

2016

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# Statutory Annual Report



**SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY  
2016 STATUTORY ANNUAL REPORT**

The *South Coast British Columbia Transportation Authority* (TransLink) is required to provide an annual report and audited financial statements to the Mayors' Council on Regional Transportation by March 31st. This report fulfills the reporting obligation to provide:

- A. A summary of operations during the year with comparison to the strategic transportation plan and the applicable service, capital and operational plans;
- B. The audited financial statements for the year;
- C. A summary of the nature of complaints received in the year and actions taken in response to those complaints;
- D. A summary of the results of the customer satisfaction survey process;
- E. Amendments to the articles of the Authority;
- F. A summary of the date, type and outcome of meetings of TransLink's Board of Directors held during the year;
- G. Fare Collection Bylaw; and
- H. A summary of tickets issued and collection under Section 248.

**This report should be read in conjunction with the 2016 Annual Report, in order to get a full understanding of the organization and its financial and operational performance. The 2016 Annual Report will be posted on TransLink's website.**

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## EXECUTIVE SUMMARY

Under the *South Coast British Columbia Transportation Authority Act*, TransLink is required to prepare an annual report that includes a summary of operations for the year along with a comparison to the organization's applicable strategic, service, capital and operational plans. This 2016 Statutory Annual Report meets that requirement, and includes other reporting obligations such as audited financial statements, complaints and customer satisfaction summaries. This report should be read in conjunction with the 2016 Annual Report to obtain a full understanding of the organization and the strategic platform that drives its financial and operational performance. The 2016 Annual Report will be posted on the TransLink website.

TransLink's current Strategic Plan, as defined by legislation, is Transportation and Financial Base Plan for 2014 to 2016 and Outlook for 2017 to 2023 (2014 Base Plan and Outlook). This 2016 Statutory Annual Report makes reference to year 3 of the 2014 Base Plan and Outlook.

## A. OPERATIONS SUMMARY

### 1 Transportation Services Provided

The table below provides a summary of services provided, services consumed and operating cost metrics for 2016 compared to the 2016 year of the 2014 Base Plan.

	2016 Actual	2016 Year in 2014 Base Plan	Fav./(Unfav.) Over Plan	% Change
<b>Scheduled Transit Service</b>				
Service hours (thousands)	6,355	6,326	29	0.5%
Revenue passengers (thousands) <sup>1</sup>	n/a	247,280		
Boarded passengers (thousands)	384,826	378,252	6,574	1.7%
Operating cost per total vehicle kilometer <sup>2</sup>	\$5.97	\$5.95	(\$0.02)	(0.3%)
Total cost recovery <sup>3</sup>	55%	57.6%	(2.5%)	(4.4%)
Average fare per revenue passenger <sup>1</sup>	n/a	\$2.24		
<b>Access Transit Service</b>				
Service hours (thousands)	560	598	(38)	(6.4%)
Number of trips <sup>4</sup>	1,227	n/a		
Revenue passengers (thousands) <sup>4</sup>	n/a	1,395		
Boarded passengers (thousands)	1,366	1,527	(161)	(10.5%)
Operating cost per service hour	\$89.68	\$85.38	(\$4.29)	(5.0%)
Operating cost per revenue passenger <sup>4</sup>	n/a	\$36.60		
<b>Golden Ears Bridge</b>				
Crossings (thousands)	13,526	11,933	1,593	13.3%
Average toll per crossing	\$3.70	\$3.57	\$0.13	3.5%

<sup>1</sup> Journeys for Scheduled Transit Service have replaced revenue passengers as the new ridership methodology; therefore, comparative Planned figures are not available.

<sup>2</sup> 2016 Year in the 2014 Base Plan restated for comparative purposes. Includes operating costs of Bus, SeaBus, Expo & Millennium Line, Canada Line, West Coast Express and Police, and excludes depreciation and interest expense.

<sup>3</sup> Excludes corporate one-time costs.

<sup>4</sup> Trips are now the new measure for Access Transit service delivery.

#### Observations on Scheduled Transit Service

- Actual service hours were higher than the Base Plan by 29 thousand (0.5 per cent) as a result of the timing of scheduling efficiencies and other service adjustments planned throughout the year.
- Boarded passengers were 6.6 million (1.7 per cent) higher than the Base Plan. Ridership growth in 2016 was largely driven by service changes to better meet customer needs and substantial employment growth in Metro Vancouver. Employment grew by 5 per cent in 2016, the highest year-over-year growth since 1989. According to the Conference Board of Canada, Metro Vancouver has the fastest growing regional economy in Canada and the unemployment rate is at an 8-year low.
- Operating cost per total vehicle kilometre is slightly unfavorable than the Plan.
- Total cost recovery ratio is lower than Plan due to deferring fare increases that had been planned for 2015 and 2016.

#### Observations on Access Transit Service

- Since 2014, there has been a focus to improve Access Transit Service productivity by delivering more trips overall. This has been achieved by delivering more trips through the use of taxis. As a result of this improvement, Access Transit service productivity measurement now focuses on the number of trips

delivered. Trips are demand based and fluctuate with clientele demand. The number of Access Transit trips offered increased slightly (1.9 per cent) over 2015. In 2016, Access Transit delivered a total of 1.2 million trips, of which 10.8 per cent were through the use of taxis.

- Service hours and operating costs per service hour are unfavourable due to a shift and increase in trips being provided by taxis and fewer HandyDART service hours.

**Observations on Golden Ears Bridge**

- Golden Ears Bridge crossings were 1.6 million (13.3 per cent) higher than Plan and is attributed to increased Vehicle Kilometres Travelled (VKT) in the region.
- The average toll rate per crossing was favourable compared to Plan due to a higher number of unregistered/pay as you go vehicles not taking advantage of discounted rates.

## **2 2016 Transportation Plan Status Report**

The following items from the 2014 Base Plan and Outlook were identified as occurring in 2016. An update of their status is provided below:

### **What's in the Plan**

The 2014 Base Plan included initiatives to improve operational efficiency, improve service, define an appropriate solution for the Pattullo Bridge operation and maintenance, and plan an efficient Major Road Network.

- A deck rehabilitation project on the 79-year-old Pattullo Bridge, to keep it functional and safe to operate until a replacement bridge is built, was completed one month earlier than planned in the summer of 2016. Work was focused on essential deck repairs to address concrete delamination on sections of the bridge. Repairs were designed to extend the life of the bridge deck with minimum maintenance to keep the bridge operational while a replacement bridge is designed and built. In the meantime, TransLink will continue to regularly inspect the bridge and make necessary repairs in the future to maintain safety and functionality.
- In 2016, progress was made on defining the base concept for the Pattullo Bridge Replacement. A Memorandum of Understanding was signed with the Cities of New Westminster and Surrey, and the new bridge connections to the municipal and provincial road networks were defined. A Business Case was submitted to P3 Canada, and discussions continue with the Federal and Provincial governments to reach agreement on project funding and financing.

### **Invest Strategically**

Strategic investment activities contemplated in the 2014 Base Plan and advanced in 2016 included station upgrades on the Expo Line, the launch of revenue service for the Millennium Line Evergreen Extension, and the purchase of more energy efficient and environmentally friendly revenue vehicles.

- In 2016, 71 new 40' conventional diesel buses replaced buses that had reached the end of their service lives. These new buses have 95 per cent lower Criteria Air Contaminants and 5 per cent lower Green House Gas emissions. There were also 62 new community shuttles that replaced defective shuttles in 2016.
- TransLink initiated a new phase of the Custom Transit Service Delivery Review in response to recent customer concerns about service quality and delivery.
- The New Westminster Station Upgrade project was completed. This was the third of seven station upgrade projects to be completed. Construction continued on Joyce-Collingwood, Commercial Broadway, Metrotown and Surrey City Centre, which reached the procurement stage in 2016.
- TransLink worked closely with the Evergreen Project team to achieve the successful launch of revenue service in December. This included systems integration work, testing and commissioning, updating way finding, integrating stations with the communities and initiating a new bus service plan in the northeast sector to connect bus service to the Evergreen Extension. Work also continued on the upgrades at Commercial Broadway Station, to expand station capacity and improve passenger circulation.

### **Manage the System**

A focus of the 2016 year in the 2014 Base Plan was on finding efficiencies to generate cost savings while maintaining existing service levels and using available funds to invest strategically. TransLink's operating companies continue to pursue cost saving efficiencies through operator and route scheduling, such as recovery time, right sizing the fleet and re-allocating lower productivity service hours to more productive routes.

