for):												
Operations:												
Excess of revenue over expenses		(56,492)	(68,931)	56,272	(4,351)	176,150	94,678	41,732	81,745	51,439	59,431	79,289
Items not involving cash:												
Amortization of capital assets		164,911	176,771	193,727	210,098	223,624	233,710	240,077	241,780	248,384	252,625	253,458
Net change in contractor liability		66,757	67,566	68,258	68,353	68,276	68,101	67,819	67,420	66,896	66,236	65,428
Amortization of deferred government transfers		(60,855)	(66,246)	(75,208)	(87,411)	(99,085)	(110,857)	(121,865)	(118,762)	(111,928)	(109,503)	(106,511)
Amortization of bond issue costs		1,285	1,209	1,146	1,003	797	720	676	490	408	216	225
Amortization of debt issue costs		590	590	205	0	0	0	0	0	0	0	0
Amortization of Deferred Concessionaire credits		(23,078)	(23,078)	(23,078)	(23,078)	(23,078)	(23,078)	(23,078)	(23,078)	(23,078)	(23,078)	(23,078)
Gain on disposal of Real Estate		(46,535)	(8,270)	(48,500)	(25,000)	(199,100)	(77,850)	(1,000)	(1,000)	0	0	0
Items not involving cash		103,075	148,542	116,551	143,965	(28,566)	90,747	162,629	166,851	180,682	186,496	189,522
Changes in non-cash working capital:												
(Increase)/decrease in accounts receivable		(2,372)	(2,443)	(2,516)	(2,592)	(2,669)	(2,750)	(2,832)	(2,917)	(3,004)	(3,095)	(3,187)
(Increase)/decrease in supplies inventory		(1,183)	(1,219)	(1,255)	(1,293)	(1,331)	(1,371)	(1,413)	(1,455)	(1,499)	(1,544)	(1,590)
(Increase)/decrease in prepaid expenses		(224)	(230)	(237)	(244)	(252)	(259)	(267)	(275)	(283)	(292)	(300)
Increase/(decrease) in accounts payable and accrued liabilities		5,430	5,593	5,761	5,934	6,112	6,295	6,484	6,679	6,879	7,085	7,298
Employee future benefit contributions		6,714	7,386	8,124	8,937	9,831	10,814	11,895	13,084	14,393	15,832	17,415
Changes in non-cash working capital		8,366	9,087	9,877	10,742	11,690	12,729	13,867	15,116	16,486	17,988	19,635
		54,949	88,699	182,701	150,356	159,274	198,153	218,229	263,712	248,606	263,915	288,446
Investing:												
Decrease/(increase) in long-term investments		(5,074)	(5,303)	(5,541)	(5,791)	(6,051)	(6,324)	(6,608)	(6,906)	(7,216)	(7,541)	(7,880)
Decrease/(increase) in debt reserve fund deposits		(2,995)	(138)	1,193	(601)	1,493	1,749	3,387	1,062	488	1,753	3,692
Net Proceed/(Purchase) for Real Estate Transactions		55,140	7,370	45,300	12,250	171,900	80,000	1,000	1,000	0	0	0
Purchase of capital assets (excluding MRN and Real Estate)		(348,693)	(352,370)	(334,922)	(263,112)	(225,230)	(256,313)	(156,018)	(110,206)	(110,900)	(93,042)	(94,549)
		(301,622)	(350,441)	(293,970)	(257,254)	(57,888)	(180,888)	(158,240)	(115,049)	(117,628)	(98,831)	(98,738)
Financing:												
Short-term debt repayments			(6,236)	(8,683)	(10,255)	(13,254)	(12,820)	(10,092)	(9,064)	(8,652)	(6,691)	(6,251)
Government transfers received for capital additions		128,740	123,112	124,128	112,676	23,705	15,144	15,424	16,115	15,002	10,431	12,082
Golden Ears Bridge contractor liability payment		(54,706)	(55,251)	(61,942)	(68,815)	(70,168)	(71,565)	(72,998)	(74,450)	(75,942)	(77,461)	(78,993)
Bonds issued		277,152	298,520	241,474	209,805	146,108	164,603	97,864	100,603	102,244	103,789	93,728
Bonds matured		(33,467)	(37,939)	(72,230)	(23,487)	(93,665)	(131,940)	(156,266)	(52,529)	(87,593)	(68,859)	(156,697)
Sinking Funds Maturities		30,053	35,957	71,249	21,208	92,586	131,193	153,679	51,938	86,520	66,224	154,261
Sinking Fund interest		(25,656)	(29,392)	(33,258)	(35,852)	(41,313)	(43,760)	(44,695)	(44,065)	(47,816)	(50,638)	(54,108)
Sinking Fund payments		(93,363)	(100,609)	(109,629)	(112,189)	(115,849)	(113,570)	(110,382)	(107,773)	(112,226)	(113,194)	(117,764)
		228,752	228,161	151,109	93,091	(71,849)	(62,715)	(127,466)	(119,224)	(128,463)	(136,400)	(153,743)
Increase/(decrease) in cash		(17,922)	(33,582)	39,839	(13,807)	29,537	(45,449)	(67,477)	29,439	2,515	28,684	35,965
Cash, beginning of period		405,763	387,841	354,259	394,099	380,292	409,829	364,380	296,903	326,342	328,857	357,540
Cash, end of period		387,841	354,259	394,099	380,292	409,829	364,380	296,903	326,342	328,857	357,540	393,505