- Coast Mountain Bus Company delivered more service in 2016 with the same fleet and number of operators. Recovery time rates for conventional bus were the same and for community shuttle was slightly reduced as a result of efficiencies gained through run-time adjustments.
- Over 80 network changes were rolled out over the course of 2016, including revising over 20 bus routes to better connect to the Evergreen Extension in December. Other changes implemented in 2016 decreased travel time on busy routes, extended service to areas with high customer demand, took advantage of road and infrastructure changes, and made our system more efficient.
- The first phase of the Southwest Area Transport Plan was completed, following a public consultation period in spring 2016. Work on the second phase of the plan, which will identify priorities for improving transit and transportation in the sub-region, began in 2016 and will continue into 2017.
- Phase 2 of the new Transit Police community-based service delivery model (six hubs) was implemented in 2016. Six neighbourhood police officers are now in place. Development of action blueprints are underway to address safety and crime issues in relation to each of the six transit hubs. A collaborative, joint policing approach with jurisdictional police was launched with the rollout of the Evergreen Extension in December 2016. Joint training has also occurred for coordinated response to significant incidents.

### **Partner to Make It Happen**

TransLink works with municipalities and all levels of governments, businesses, residents and customers to ensure investment and transportation decisions support land use decisions, ensures efficient movement of goods, leverages real estate assets and considers stakeholders.

- In 2016, TransLink completed the sale of two surplus properties. Proceeds will be primarily used to secure real property to support future transportation projects.
- TransLink's Adjacent and Integrated Development (AID) Program continues to engage adjacent property owners to integrate and construct in a safe manner, supporting Metro Vancouver's Regional Growth Strategy. More than 70 development projects were actively managed and monitored under the AID Program.

### **Achieving Our Goals**

Transportation is a significant contributor to climate change through the emission of greenhouse gases. TransLink contributes to protecting the environment through lowering greenhouse gas emissions, supporting a compact urban form and minimizing encroachment on designated conservation, recreation, agricultural and rural lands.

- In 2016, TransLink reduced Criteria Air Contaminant (CAC) emissions by 36 tonnes (from 748 to 712) as a result of retiring older fleet and running more efficient, clean engines.

### 3 2016 Financial Plan

The commitments, services, programs and assumptions contemplated in the 2014 Base Plan and Outlook result in a Budgeted Consolidated Statement of Operations Summary (which uses Generally Accepted Accounting Principles (GAAP)) for local government as recommended by the Public Sector Accounting Board. The table below compares Year-3 (2016) of the 2014 Plan and the actual results on a GAAP basis. Section 5 provides a detailed review of 2016 actual revenue and expenditures compared to the 2016 Budget.

**TransLink**  
**2014 Base Plan and Outlook (Year 3 - 2016) compared to Actual Results (Unaudited)**

<i>(\$ millions)</i>	2016 Actual	2016 Year In 2014 Base Plan	Fav./ (Unfav.)	% Change
<b>Revenues</b>				
Transit	541.6	572.0	(30.4)	(5.3%)
Golden Ears Bridge Tolls	52.1	42.6	9.5	22.3%
<b>Taxation</b>				
Fuel	403.4	334.7	68.7	20.5%
Property & replacement	342.5	341.5	1.0	0.3%
Parking rights tax	67.0	57.7	9.3	16.1%
Hydro levy	20.4	20.4	-	0.0%
Total Taxation	833.3	754.3	79.0	10.5%
Government Transfers	240.5	132.2	108.3	81.9%
Amortization of deferred concessionaire credit	23.3	23.3	-	0.0%
Interest Income	40.6	43.9	(3.3)	(7.5%)
Miscellaneous Revenue	6.4	-	6.4	
Gain/(Loss) on Disposal of Assets	422.2	40.0	382.2	955.5%
<b>Total Revenues</b>	<b>2,160.0</b>	<b>1,608.4</b>	<b>551.6</b>	<b>34.3%</b>
<b>Expenditures</b>				
Transit Operations	922.5	953.4	30.9	3.2%
Roads & Bridges	52.4	65.8	13.4	20.4%
TransLink	120.9	79.5	(41.4)	(52.1%)
Transit Police	33.8	33.5	(0.3)	(0.9%)
<b>Total Expenditures</b>	<b>1,129.6</b>	<b>1,132.3</b>	<b>2.7</b>	<b>0.2%</b>
Surplus/(Deficit) before Interest & Amortization	1,030.4	476.1	554.3	116.4%
Amortization	181.7	205.3	23.6	11.5%
Interest Expense	172.7	211.6	38.9	18.4%
<b>Surplus/(Deficit)</b>	<b>676.1</b>	<b>59.2</b>	<b>616.9</b>	<b>1042.1%</b>

Transit revenues were \$30.4 million (5.3 per cent) lower, predominately due to deferring the fare increases that had been planned for 2015 and 2016.

Golden Ears Bridge toll revenue was \$9.5 million (22.3 per cent) above Plan due to higher than expected vehicle crossings and unplanned interest revenue generated from overdue Quickpass accounts.

Fuel tax revenues were \$68.7 million (20.5 per cent) higher than Plan due to higher sales volumes from an increase in Vehicle Kilometres Travelled (VKT) and low gasoline prices at the pump in the Metro Vancouver region. Also, a weaker Canadian dollar has impacted the level of cross-border fuel purchases.

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Property and replacement tax revenues were \$1.0 million (0.3 per cent) above Plan. Rates are set annually to achieve the planned property tax with an adjustment for changes to property values factored into the calculation. The increase is attributable to fewer adjustments when property tax assessments were finalized.

Parking rights taxes were \$9.3 million (16.1 per cent) favourable to Plan as more revenues were remitted by parking vendors, consistent with increased Vehicle Kilometres Travelled in the transit region.

Government funding transfers were \$108.3 million (81.9 per cent) favourable to Plan. This is primarily due to increase in revenue recognized under the Federal Gas Tax Program of \$74.7 million and one-time funding of \$23.2 million from the Province for Lincoln Station on the Evergreen Extension, which was not included in the Plan. The additional Federal Gas Tax revenue of \$74.7 million is due to a required change in accounting treatment related to a new agreement with the Union of British Columbia Municipalities (UBCM) for Federal Gas Tax Funds signed in 2015. Effective April 1, 2014, Generally Accepted Accounting Principles for the Public Sector require that the funds received be recorded as revenues at the time the funds are spent. Previously, the contract required the assets to be held for at least ten years and the funds received were recognized over the ten year period.

Interest income was \$3.3 million (7.5 per cent) below Plan primarily due to lower interest rates and lower sinking fund balances partly offset by higher actual returns on the sinking funds.

Miscellaneous revenues were \$6.4 million, consisting mostly of recoveries from third parties. The Plan forecasts expenditures net of recoveries, therefore miscellaneous revenue was not included in the Plan.

Gain on disposal of assets from the sale of surplus property was \$382.2 million more than the Plan due to earlier and higher than anticipated gains on sales of surplus properties.

Transit Operations costs were \$30.9 million (3.2 per cent) favourable to Plan as a result of the early execution of the West Coast Express rail car lease buyout in 2015 rather than in 2016, lower diesel fuel costs, and the timing of the Evergreen Extension integration in December. These favourable variances are offset by additional state of good repair costs and higher revenue vehicle material costs, increased labour costs, higher fare media costs and higher vehicle insurance rates. Increased labour costs were mainly related to additional staff on Expo/Millennium Lines in response to the recommendations put forward in the Independent Review of the SkyTrain disruptions in 2014.

Spending on roads and bridges was \$13.4 million (20.4 per cent) lower than Plan mainly due to a recovery of a prior year expense, offset by Pattullo Bridge rehabilitation costs and timing of capital funding to municipalities.

TransLink costs of \$120.9 million were \$41.4 million (52.1 per cent) unfavourable to Plan mainly due to one-time costs. One-time costs include rapid transit studies, Compass implementation and Evergreen Extension start-up costs. Corporate ongoing costs were higher mainly due to credit card interchange fees associated with direct fare product sales of Compass cards and tickets, higher feasibility studies mainly in response to recommendations from the 2014 Independent SkyTrain Review, and claims paid out by TransLink's Transportation Property Casualty Company (TPCC).

Amortization was \$23.6 million (11.5 per cent) below Plan mainly due to timing of capital project completion in major construction projects and revenue vehicles, offset by higher depreciation of major capital spare parts from BCRTC.

Interest expense was \$38.9 million (18.4 per cent) below Plan due to both lower than anticipated borrowings (from later than planned capital spending) and lower interest rates.

**4 2016 Capital Program**

**Schedule 1**

Schedule 1 (below) lists the projects that were included in the 2016 Capital Program as Approved in Principle, and indicates their current status. The schedule includes activity related to new capital projects in 2016 (\$ thousands) including any carry forward Approved in Principle (AIP) projects from 2015. TransLink also advanced a number of 2017 projects in 2016 that are time sensitive for obtaining Federal and Provincial Public Transit Infrastructure Funds.