Table 30: Projected Borrowing Compared to Borrowing Limit and Select Financial Ratios (millions)

\$ Millions	FORECASTS						OUTLOOK				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Opening Gross Direct Borrowing	2,371	2,705	2,961	3,123	3,300	3,340	3,361	3,293	3,333	3,339	3,368
Retirements/Other	(32)	(43)	(80)	(33)	(106)	(144)	(166)	(61)	(96)	(75)	(163)
Short term borrowings	89	1	0	-	-	-	-	-	-	-	-
Borrowing in Yr - Capital	277	299	241	210	146	165	98	101	102	104	94
Closing Gross Direct Borrowing	2,705	2,961	3,123	3,300	3,340	3,361	3,293	3,333	3,339	3,368	3,299
Less: Sinking funds	(648)	(742)	(814)	(940)	(1,005)	(1,031)	(1,032)	(1,132)	(1,206)	(1,304)	(1,321)
Less: Debt Reserve Funds	(45)	(45)	(44)	(45)	(43)	(42)	(38)	(37)	(37)	(35)	(31)
Closing Net Direct Borrowing	2,012	2,174	2,266	2,315	2,292	2,288	2,223	2,163	2,097	2,029	1,946
Established Borrowing Limit	2,800	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
<i>Reconciliation of Borrowing During Year to Annual Capital Expenditures:</i>											
Capital Expenditures (including MRN)	438	448	415	313	250	279	176	131	131	113	115
Less: Sr Govt Contributions	(163)	(150)	(173)	(104)	(104)	(115)	(79)	(30)	(29)	(10)	(21)
Less: Other Contributions	(0)	(0)	(0)	-	-	-	-	-	-	-	-
Net Expenditures	274	299	241	210	146	165	98	101	102	104	94
Add: Gross-up for Debt Reserve Fund	3	-	-	-	-	-	-	-	-	-	-
Net Borrowing amount for capital	277	299	241	210	146	165	98	101	102	104	94

Table 31: Capital Cash Flows – Projects Approved and Proposed (thousands)

\$ Thousands	FORECASTS					OUTLOOK						TOTAL
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Projects Approved or Underway	438,983	396,591	228,240	115,168	53	-	-	-	-	-	-	1,179,035
Transit												
Vehicles Convention Replace	-	-	46,000	69,617	72,579	99,963	65,620	-	-	-	-	353,779
Vehicles Custom Replace	-	41	10,741	6,204	6,711	14,300	13,460	18,929	15,564	8,202	9,990	104,142
Vehicles Community Replace	-	30	14,293	2,925	12,501	10,303	8,202	14,407	16,720	2,524	13,671	95,577
Vehicles Non Revenue	-	1,010	1,456	1,322	2,056	3,097	2,026	1,260	1,475	2,196	1,628	17,526
	-	-	-	-	-	-	-	-	-	-	-	-
Exchanges	-	431	-	6,000	7,000	11,000	4,000	-	-	-	-	28,431
Depots	-	-	27,755	17,744	18,505	20,176	-	-	-	-	-	84,180
Infrast	-	5,360	7,638	5,359	1,296	4,378	51,397	57,813	62,918	67,707	59,057	322,925
Facilities	-	-	250	-	1,106	-	250	250	250	250	330	2,686
Equipment	-	-	2,053	6	-	-	-	-	-	-	-	2,059
IT / ITS	-	870	700	450	-	1,000	-	-	-	-	-	3,020
Other	-	3,000	-	-	-	-	-	-	-	-	-	3,000
Subtotal Transit	-	10,742	110,885	109,628	121,754	164,218	144,955	92,659	96,927	80,879	84,676	1,017,325
Rapid Transit												
Vehicles Non Revenue	-	-	-	165	-	-	-	-	-	-	-	165
	-	-	-	-	-	-	-	-	-	-	-	-
Wayside Power Propulsion	-	-	-	-	10,269	3,606	-	-	-	-	699	14,574
Station & Station area Upgrades	-	16,976	49,158	29,664	7,994	5,597	-	-	-	-	-	109,389
Infrast	-	7,177	9,750	7,236	8,278	4,748	6,675	11,563	8,334	6,845	6,394	76,999
Facilities	-	467	3	-	-	-	-	-	-	-	-	470
Equipment	-	-	258	47	-	649	1	1,311	874	656	164	3,960
Evergreen Line	-	-	6,667	7,500	833	-	-	-	-	-	-	15,000
Other	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Rapid Transit	-	24,620	65,835	44,612	27,375	14,600	6,676	12,874	9,208	7,501	7,257	220,557
Commuter Rail	-	409	1	23,820	-	-	-	-	-	-	-	24,230
Bike Program	-	230	450	450	450	450	450	450	450	450	523	4,353
Roads												
MRN and Bike Capital Rehabilita	-	12,503	14,198	16,014	19,950	19,950	19,950	19,950	19,950	19,950	19,950	182,365
Other	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Roads	-	12,503	14,198	16,014	19,950	19,950	19,950	19,950	19,950	19,950	19,950	182,365
Bridges	-	-	-	-	75,000	75,000	-	-	-	-	-	150,000
Marine	-	2,000	1,000	1,000	3,575	2,500	-	-	-	-	-	10,075
IT	-	9,685	5,643	6,548	3,029	4,045	4,386	4,673	4,765	4,662	2,616	50,052
Total Gross Cost	438,983	456,779	426,253	317,240	251,186	280,763	176,418	130,606	131,300	113,442	115,023	2,837,993
Contribution												
Fed	(115,530)	(119,313)	(144,027)	(86,363)	(100,892)	(113,014)	(78,554)	(30,002)	(29,056)	(9,653)	(21,295)	(847,698)
Prov	(47,549)	(30,229)	(29,157)	(17,209)	(2,744)	(1,810)	-	-	-	-	-	(128,698)
Other	(117)	(162)	(1)	-	-	-	-	-	-	-	-	(280)
Total Contribution	(163,196)	(149,704)	(173,184)	(103,572)	(103,637)	(114,823)	(78,554)	(30,002)	(29,056)	(9,653)	(21,295)	(976,677)
Total Net Cost	275,787	307,075	253,068	213,668	147,550	165,939	97,864	100,603	102,244	103,789	93,728	1,861,316

Table 32: Transit Service Hours (thousands)

<i>Thousands of Hours</i>	B2012	FORECASTS			OUTLOOK						
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Conventional Bus	4,431	4,387	4,376	4,335	4,334	4,333	4,330	4,319	4,320	4,313	4,308
Community Shuttle	565	567	593	653	653	653	653	653	653	653	653
Total Bus	4,996	4,955	4,970	4,988	4,987	4,986	4,983	4,973	4,973	4,966	4,961
SkyTrain E&M	1,171	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126
SkyTrain Canada Line	195	196	196	196	196	196	196	196	196	196	196
SkyTrain Evergreen Line	0	0	0	0	69	138	138	138	138	138	138
Total Rapid Transit	1,367	1,322	1,322	1,322	1,391	1,460	1,460	1,460	1,460	1,460	1,460
SeaBus	11	11	11	11	11	11	11	11	11	11	11
West Coast Express	42	42	42	42	42	42	42	42	42	42	42
Custom	598	598	598	598	598	598	598	598	598	598	598
Total Service Hours	7,013	6,927	6,942	6,961	7,029	7,096	7,093	7,083	7,083	7,076	7,071