Project and Program Titles	Approved in Principle (AIP)	Specific Project Approval (SPA) in year ended December 31, 2016		Current Project Status as at December 31, 2016				
	Budget	Approval Date	Budget	Budget	Actual Cost to Date	Forecast to Complete	Final Forecasted Cost	Estimated Completion Date
<b>Equipment</b>								
Golden Ears Bridge Tolling Equipment Replacement	5,000			Rolled into 2017 Capital Program				
Rotary Grinder 1	3,750			Rolled into 2017 Capital Program				
ATC Existing Equipment Replacement - Phase 3	12,400			Rolled into 2017 Capital Program				
BTC In Ground Hoist Replacement - Program Year 9-11	430	11-Feb-16	430	430	252	167	419	31-Oct-17
Evergreen Stations Advertising	-	20-May-16	390	390	379		379	30-Nov-16
<b>Total for Equipment</b>	<b>21,580</b>		<b>820</b>	<b>820</b>	<b>631</b>	<b>167</b>	<b>798</b>	
<b>Facilities</b>								
West Vancouver Transit Centre Steam Bay Pad for Drainage Compliance	100			Project Cancelled on 01-Mar-2016				
2015 Powersmart Retrofits	250	22-Mar-16	740	740	29	559	588	30-Sep-17
TOH Underground Cable Replacement Program	1,177	20-May-16	805	805	399	191	590	30-Nov-16
Expo Line Escalators Replacement – Accelerated Program- Phase 1 Design		06-Oct-16	3,171	3,171		3,222	3,222	31-Jul-17
Power System Redundancy Upgrade and Decentralization of Power for SkyTrain McNeil	4,400	16-Dec-16	4,400	4,400		4,400	4,400	31-Mar-19
<b>Total for Facilities</b>	<b>5,927</b>		<b>9,116</b>	<b>9,116</b>	<b>428</b>	<b>8,372</b>	<b>8,800</b>	
<b>Infrastructure</b>								
22nd Street Exchange - Lighting and Passenger Safety Compliance	1,132			Rolled into 2017 Capital Program				
TransLink Owned Bicycle Infrastructure	1,000			Rolled into 2017 Capital Program				
TOH Line Tamper Detection and Alarm System Installation (TPCC)	600			Rolled into 2017 Capital Program				
Expo Line Station Escalators - Stage 2	3,971			Project Cancelled on 29-Sep-2016				
McNeil Adhoc Program	19,680			Rolled into the 2017 to 2019 Capital Program				
General Adhoc Program	26,260			Adhoc funds not required				
Expo and Millennium Line Signage and Station Fixture Replacement	6,760	9-May-16	6,510	6,510	1,208	5,348	6,556	31-Aug-17
Seabus Terminal Washroom Accessibility Compliance	550	25-Feb-16	545	637	159	457	616	1-May-17
2016 MRNB Capital Program	23,784	9-Dec-15	23,784	23,784	13,673	10,254	23,927	1-Dec-20
Compass Systems Advancement - Proximity Enabled Accessible Entrances		26-Aug-16	1,300	1,300	162	1,292	1,454	31-Dec-17
Westham Island Bridge Structural Assessment and detailed design	300	17-Nov-16	320	320		320	320	31-Mar-19
2016 TOH Pole Replacement	1,000	25-Feb-16	1,000	1,200	488	512	1,000	31-May-18
TOH Wire and Switches	1,000	25-Feb-16	1,000	1,000	946		946	25-Nov-16
Phase III Expo Line Rail Pad Replacement	4,400	14-Jul-16	4,800	4,800		4,800	4,800	31-Jul-17
Expo Line Phase 1 Running Rail 2017	3,670	28-Jul-16	3,920	3,920		3,910	3,910	1-Jul-17
Expo Line Running Rail Replacement 2016		4-Mar-16	2,453	2,453		2,223	2,223	1-Jul-17
ATC System Recovery and Operation Improvements MCNEIL	5,320	16-Dec-16	5,320	5,320		5,320	5,320	31-Jan-19
Seismic Upgrade South Seabus and Skywalk - Construction	6,000	21-Oct-16	8,600	8,600	9	8,322	8,331	31-Dec-17
Surrey Central SkyTrain Station Upgrades	17,550	3-Nov-16	24,450	26,850	1,343	25,549	26,892	4-Nov-18
<b>Total for Infrastructure</b>	<b>122,977</b>		<b>84,002</b>	<b>86,694</b>	<b>17,988</b>	<b>68,307</b>	<b>86,295</b>	
<b>Technology Applications</b>								
Information Security Program 2016	500			Project Cancelled on 01-Mar-2016				
BT Infrastructure Capacity Sufficiency - Storage 2015	2,850			Project Cancelled on 24-Jul-2016				
Access Transit Server Re-hosting	100			Project Cancelled on 29-Sep-2016				
MyTime System Update - Phase 2	725			Rolled into 2017 Capital Program				
Data Warehouse Business Intelligence Program 2016	1,000			Rolled into 2017 Capital Program				
2015 Website Modernization	2,200	11-Aug-16	1,090	1,090	131	946	1,077	24-May-17
TSMC Data Storage Equipment Replacement	340	20-May-16	340	340	322		322	30-Aug-16
MyTime System Update - Phase 1	675	30-Jun-16	675	675	187	302	489	31-Oct-17
SmartStream System Update	185	30-Jun-16	185	185	106	71	177	24-Apr-17
IT Infrastructure Program 2016	4,815	28-Jul-16	7,015	7,015	-	7,015	7,015	31-Aug-17
Learning Management System Implementation	250	04-Mar-16	507	507	190	257	447	9-Jun-17
Compass Automated Fare Correction Implementation Phase 1	153	30-Jun-16	153	153	72		72	30-Apr-17
Fibre Connect HTC to 22nd Street Station	185	22-Apr-16	185	185	147		147	30-Sep-16
PeopleSoft System Update Implementation	810	25-Feb-16	850	1,390	1,247	96	1,343	31-Oct-16
Operations Log Replacement and Modernization	500	09-May-16	650	650	102	245	347	15-Feb-17
<b>Total for Technology Applications</b>	<b>15,288</b>		<b>11,650</b>	<b>12,190</b>	<b>2,504</b>	<b>8,932</b>	<b>11,436</b>	

<b>Vehicles Conventional Revenue</b>		Rolled into 2017 Capital Program						
2017 HandyDART Vehicle Replacement	5,600							
2015 Community Shuttle Replacement Buses		21-Oct-16	4,699	4,699		4,699	4,699	30-Sep-17
2016 Conventional Bus Replacement (P)	16,200	16-Dec-16	28,750	88,950	25,521	60,578	86,099	30-Apr-17
2016 Community Shuttle Replacements	4,200	21-Oct-16	3,892	3,892		3,892	3,892	31-Oct-17
2017 Conventional Bus Replacement	92,700	3-Nov-16	96,900	96,900		96,900	96,900	30-Apr-18
2017 Community Shuttle Replacement	4,100	21-Oct-16	4,210	4,210		4,209	4,209	30-Nov-17
<b>Total for Vehicles Conventional Revenue</b>	<b>122,800</b>		<b>138,450</b>	<b>198,651</b>	<b>25,521</b>	<b>170,278</b>	<b>195,799</b>	
<b>Vehicles Other Revenue or Non Revenue</b>		Rolled into 2017 Capital Program						
2015 BCRTC NRV Life Cycle Replacement	248	Project Cancelled on 09-Dec-2016						
GWY Maintenance Vehicle - Pusher	671	Project Cancelled on 09-Dec-2016						
2016 Administrative Vehicle Replacement	119	Project Cancelled on 17-Feb-2016						
NRVs Fleet - 2016 additional staff	149	Rolled into 2017 Capital Program						
2016 Transit Police Fleet Replacement Plan	352	21-Oct-16	352	352		352	352	30-Jun-17
2016 Transit Fleet Expansion for Evergreen Line	303	3-Nov-16	285	285		285	285	30-Jun-17
2016 CMBC Service Support Vehicle Replacement	1,266	6-Oct-16	1,007	1,007		1,007	1,007	31-Aug-17
NRV Fleet Life Cycle Management	297	16-Dec-16	521	521		521	521	30-Sep-17
<b>Total for Vehicles Other Revenue or Non Revenue</b>	<b>3,404</b>		<b>2,166</b>	<b>2,165</b>		<b>2,165</b>	<b>2,165</b>	
<b>Subtotal Before 2017 Projects with 2016 Early Approval</b>	<b>291,977</b>		<b>246,203</b>	<b>309,636</b>	<b>47,072</b>	<b>258,221</b>	<b>305,293</b>	
<b>2017 Projects with 2016 Early Approval</b>								
PTIF Mark III Procurement (28 cars)		22-Sep-16	107,318	107,318	39,946	73,607	113,553	31-Dec-18
South of Fraser Rapid Transit Procurement Readiness (SPA 1)		6-Oct-16	2,742	20,000		19,983	19,983	30-Jun-18
South of Fraser Rapid Transit Procurement Readiness (SPA2)		16-Dec-16	17,258					
Burrard Station Concept Design		21-Oct-16	920	920		920	920	30-Sep-17
MLBE Procurement Readiness (SPA1)		27-Oct-16	636	23,000		22,914	22,914	30-Jun-18
MLBE Procurement Readiness (SPA2)		16-Dec-16	22,364					
Expansion SeaBus Vessel		1-Dec-16	34,000	34,000		34,001	34,001	28-Feb-19
Bike Parkades		16-Dec-16	3,968	3,968		3,968	3,968	31-Dec-18
<b>Total for 2017 Projects with 2016 Early Approval</b>			<b>189,206</b>	<b>189,206</b>	<b>39,946</b>	<b>155,393</b>	<b>195,339</b>	
<b>Totals</b>	<b>291,977</b>		<b>435,410</b>	<b>498,842</b>	<b>87,018</b>	<b>413,614</b>	<b>500,632</b>	

**TransLink Capital Program Status - Project Additions, Deletions and Not Initiated**

Project	Project #	Budget (\$thousands)	Reason
<b>Additions</b>			
Evergreen Stations Advertising	161105	390	Procure and install advertising infrastructure for Evergreen Extension stations, includes 26 digital ad panels (LCD screens) and 176 ad poster frames.
Expo Line Escalators Replacement – Accelerated Program- Phase 1 Design	163017	3,171	Retain the services of a qualified consultant to undertake detailed design for escalator replacements at Expo Line and West Coast Express Stations.
Compass Systems Advancement - Proximity Enabled Accessible Entrances	161011	1,300	Improve access to SkyTrain and SeaBus stations for customers with locomotor disabilities who have limited or no use of their hands and cannot use the Compass card and fare gate system.
Expo Line Running Rail Replacement 2016	153016	2,453	Replace 1,950 linear meters of SkyTrain running rail in five locations on the Expo Line in sections that show advanced signs of rail wear and surface cracking.
2015 Community Shuttle Replacement Buses	142150b	4,699	Procure 24 replacement Community Shuttle buses that reached the end of their service lives in 2015 but were deferred to allow for the replacement of 62 defective International shuttles.

Project	Project #	Budget (\$thousands)	Reason
<b>Additions cont'd</b>			
PTIF Mark III Procurement (28 cars)	173051	107,318	Acquire 28 expansion SkyTrain cars to meet growing demand for transit. Peak period passenger volumes on Expo Line have already reached system capacity in the AM period. It is anticipated that another 112 vehicles will be required for system expansion by 2023. Significant cost and time savings can be realized by ordering these vehicles now.
South of Fraser Rapid Transit Procurement Readiness (SPA1 & SPA2)	171028	20,000	Prepare for procurement of Phase 1 of the South of Fraser Rapid Transit Project - Newton-Guildford LRT. The project will enable an initial suite of procurement readiness activities, including - scoping of early works projects; further design development; stakeholder and public engagement activities, including municipal integration; additional transport/traffic/rail modeling and technical support; and preparation of the full Procurement Readiness work plan.
Burrard Station Concept Design	173052	920	Upgrade Burrard Station as a key facility that would require modifications in order to achieve the ultimate line capacity of 25,700 people per hour per direction (pphpd).
MLBE Procurement Readiness (SPA1 & SPA2)	171027	23,000	Prepare for procurement of the Millennium Line Broadway Extension Project. The project will enable initial critical path procurement readiness activities, including geotechnical investigations along the corridor and associated project management expenses.
Expansion SeaBus Vessel	172160	34,000	Procurement of one new expansion SeaBus to increase service frequency from 15 to 10 minutes in the AM/PM peak periods and offer 15 minute service throughout the year on weekends. The procurement scope also includes all design updates, regulatory certification, construction, project management, oversight, training and tooling associated with the vessel.
Bike Parkades	173050	3,968	Design and construction of 8 new bike parkades to introduce more options for secure bicycle parking at key transit hubs.
<b>Total Additions</b>		<b>201,219</b>	

Project	Project #	Budget (\$thousands)	Reason
<b>Deletions</b>			
West Vancouver Transit Centre Steam Bay Pad for Drainage Compliance	162109	100	Proposed solution likely to cost less than \$50,000 and will be funded out of operating budget.
Expo Line Station Escalators - Stage 2	163003	3,971	Cancelled due to formation of a new Escalator Replacement Strategy leading to accelerated replacement.

Project	Project #	Budget (\$thousands)	Reason
<b>Deletions cont'd</b>			
Information Security Program 2016	141115	500	The IT Security Program planned for 2016 was changed due to refocusing priorities, addressing highest risk projects first.
BT Infrastructure Capacity Sufficiency - Storage 2015	151101	2,850	Project amalgamated with 2016 IT Infrastructure Program Project.
Access Transit Server Re-hosting	152018	100	Project was deemed non-capital in nature.
2015 BCRTC NRV Life Cycle Replacement	153001	248	Project amalgamated with 2016 NRV Fleet Life Cycle Management.
Guideway Maintenance Vehicle - Pusher	153057	671	Feasibility work on this project has not been completed. Project scope will be accomplished via a new project in 2017.
2016 Administrative Vehicle Replacement	161005	119	Lease buyout of existing vehicles option was deemed more cost effective compared to new purchases.
<b>Total Deletions</b>		<b>8,559</b>	

Project	Project #	Budget (\$thousands)	Reason
<b>Projects Not Initiated</b>			
Golden Ears Bridge Tolling Equipment Replacement	161053	5,000	Due to project manager changes this project has been delayed into early part of 2017.
Rotary Grinder 1	163001	3,750	The project will be combined with a similar project - Rotary Grinder 2. Analysis has been done on both Rotary Grinders, confirming requirements and procurement will be done together to gain efficiencies.
ATC Existing Equipment Replacement - Phase 3	163005	12,400	The supplier of the SkyTrain ATC system, is still in the process of identifying a technical solution for replacement of the Station Emergency Stop System (SESS) on Expo Line. A technical solution is required before a price estimate of the work can be determined.
22nd Street Exchange - Lighting and Passenger Safety Compliance	151010	1,132	Several aspects of the Project requirements are still under consideration - operating costs, impact to 2018 repaving program, cost sharing opportunities with community or BC Hydro. Resource capacity to get work done.
TransLink Owned Bicycle Infrastructure	161002	1,000	Project deferred due to a decision to combine it with the 2017 Bicycle Infrastructure Project in order to initiate a larger scope project.
TOH Line Tamper Detection and Alarm System Installation (TPCC)	162035	600	Delayed due to on-going product design and engineering of the TOH Line Tampering Device Alarm System.

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Project	Project #	Budget (\$thousands)	Reason
<b>Projects Not Initiated cont'd</b>			
MyTime System Update - Phase 2	161017	725	Project delayed due to pending work outcomes from Phase 1 currently in progress.
Data Warehouse Business Intelligence Program 2016	161202	1,000	Project delayed to follow a Bus Service Performance project scheduled to complete Feb 2017.
2017 HandyDART Vehicle Replacement	162140	5,600	Delayed due to delays in finalizing the Gas Tax funding process with Metro Vancouver.
NRVs Fleet - 2016 additional staff	163058	149	Project delayed due further analysis required; also it has been amalgamated with other non-revenue vehicle projects.
<b>Total Projects Not Initiated</b>		<b>31,356</b>	

**Schedule 2**

Schedule 2 provides a comparison of the 2016 cash flow forecast in the 2014 Base Plan and Outlook to actual spending for the year, and notes reasons for major variances.

Project Title	Cap Asset Category	2016 Cash Flow (\$ thousands)			Comments on Variances > \$1 Million
		10 Year Plan	Actual Jan 1 - Dec 31	Variance Plan - Actuals & forecast	
ATC Existing Equipment Replacement - Phase 2	Equipment	1,136	1,131	5	
Replace Intrusion Emergency Systems (PIES/GIES)	Equipment	3,336	0	3,336	This project has been deferred until the feasibility study (to identify industry best practice) is complete. As a result, the planned project cash flow has shifted to 2017.
Replace Rail Rotary Grinder #1 (incl Dust Collection System)	Equipment	2,460	0	2,460	Project rolled into 2017 Capital Program.
Expo Line Propulsion Power Stage II	Equipment	6,380	0	6,380	This project was canceled as the work was combined into the Stage I project.
Replace Mobile Data Terminals for HandyDART Vehicles	Equipment	0	1,117	-1,117	2015 project not included in the original 2014 10-Year Plan.
Equipment projects < \$1 million		3,736	4,183	-447	
<b>Total Equipment</b>		<b>17,048</b>	<b>6,431</b>	<b>10,617</b>	
STC CNG Facility Retrofit	Facilities	2,295	676	1,619	The planned project cash flow was shifted to 2017 as a result of project scope changes that resulted in delays in the project approval process.
Seismic Upgrade of OMC Control Tower	Facilities	1,250	0	1,250	Project has been deferred to 2020.
Hamilton Transit Centre Preliminary and Detailed Design and Construction	Facilities	0	50,247	-50,247	Changes in project scope related to the installation of additional infrastructure for CNG bus operations and maintenance resulted in a shift of cash flows from 2014 to 2015 and 2016.
Port Coquitlam Transit Centre Roof Replacement	Facilities	0	2,827	-2,827	Contractor delays resulted in a shift of cash flows from 2015 to 2016.
Facilities projects < \$1 million		1,400	3,090	-1,690	Variance due to projects not included in the 2014 10-Year Plan with individual variances of less than \$1 million, mainly BTC Hoist Replacement and Expo Line Escalator Replacement.
<b>Total Facilities</b>		<b>4,945</b>	<b>56,840</b>	<b>-51,895</b>	