Table 33: Schedule of Transit Fares

						COMMISSIONER APPROVAL NOT GRANTED		COMMISSIONER APPROVAL GRANTED		
						2014	2015	2014	2015	
						Current	2013			
Conventional Transit	Cash	Adult	1-Zone	\$2.50	\$2.75	\$2.80	\$2.85	\$2.80	\$2.85	
			2-Zone	\$3.75	\$4.00	\$4.20	\$4.30	\$4.25	\$4.30	
			3-Zone	\$5.00	\$5.50	\$5.60	\$5.70	\$5.60	\$5.70	
		Concession	1-Zone	\$1.75	\$1.75	\$1.95	\$2.00	\$2.00	\$2.00	
			2-Zone	\$2.50	\$2.75	\$2.80	\$2.85	\$2.80	\$2.85	
			3-Zone	\$3.50	\$3.75	\$3.90	\$4.00	\$4.00	\$4.00	
	DayPass	Adult	All Zones	\$9.00	\$9.75	\$10.10	\$10.30	\$10.10	\$10.30	
		Concession	All Zones	\$7.00	\$7.50	\$7.85	\$8.00	\$8.00	\$8.00	
	FareSaver Tickets (Book of 10)	Adult	1-Zone	\$21.00	\$21.00					
			2-Zone	\$31.50	\$31.50					
			3-Zone	\$42.00	\$42.00					
		Concession	1-Zone	\$17.00	\$17.50					
	Compass Card Single Trip (Stored Value)	Adult	1-Zone		\$2.35	\$2.40	\$2.44	\$2.50	\$2.50	
			2-Zone		\$3.50	\$3.57	\$3.64	\$3.85	\$3.85	
			3-Zone		\$4.70	\$4.79	\$4.89	\$4.95	\$4.95	
		Concession	1-Zone	\$1.75	\$1.84	\$1.87	\$1.95	\$1.95		
			2-Zone	\$2.65	\$2.70	\$2.76	\$2.76	\$2.76		
			3-Zone	\$3.70	\$3.77	\$3.85	\$3.90	\$3.90		
Monthly Pass	Adult	1-Zone	\$81.00	\$91.00	\$97.05	\$97.15	\$92.80	\$94.70		
		2-Zone	\$110.00	\$124.00	\$132.00	\$132.45	\$126.50	\$129.00		
		3-Zone	\$151.00	\$170.00	\$177.55	\$178.10	\$173.40	\$176.85		
	Concession	All Zones	\$46.50	\$52.00	\$55.25	\$55.85	\$53.05	\$54.10		
Canada Line YVR Add Fare				\$5.00	\$5.00	\$5.00	\$5.00	\$5.00		
Custom Transit	Cash	Adult	Within 1 Zone	\$2.50	\$2.75	\$2.80	\$2.85	\$2.80	\$2.85	
			Between 2 adjacent zones	\$2.50	\$2.75	\$2.80	\$2.85	\$2.80	\$2.85	
			Between 3 adjacent zones	\$3.75	\$4.00	\$4.20	\$4.30	\$4.25	\$4.30	
			Between 4 adjacent zones	\$5.00	\$5.50	\$5.60	\$5.70	\$5.60	\$5.70	
	Compass Card Single Trip (Stored Value)	Adult	Within 1 Zone		\$2.35	\$2.40	\$2.44	\$2.50	\$2.50	
			Between 2 adjacent zones		\$2.35	\$2.40	\$2.44	\$2.50	\$2.50	
			Between 3 adjacent zones		\$3.50	\$3.57	\$3.64	\$3.85	\$3.85	
			Between 4 adjacent zones		\$4.70	\$4.79	\$4.89	\$4.95	\$4.95	
	Monthly Pass	Adult	Within 1 Zone	\$81.00	\$91.00	\$97.05	\$97.15	\$92.80	\$94.70	
			Between 2 adjacent zones	\$81.00	\$91.00	\$97.05	\$97.15	\$92.80	\$94.70	
			Between 3 adjacent zones	\$110.00	\$124.00	\$132.00	\$132.45	\$126.50	\$129.00	
			Between 4 adjacent zones	\$151.00	\$170.00	\$177.55	\$178.10	\$173.40	\$176.85	
	West Coast Express	One-Way (Cash)	Adult	1-Zone	\$5.00	\$5.50	\$5.60	\$5.70	\$5.60	\$5.70
				2-Zone	\$5.00	\$5.50	\$5.60	\$5.70	\$5.60	\$5.70
				3-Zone	\$6.75	\$7.25	\$7.60	\$7.75	\$7.60	\$7.75
4-Zone				\$8.25	\$9.00	\$9.25	\$9.45	\$9.25	\$9.45	
5-Zone				\$11.25	\$12.25	\$12.65	\$12.90	\$12.75	\$12.90	
One-Way (Compass Card)		Adult	1-Zone		\$5.25	\$5.30	\$5.40	\$5.30	\$5.40	
			2-Zone		\$5.25	\$5.30	\$5.40	\$5.30	\$5.40	
			3-Zone		\$7.10	\$7.20	\$7.35	\$7.20	\$7.35	
			4-Zone		\$8.65	\$8.80	\$9.00	\$8.80	\$9.00	
			5-Zone		\$11.80	\$12.00	\$12.25	\$12.10	\$12.25	
Weekly		Adult	1-Zone	\$42.25	\$44.00	\$44.90	\$45.80	\$44.90	\$45.80	
			2-Zone	\$42.25	\$44.00	\$44.90	\$45.80	\$44.90	\$45.80	
			3-Zone	\$58.00	\$60.25	\$61.45	\$62.70	\$61.45	\$62.70	
			4-Zone	\$70.50	\$73.25	\$74.70	\$76.20	\$74.70	\$76.20	
			5-Zone	\$97.50	\$101.50	\$103.55	\$105.60	\$103.55	\$105.60	
28-Day		Adult	1-Zone	\$134.75	\$151.75	\$154.80	\$157.90	\$154.80	\$157.90	
			2-Zone	\$134.75	\$151.75	\$154.80	\$157.90	\$154.80	\$157.90	
			3-Zone	\$178.75	\$201.00	\$205.00	\$209.10	\$205.00	\$209.10	
	4-Zone		\$217.00	\$244.00	\$248.90	\$253.85	\$248.90	\$253.85		
	5-Zone		\$298.50	\$335.75	\$342.45	\$349.30	\$342.45	\$349.30		
Projected Fare Revenues (thousands)										
Short-term Fare Revenue				\$181,441	\$194,884	\$212,086	\$216,734	\$212,086	\$216,734	
Other Fare Revenue				\$265,111	\$289,700	\$309,549	\$319,928	\$309,549	\$319,928	
Total				\$446,552	\$484,584	\$521,635	\$536,662	\$521,635	\$536,662	
Short-term Fares as Percentage of Total				40.6%	40.2%	40.7%	40.4%	40.7%	40.4%	