Project Title	Cap Asset Category	2016 Cash Flow (\$ thousands)		Variance Plan - Actuals & forecast	Comments on Variances > \$1 Million
		10 Year Plan	Actual Jan 1 - Dec 31		
TOH Metrotown Group Rectifier Replacement	Infrastructure	2,007	137	1,870	Project initiation was delayed due to component procurement strategy and Metrotown station upgrade project phasing. As a result, the planned project cash flow was shifted to 2017.
Bus Exchanges - refurbishment (Phibbs)	Infrastructure	5,000	0	5,000	This project was deferred from 2014 to 2017 and 2018 as additional coordination with the Province was required since construction is going to be undertaken in Provincial land.
Pattullo Bridge Rehabilitation	Infrastructure	77,000	14,973	62,027	Variance mainly due to scope reduction. While work will continue on rehabilitation of the existing deck, the seismic upgrading has been cancelled, with efforts redirected to the bridge replacement project.
Elevator/Escalator Overhauls (#3)	Infrastructure	1,180	0	1,180	Project cancelled because the program has been consolidated under a single project initiative for both design and accelerated execution.
Running Rail Replacement	Infrastructure	1,550	0	1,550	Due to contractor not being able to provide resources and insufficient access to track lines to complete work, cash flow was shifted to early 2017.
Seismic Upgrade of Expo Line Guideways	Infrastructure	1,500	0	1,500	Project has been deferred to 2020.
Metrotown Station & Exchange Upgrade Construction	Infrastructure	9,916	20,973	-11,057	Variance mainly due to the delay in tendering process and contracting issues which resulted in delay in construction. Therefore, some portion of the cash flow was shifted to 2016. In addition, there was an increase of the total budget due to additional detailing of design and increased construction costs.
SeaBus Admin and Terminal Envelope Rehabilitation	Infrastructure	1,033	2,273	-1,240	Due to delays in construction as the contractor's schedule is different from the schedule in the original SPA. The planned cash flows were shifted to 2016.
Joyce-Collingwood Station Upgrade Construction	Infrastructure	9,000	10,969	-1,969	Higher than expected tendering price resulted in additional funding required which also delayed the project start date, therefore shifting some cash flows from 2015 to 2016.

Project Title	Cap Asset Category	2016 Cash Flow (\$ thousands)		Variance Plan - Actuals & forecast	Comments on Variances > \$1 Million
		10 Year Plan	Actual Jan 1 - Dec 31		
Smart Card and Faregate - Phase 3	Infrastructure	0	16,800	-16,800	Variance mainly due to contract renegotiations, whereas certain system milestones planned for 2015 were rescheduled to 2016.
Commercial Broadway SkyTrain Station Phase 2 Upgrade Design and Construction	Infrastructure	0	15,677	-15,677	Variance mainly due to design issues and insufficient funding allocated to initial construction caused delays in schedule, shifting cash flows from 2014 and 2015 into 2016.
Infrastructure projects < \$1 million	Infrastructure	9,074	20,736	-11,662	Variance mainly due to timing differences in cash flow (2014 into 2015 & 2016) for the Pattullo Bridge Replacement Design, New Westminster Station Upgrades and Expo Line Power Propulsion Upgrades. Also due to projects not included in the 2014 10-Year Plan like TOH Installation, Expo/Millennium Line Signage and Station Fixture Replacements.
<b>Total Infrastructure</b>		<b>117,260</b>	<b>102,538</b>	<b>14,722</b>	
Evergreen Extension - TransLink Contribution	Major Construction	10,813	149,581	-138,768	Variance mainly due to early completion of the Evergreen Extension project, where one milestone payment expected to be paid in 2017 was advanced in 2016.
Evergreen Extension Integration to Meet Current Standards Project	Major Construction	0	2,808	-2,808	This project was not included in the 2014 10-Year Plan.
<b>Total Major Construction</b>		<b>10,813</b>	<b>152,389</b>	<b>-141,576</b>	
Data Warehouse/Business Intelligence (DW/BI) Program (375)	Technology and System	2,000	0	2,000	Project rolled into 2017 Capital Program.
IT Equipment Replacement (370)	Technology and System	2,017	0	2,017	Variance due to delay in RFP award, therefore cashflows were shifted to 2017.
Technology Applications (372)	Technology and System	6,439	0	6,439	This project was cancelled.
TransLink Enterprise Asset Management	Technology and System	1,021	592	429	

Project Title	Cap Asset Category	2016 Cash Flow (\$ thousands)		Variance Plan - Actuals & forecast	Comments on Variances > \$1 Million
		10 Year Plan	Actual Jan 1 - Dec 31		
Technology and System projects < \$1 million		2,972	6,490	-3,518	Variance due to projects not included in the 2014 10-Year Plan with individual variances of less than \$1 million, mainly the PeopleSoft system upgrade. Also due to projects included in the 2014 Plan, however with timing delays in cash flows, such as the 2015 IT Equipment Replacement Program.
<b>Total Technology and System</b>		<b>14,449</b>	<b>7,082</b>	<b>7,367</b>	
WCE Pitney Bowes Lease Buyout of Original 28 Cars	Revenue Vehicle	12,761	0	12,761	Variance due to early payment option in 2015 exercised in order to obtain supplier discount.
2016 Conventional Bus Replacement (75-40CNG & 10-40D & 26-60H)	Revenue Vehicle	77,670	25,521	52,149	Variance due to a quality issue encountered upon inspection of the buses that resulted in the suspension of acceptance and delivery of 26 buses pending a resolution from the factory. For this reason, cash flows have been shifted into the first quarter of 2017.
2017 Conventional Bus Replacement (54-40G and 52-60H)	Revenue Vehicle	10,120	0	10,120	Variance due to delays in receiving approval for the use of Federal Gas Tax funding from Metro Vancouver for the replacement of 17 year-old buses. This has resulted in project delays including the shift of scheduled cash flows for the purchase of new replacement buses into 2017/2018.
2015 Conventional Replacement Buses	Revenue Vehicle	2,513	40,424	-37,911	Variance due to the delay in delivery of buses to coincide with the completion of Hamilton Transit Centre construction, where the 40' CNG buses will operate. QA issue encountered mid-delivery also resulted in acceptance of the last 26 CNG Buses being delayed to Q1 2017.
2016 HandyDART Vehicle Replacement (39)	Revenue Vehicle	5,760	0	5,760	This project has been cancelled as more durable GM vehicles were being placed in service since 2009, therefore enabling less frequent vehicle replacements.
2016 Community Shuttle Vehicle Replacement (13)	Revenue Vehicle	2,025	0	2,025	Variance due to delay in the approval of the Year-10 Federal Gas Tax agreement by Metro Vancouver, which shifted cash flows into 2017.
VC-PTIF Mark III Procurement	Revenue Vehicle	0	39,946	-39,946	Variance due to the 2017 purchase of the new Mark III SkyTrain cars being advanced to 2016. This project wasn't included in the original 2014 10-Year Plan.
2015 Community Shuttle Replacement Buses	Revenue Vehicle	234	9,307	-9,073	Project was delayed due to change of scope and budget to increase number of shuttles being replaced from 24 to 62 to replace vehicles with defects.

Project Title	Cap Asset Category	2016 Cash Flow (\$ thousands)		Variance Plan - Actuals & forecast	Comments on Variances > \$1 Million
		10 Year Plan	Actual Jan 1 - Dec 31		
2015 HandyDART Vehicle Replacement	Revenue Vehicle	165	3,657	-3,492	Variance due to shift in cash flows from 2015 to 2016 as some vehicles planned for 2015 were accepted and paid for in 2016 instead.
100-400 Series MK I Refurbishment Project	Revenue Vehicle	0	4,893	-4,893	Due to resource shortage in completing the floor panel tasks. Cash flow was shifted from 2015 to 2016 accordingly.
Conventional Vehicle projects < \$1 million		944	1,076	-132	
<b>Total Conventional Vehicle</b>		<b>112,192</b>	<b>124,824</b>	<b>-12,632</b>	
NRV - Replacements	Vehicle - Non Revenue	1,686	0	1,686	Variance due to delays in project initiation to allow extended trial of a pilot vehicle before proceeding with 2016 replacements. Therefore, cash flow was shifted into 2017.
Non - revenue Vehicle projects < \$1 million	Vehicle - Non Revenue	370	860	-490	
<b>Total Non-revenue and Other Vehicle</b>		<b>2,056</b>	<b>860</b>	<b>1,196</b>	
<b>Subtotal Capital</b>		<b>278,763</b>	<b>450,964</b>	<b>-172,201</b>	
MRNB Capital Program - 2016	Infrastructure	20,604	13,673	6,931	Variance mainly due to funds being shifted from pavement rehabilitation, which is paid in the year, to minor capital works which has a four year window to be spent. Approximately \$10 million was shifted into 2017 and 2018 with the remainder into 2019.
MRN projects < \$1 million	Infrastructure	0	15,107	-15,107	Various other MRN capital projects with cash flow timing later than anticipated in the 2014 Base Plan – Cash flow shifted from 2014 into 2015 and 2016.
<b>Total MRN &amp; Bike</b>		<b>20,604</b>	<b>28,780</b>	<b>-8,176</b>	
<b>Enterprise Capital Program Grand Total</b>		<b>299,367</b>	<b>479,744</b>	<b>-180,377</b>	

## 5 Transportation Demand Management

Transportation Demand Management (TDM) is coordinated in Metro Vancouver under TransLink's TravelSmart initiative. TravelSmart represents partnerships between TransLink, municipalities, various government / non-governmental and industry partners all committed to helping more people choose transit, ridesharing, carpooling, car sharing, cycling and walking in place of single occupancy vehicle (SOV) trips. Changing behaviour is a component of the TDM measures necessary to balance growing mobility expectations against the capacity of our transportation system and the impacts of our travel choices.

Transportation Demand Management is legislated as part of TransLink's mandate in the *South Coast British Columbia Transportation Authority Act* (under section 4(1) (b)) and TravelSmart was Canada's first integrated transportation demand management program. The TravelSmart program identity became established following a successful pilot in nine Metro Vancouver communities in 2005/06. The regional showcase project in 2005/06 demonstrated that information and incentives could create an eight per cent reduction in single occupancy vehicle trips and significant increases in transit use, walking and biking. TravelSmart developed and became a core element of essential demand management for the 2010 Winter Olympic Games, helping reduce background traffic by over 30 per cent.

The adopted Regional Growth Strategy 1 (RGS 2013) describes policies to meet the demands of over one million new residents and 600,000 new jobs over the next 30 years. Central to the strategy are goals for denser land use and increased investment in transit and active transportation to create the conditions for reducing the high level of single occupancy vehicle trips in most areas. The Regional Transportation Strategy Framework (RTS 2013) responds to the RGS and describes how to "design our communities and transportation systems in such a way that they reduce the distances driven in the region by 33 per cent and make half our trips by walking, cycling and transit". Behaviour change measures are essential to the RTS as they provide the motivation, information and support necessary for individuals to change their travel habits.

The following summarizes activity and outcomes from 2016 according to the 'target area' headings contained in the 2016 TravelSmart work and program plans.

### 2016 TravelSmart headline results

- 1,630,450 people now live in a TravelSmart municipality
- Over 100,000 customers assisted during TransLink's Compass launch campaigns
- Over 100,000 customers assisted during SkyTrain's Evergreen Extension customer outreach campaigns
- Over 50,000 customers assisted during four Quarterly Bus Service changes
- Over 50,000 customers assisted during Operation Pattern Changes outreach campaigns (as part of the multi-phased opening of the Evergreen Extension)
- 40,000+ employees engaged in TravelSmart workplace travel planning projects
- Over 4,000 children taught how to cycle more safely
- 1,600+ seniors provided travel training instruction, tools and sustainable transportation workshops
- 4,400+ newcomers to the region provided with travel training instruction, tools and sustainable transportation workshops
- 5,000+ students engaged in TransLink's TravelSmart school travel planning projects and sustainable transportation workshops
- 200+ community events, presentations & seminars executed by TransLink's TravelSmart team

### Activity and outcome report

<b>Target Area 1: Strengthen relationships with Municipalities, Non-governmental Organizations (NGO's) and Corporate Partners through delivery of relevant Transportation Demand Management Programs</b>	
<b>Objectives</b>	<b>Results</b>
Launch of TransLink's TravelSmart partnerships in the Cities of Vancouver, Port Moody and Coquitlam	<ul style="list-style-type: none"> <li>• Successful partnerships fostered with City of Vancouver, Port Moody and Coquitlam</li> <li>• 50+ travel training sessions were provided for seniors, new immigrants and social agencies in these municipalities</li> <li>• Over 25 schools in these municipalities participating in school travel planning and sustainable transportation workshops programs</li> <li>• Over 100,000+ residents / visitors assisted with Compass, Evergreen Extension launch and operational service changes outreach initiatives</li> <li>• Partnerships focused on community awareness, promotion and celebration with City of Port Moody and City of Coquitlam leading up to, during and following launch of SkyTrain's Evergreen Extension</li> <li>• Co-hosted Pro Walk Pro Bike Pro Place International TDM Conference in partnership with City of Vancouver</li> </ul>
<p>Deliver Schools Leadership Program in the Cities of Surrey, Coquitlam and North Van</p> <p>Deliver Travel Training workshops / assemblies to schools across the Region</p>	<ul style="list-style-type: none"> <li>• Ten Surrey schools completed or started leadership projects through the Hub for Active School Travel (HASTE) for the City and TravelSmart</li> <li>• Seven Coquitlam schools completed or started leadership projects through HASTE for the City and TravelSmart in line with Evergreen launch</li> <li>• Three North Vancouver schools started leadership projects through HASTE for the City and TravelSmart</li> <li>• Delivered 51 Travel Training workshops/ assemblies to schools across the Region</li> </ul>
Hosting Regional TDM & Mobility Services Roundtables	TransLink's TravelSmart program continues to host quarterly roundtable meetings with municipal staff showcasing, sharing and collaborating on TDM programs & initiatives. Subcommittees for schools and workplaces were also established.
Foster strategic partnerships to strengthen community relations, grow ridership and manage transportation demands	Successful partnership development included but not limited to Vancouver Marathon Society, Coquitlam Town Centre, Mothers Against Drunk Driving, ICBC, Downtown Vancouver Business Improvement Association Ambassador Programs, United Way, SOTM (Seniors on the Move), ISS of BC (Immigrant Services Society of BC) and the BC Sustainable Energy Association.
Major Event Concept	<p>Developing partner initiatives with events (over 1,000 in Region annually) to support multi-modal travel initiatives, increase ridership, assist with cost neutrality / cost recovery and position positive brand reputation through strategic business relationship building and testimonials.</p> <p>TransLink's TravelSmart team works collaboratively with municipalities to support open street events to provide communities a reason to celebrate urban life, reclaim streets and explore their cities in sustainable and active transportation. Example – Ciclovía, Car Free Days etc.</p>
<b>Target Area 2: Support Enterprise priorities through Outreach including; Compass, Evergreen Extension Launch, Service changes, Area transportation plans, Regional Transportation Strategy (RTS)</b>	

Objectives	Results
<p>Enhancing the customer experience and customer transition to Evergreen Extension Service Launch and related operation service changes.</p> <p>Highly engaged TravelSmart team outreach and leveraged partner channels for Compass messaging</p>	<ul style="list-style-type: none"> <li>• Leading up to, during and following the launch of SkyTrain’s Evergreen Extension, outreach teams were deployed along strategically selected transit hubs, engaging and assisting over 100,000 customers and stakeholders, answering questions, hearing concerns and providing feedback to planning and operations teams</li> <li>• Worked with various stakeholder groups such as school districts, businesses, Business Improvement Associations, new immigrant groups, seniors, tourism agencies and more to teach, encourage, educate and promote Evergreen Extension</li> <li>• Partnered with various community groups to leverage communication channels, disseminate information and foster long-term relationships for future ridership growth initiatives. Some partners included Coquitlam Town Centre, Coquitlam Library, Port Moody Business Parks, Eagle Ridge Hospital, Tri-Cities Chamber of Commerce, ICBC Tri-Cities</li> <li>• Continued outreach in early 2016 for Compass gate closures on SkyTrain. TDM outreach coordinated, trained and resourced additional customer service teams outside SkyTrain stations to help assist with the new behaviors of tapping at closed gates</li> </ul>
<p>Completed development of a TDM management strategy / scalability of program report</p>	<p>Consultants engaged TravelSmart, System and Strategic Planning groups to develop a report that will be used to inform future Travel Demand Management strategy arising from the Mayors’ Vision and 10 Year Investment Plan with greater scalability and branding focus</p>
<p><b>Target Area 3: Support Enterprise priorities through Outreach including; Service changes, Area transportation plans, 10 Year Investment Plan, Fare Policy Review &amp; Regional Transportation Strategy (RTS)</b></p>	
Objectives	Results
<p>Inform and promote service changes and infrastructure improvements</p>	<ul style="list-style-type: none"> <li>• Customer outreach at SkyTrain, SeaBus and bus exchanges to promote and educate on Compass and fare gate closures</li> <li>• Outreach activities at all SkyTrain stations to promote and educate on operational pattern changes, Evergreen Extension launch and related bus service changes</li> <li>• Supported promotion and education of fare policy review consultations</li> <li>• Supported the Vancouver Coastal Health Authority to educate and celebrate multi-modal transportation options and shift travel behavior choices to sustainable modes</li> <li>• Supported promotion and education of revised NightBus Services in partnerships with Business Improvement Associations, Bar Watch and Restaurant Associations</li> <li>• Service change announcement process set up to get messages through all TravelSmart communication partners</li> </ul>
<p>Completed and commenced using Community Engagement Bus at community events and outreach activities</p>	<ul style="list-style-type: none"> <li>• Outreach team provided customers and the public tips, tools and information related to TransLink projects, products and services</li> <li>• Seamlessly customizable key messages on digital screens promoting TransLink initiatives</li> </ul>
<p><b>Target Area 3: Support Enterprise priorities through Outreach including; Service changes, Area transportation plans, 10 Year Investment Plan, Fare Policy Review &amp; Regional Transportation Strategy (RTS) cont’d</b></p>	