Note: In 2013, TransLink will be re-applying to the Commissioner for increases to the short-term fares to be effective in 2014, as approved by the Mayors' Council in the 2010 Funding Stabilization Plan. If the Commissioner does not approve the supplementary fare increase, rates for fare products not subject to the Commissioner's control (i.e. Monthly Passes for conventional and custom transit) will be higher than if the supplementary fare increase is approved, in order to generate the same amount of forecast revenues from transit fares. Fare products for which rates would be affected by this are highlighted in the table. Canada Line YVR AddFare is applicable only to outbound travel from YVR.

APPENDIX H: CONSULTATION

In accordance with the South Coast British Columbia Transportation Act, TransLink conducted consultations on the 2013 Base Plan with the public, elected officials and stakeholder organizations. The TransLink Board approved the consultation plan for the 2013 Base Plan on March 13, 2012 and consultation took place from September through to October 13, 2012.

The consultation process included meetings and discussions with the Metro Vancouver Board and Committees, Mayors' Council, elected officials, stakeholder groups, municipal and regional staff and opinion leaders in the region, and community organizations. The general public participated through online surveys, the community organizations and market research.

A total of 817 questionnaire responses were completed by the public and stakeholders through the TransLink online website, PlaceSpeak (an online public consultation format that has a dedicated database of subscribers) as well as community forums. The TransLink Listens Market Research Panel provided 2,794 completed questionnaire responses.

The consultations and market research identified a high level of awareness of TransLink's funding challenges and efficiency improvements. Overall, there is support for the plan, and the proposed projects and priorities. A number of participants and organizations in the consultation process strongly encouraged TransLink to implement a process to identify the long-term transportation needs for the region along with a sustainable funding strategy to achieve regional goals.

Concerns were expressed about efficiency improvements and optimization of services identified in the Draft 2013 Base Plan. These concerns focused mainly on the potential for customer service impacts if there is a reduction in the reliability of bus service, and if overcrowding and pass-ups increase, and if customer safety is compromised. Concern that funding for cycling in the current plan is inadequate was also a priority. Generally, there was not a concern about a newly-proposed park and ride charge.

Feedback from the Metro Vancouver Committees and Boards indicated that the development of alternative mechanisms to fund the remaining elements of the *2012 Moving Forward Supplemental Plan* should remain a high priority and that rescinding the two-year time-limited property tax increase without the inclusion of a corresponding replacement revenue source will have detrimental effects on the implementation of the *Regional Growth Strategy* and the achievement of regional environmental objectives, and may adversely affect the movement of goods and the sustained economic development in the region.

As part of consultation on the base plan, the Mayors' Council met on October 18, 2012 and passed a resolution requesting that a supplemental plan be prepared by March 31, 2013 that does not include the time-limited property tax which is required to be included in the 2013 Base Plan. The resolution also identified a timeline for the Mayors' Council and Province of British Columbia to work together to identify a long-term funding model by February 28, 2013.