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<b>Objectives</b>	<b>Results</b>
Support development and implementation of North East Sector, Southwest Area Transport Plans (ATP) and Transit Network Review	Provided TDM / multi-modal travel options advice to the System Planning and consultation teams in conjunction with the production of these ATPs (The Southwest ATP is the first of its kind to include multi-modal transportation considerations)
Support 10 Year Investment Plan and Fare Policy Review	<ul style="list-style-type: none"><li>• Deliver key messages, relevant information and awareness through strategic partner channels and at community events</li><li>• Encourage participation of review and planning process to public and partners</li></ul>

## 6 Short-term Fares Assessed

Short-term fares for bus, SeaBus, SkyTrain and HandyDART are shown in the table below.

Fare Type	Status	Time	Within 1-Zone	Within 2-Zones	Within 3-Zones
Cash	Adult	Regular	\$2.75	\$4.00	\$5.50
		Off-Peak	All Zones — \$2.75		
	Concession	Regular	\$1.75	\$2.75	\$3.75
		Off-Peak	All Zones — \$1.75		
Stored Value	Adult	Regular	\$2.10	\$3.15	\$4.20
		Off-Peak	All Zones — \$2.10		
	Concession	Regular	\$1.75	\$2.75	\$3.75
		Off-Peak	All Zones — \$1.75		
FareSavers (10 tickets)	Adult		\$21.00	\$31.50	\$42.00
	Concession		One Zone — \$17.50, Add-Fare required for additional Zones during peak periods.		
DayPass	Adult	No	\$9.75 — valid all zones		
	Concession	restrictions	\$7.50 — valid all zones		

Buses and HandyDART are 1-Zone, all day, every day. As of April 4, 2016, FareSavers are only available for sale to HandyDART customers and remain eligible for use only on bus and HandyDART services.

West Coast Express operates on a different fare structure than other transit services. Short-term fares for West Coast Express are shown in the table below.

Fare Type	Status	Within 1-zone	Within 2-zones	Within 3-zones	Within 4-zones	Within 5-zones
One-way Ticket	Adult	\$5.50		\$7.25	\$9.00	\$12.25
	Concession	\$3.25		\$4.25	\$5.50	\$7.50
One-way Ticket - Stored Value	Adult	\$4.60		\$6.05	\$7.45	\$10.20
	Concession	\$2.70		\$3.50	\$4.60	\$6.25
Return Ticket	Adult	\$10.25		\$13.75	\$17.00	\$23.00
	Concession	\$6.25		\$8.25	\$10.50	\$14.50

## 7 Borrowings Undertaken in 2016

### 7.1 Long-term Borrowing

TransLink continues to minimize debt costs through strategic borrowing strategies. During 2016, TransLink re-opened a bond with a total par value of \$150 million. TransLink has now raised more than \$1.3 billion from investors in the capital market since 2010. There were also scheduled rate resets on six MFA debt issues in 2016, with terms to maturity ranging between two to six years.

The terms of TransLink's long-term debt issuance activity is detailed below:

Issue No.	Amount Borrowed (Note 1)	Coupon Rate (Note 2)	Remaining Term	Maturity Date	Semi-Annual Interest Payments	Principal due on maturity (Note 3)
TL-4 (re-opened Dec 7, 2016)	\$150,000,000	4.45%	27.5 Years	09-June-2044	\$3,337,500	\$150,000,000

Note 1: Unsecured, par value.

Note 2: Coupon rate fixed to maturity. Effective yield: TL-4 reopen **3.533%**.

Note 3: After this second re-opening, the respective outstanding principal was: TL-4 \$365,000,000.

The terms of the MFA 2016 rate resets are detailed in the table below:

Issue No.	Balance Outstanding at Date of Interest Rate Reset	Coupon Rate	Remaining term	Final Maturity Date	Semi-Annual Interest Payments	Annual Sinking Fund Payments (Note 1)
74A	\$5,937,412	1.25%	2 Years	01-June-2018	\$225,000	\$1,393,169
74B	\$18,760,054	1.75%	5 Years	01-June-2021	\$472,500	\$1,633,100
75A	\$6,234,283	1.25%	2 Years	01-Dec-2018	\$236,250	\$1,462,828
75B	\$4,238,383	1.75%	5 Years	01-Dec-2021	\$106,750	\$368,960
77A	\$2,573,515	1.25%	2 Years	01-June-2018	\$93,750	\$634,049
77B	\$32,582,933	1.75%	6 Years	01-June-2022	\$700,000	\$2,419,407

Note 1: Due annually on anniversary date. These payments plus accrued interest in the MFA administered sinking funds are expected to reduce the outstanding balances to zero on maturity.

## 7.2 Short-term Borrowing – via Commercial Paper Program

On May 13, 2010, TransLink launched a \$500 million Commercial Paper Program backstopped with a line of credit from a syndicate of six Canadian chartered banks. Having this \$500 million program available at favourable interest rates, compared to using a bank facility, provides flexibility in managing TransLink's cash flow needs.

Action	Deal #	Amount	Interest Rate (%)	Transaction Date	Maturity Date	Total Outstanding
Repay	165	(\$60,000,000)		07-Jan-16		\$60,000,000
Issue	167	\$60,000,000	0.78273	07-Jan-16	11-Feb-16	\$120,000,000
Repay	166	(\$60,000,000)		14-Jan-16		\$60,000,000
Issue	168	\$60,000,000	0.74095	14-Jan-16	18-Feb-16	\$120,000,000
Repay	167	(\$60,000,000)		11-Feb-16		\$60,000,000
Issue	169	\$60,000,000	0.74095	11-Feb-16	17-Mar-16	\$120,000,000
Repay	168	(\$60,000,000)		18-Feb-16		\$60,000,000
Issue	170	\$60,000,000	0.74095	18-Feb-16	24-Mar-16	\$120,000,000
Repay	169	(\$60,000,000)		17-Mar-16		\$60,000,000
Issue	171	\$60,000,000	0.76184	17-Mar-16	21-Apr-16	\$120,000,000
Repay	170	(\$60,000,000)		24-Mar-16		\$60,000,000
Issue	172	\$60,000,000	0.77229	24-Mar-16	28-Apr-16	\$120,000,000
Repay	171	(\$60,000,000)		21-Apr-16		\$60,000,000
Issue	173	\$60,000,000	0.82451	21-Apr-16	26-May-16	\$120,000,000
Repay	172	(\$60,000,000)		28-Apr-16		\$60,000,000
Issue	174	\$60,000,000	0.83495	28-Apr-16	02-Jun-16	\$120,000,000
Issue	175	\$30,000,000	0.79317	12-May-16	16-Jun-16	\$150,000,000
Repay	173	(\$60,000,000)		26-May-16		\$90,000,000
Issue	176	\$60,000,000	0.80362	26-May-16	30-Jun-16	\$150,000,000
Repay	174	(\$60,000,000)		02-Jun-16		\$90,000,000
Issue	177	\$60,000,000	0.79317	02-Jun-16	07-Jul-16	\$150,000,000
Issue	178	\$30,000,000	0.80063	02-Jun-16	04-Aug-16	\$180,000,000
Repay	175	(\$30,000,000)		16-Jun-16		\$150,000,000
Issue	179	\$30,000,000	0.78285	16-Jun-16	28-Jul-16	\$180,000,000
Issue	180	\$30,000,000	0.77229	23-Jun-16	28-Jul-16	\$210,000,000
Repay	176	(\$60,000,000)		30-Jun-16		\$150,000,000
Issue	181	\$60,000,000	0.76184	30-Jun-16	04-Aug-16	\$210,000,000
Repay	177	(\$60,000,000)		07-Jul-16		\$150,000,000
Issue	182	\$60,000,000	0.76184	07-Jul-16	11-Aug-16	\$210,000,000
Issue	183	\$45,000,000	0.77159	07-Jul-16	06-Oct-16	\$255,000,000
Repay	179	(\$30,000,000)		28-Jul-16		\$225,000,000
Repay	180	(\$30,000,000)		28-Jul-16		\$195,000,000
Repay	181	(\$60,000,000)		04-Aug-16		\$135,000,000

Action	Deal #	Amount	Interest Rate (%)	Transaction Date	Maturity Date	Total Outstanding
Repay	178	(\$30,000,000)		04-Aug-16		\$105,000,000
Repay	182	(\$60,000,000)		11-Aug-16		\$45,000,000
Issue	184	\$45,000,000	0.77229	11-Aug-16	15-Sep-16	\$90,000,000
Repay	184	(\$45,000,000)		15-Sep-16		\$45,000,000
Issue	185	\$45,000,000	0.76184	15-Sep-16	20-Oct-16	\$90,000,000
Repay	183	(\$45,000,000)		06-Oct-16		\$45,000,000
Issue	186	\$45,000,000	0.75140	06-Oct-16	10-Nov-16	\$90,000,000
Repay	185	(\$45,000,000)		20-Oct-16		\$45,000,000
Issue	187	\$30,000,000	0.76184	20-Oct-16	24-Nov-16	\$75,000,000
Issue	188	\$15,000,000	0.79172	20-Oct-16	19-Jan-17	\$90,000,000
Issue	189	\$60,000,000	0.76184	27-Oct-16	01-Dec-16	\$150,000,000
Issue	190	\$60,000,000	0.76184	03-Nov-16	08-Dec-16	\$210,000,000
Repay	186	(\$45,000,000)		10-Nov-16		\$165,000,000
Issue	191	\$45,000,000	0.75140	10-Nov-16	15-Dec-16	\$210,000,000
Issue	192	\$60,000,000	0.74802	24-Nov-16	05-Jan-17	\$270,000,000
Repay	187	(\$30,000,000)		24-Nov-16		\$240,000,000
Repay	189	(\$60,000,000)		01-Dec-16		\$180,000,000
Issue	193	\$60,000,000	0.74802	01-Dec-16	12-Jan-17	\$240,000,000
Repay	190	(\$60,000,000)		08-Dec-16		\$180,000,000
Issue	194	\$45,000,000	0.75673	08-Dec-16	19-Jan-17	\$225,000,000
Issue	195	\$15,000,000	0.77158	08-Dec-16	09-Feb-17	\$240,000,000
Repay	191	(\$45,000,000)		15-Dec-16		\$195,000,000
Issue	196	\$45,000,000	0.80026	15-Dec-16	26-Jan-17	\$240,000,000

**B. AUDITED FINANCIAL STATEMENTS**

The 2016 Audited Financial Statements is attached as Appendix A.

## C. COMPLAINTS SUMMARY

### Corporate Overview

In 2016, TransLink's combined service hours for the Bus and Rail division (including HandyDART) increased to 6.92 million service hours from 6.81 million service hours in 2015. The number of boarded passengers increased by 6 per cent – from 364 million in 2015 to 386 million in 2016.

Along with this growth in boarded passenger totals, transit service complaints increased by 8.1 per cent to 35,144 from 32,504 in 2015. The increase over 2015 is due to a number of factors including: significant increase in sales at Compass Vending Machines (CVMs) as previous FareSaver and monthly pass sales were made at retail vendors; the learning curve associated with the Compass system and vending machines implemented in 2016; and an increase in the number of available machines.

"Complaints per million customer interactions" is the broader Enterprise complaint measure. This represents the ratio of all complaints from across the Enterprise against the total number of Enterprise-wide customer interactions, allowing us to report out on our performance as a whole. For this measure, customer interactions are defined as all transit trips taken on the system and the number of Golden Ears Bridge crossings. For 2016, Enterprise-wide complaints were 39.8 thousand against a total of 399 million customer interactions, resulting in a ratio of 99.5 complaints per million customer interactions compared to 95.8 for 2015.

**Table A**

<b>Corporate Summary</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
CMBC*	29,353	27,247	27,313	29,093
SkyTrain (Expo/Millennium Lines)	2,860	2,692	3,219	2,761
SkyTrain (Canada Line)	683	340	325	425
West Coast Express	777	888	519	599
HandyDART	1,471	1,337	1,581	1,526
<b>Transit Service Complaints</b>	<b>35,144</b>	<b>32,504</b>	<b>32,957</b>	<b>34,404</b>
Golden Ears Bridge	315	203	452	850
TransLink Corporate	4,317	3,412	2,762	3,781
<b>Total Complaints</b>	<b>39,776</b>	<b>36,119</b>	<b>36,171</b>	<b>39,035</b>
<b>Total Customer Interactions**</b>	<b>399,717,623</b>	<b>376,957,159</b>	<b>368,625,663</b>	<b>366,170,783</b>
<b>Complaints per Million Customer Interactions</b>	<b>99.5</b>	<b>95.8</b>	<b>98.1</b>	<b>106.6</b>

\* 2015 Figures for CMBC have been restated to include complaints received related to West Vancouver contracted services

\*\*2013-2015 figures have been restated to include all customer interactions. "Customer Interactions" include: all boarded passengers and Golden Ears Bridge crossings

### **Coast Mountain Bus Company**

Coast Mountain Bus Company (CMBC) continued its focus on customer experience in 2016 through a continuation and expansion of the 2015 initiatives, and participation on the newly-established enterprise “Customer First” Committee. In 2016 CMBC focused on the following:

- Annual transit operator performance reviews have continued for 100 per cent of all active employees. The reviews tie into their individual performance as well as their efforts toward achieving corporate goals and improving customer experience. The performance review discussions covered: reducing complaints, acknowledging commendations, personal attendance record, their own role in customer service and effect on delivery of service.
- CMBC also expanded its “one route per month” initiative where a specific route from each transit center is selected each month and focus is put on resolving service issues and complaints, and implementing improvement strategies for that route. CMBC expanded this initiative to the Transit Communications Center and the on-road support Transit Supervisor groups.
- Customer feedback continues to be incorporated into the service review processes, which were traditionally focused on transit operator quality of work. The introduction of customer feedback provides another point of view in the process.
- Priority return to training (PRTT) one-day refresher was offered to transit operators identified through the complaint investigation or one route per month initiative. This course covered refresher training on conflict resolution, customer interaction and professional driving skills.
- A one day Violence Incident Prevention training course was provided to approximately one third of the Operator workforce. This training is providing operators with coping skills in dealing with potentially hostile or angry customers and forms a good basis for positive customer interactions. This initiative commenced in 2015 and is spread over 3 years. After this it will be embedded into CMBC’s recurrent and initial training plan.
- Employee briefing sessions were continued to improve awareness of accessible transit, customers with strollers and overall customer complaints.
- Customer complaint and commendation metrics by depot were posted in the depots for employees.

For CMBC, in 2016, slightly more than half (50.5 per cent) of the complaints involved staff (operators) and 49.5 per cent of complaints were related to service delivery. Although slightly higher in 2016, these complaint category percentages are consistent to previous years.

All complaints are logged and assigned a priority code of P1 or P3. P1 complaints are urgent and in 2016, were all resolved within 48 hours. P3 complaints are less critical and must be resolved within 15 business days. Approximately 87 per cent of complaints were closed within 15 business days – a similar success rate as achieved last year.

### **SkyTrain — Expo and Millennium Lines**

The increase in complaints is due to vending machines. Excluding these, complaints declined from 1,622 in 2015 to 1,518 in 2016 – a decline of 6.4 per cent in comparison to 2015.

Customers’ concerns relating to elevated track noise level declined in 2016. SkyTrain is committed to minimizing any impact generated from its operation and in response to track noise concerns from nearby residents along the system; SkyTrain acquired a contractor in 2016 to complete corrective grinding maintenance across the system. This work improved the rail condition and reduced the track noise level.

On October 22, 2016, SkyTrain introduced a new pattern change in preparation for the opening of the Millennium Line Evergreen Extension. One of the key changes included the expansion of the Expo Line with one route travelling from Waterfront to King George Station in Surrey and the other route travelling between Waterfront and

Production Way-University in Burnaby. By extending the Expo Line to Production Way-University, customers can easily transfer between Expo and Millennium Line at Production Way-University using the same platform – eliminating the use of escalators, elevators or stairs. SkyTrain Attendants were deployed in key stations during this transition to provide added assistance to customers during their travel. As customers adapted to the new change, SkyTrain launched the opening of the Millennium Line Evergreen Extension on December 2, 2016.

SkyTrain continues to utilize the Mystery Shopper program to enhance its services. One concept known, as the “Red Flag Alert” that currently exists in the program identifies incidence of issues that require immediate attention such as dirty train floors or platforms. Aside from SkyTrain Attendants that circulate throughout the stations and trains to monitor the conditions, the maintenance department has been added to the distribution list for “Red Flag Alerts” to provide real-time notifications for areas that require immediate attention. The success of the Mystery Shopper program since its inception in 2005 has enabled SkyTrain teams to focus on key areas to enhance customer experience.

In 2016, SkyTrain responded to and closed 86.1 per cent of complaints within 10 days and 81.5 per cent in seven days.

### **SkyTrain - Canada Line**

The overall number of Canada Line complaints received in 2016 was 683 compared to 340 in 2015. Excluding vending machine refunds, 2016 complaints of 170 showed a year-over-year increase with compared to 2015 complaints of 97. The majority of the complaints were due to customer relations associated with the implementation of the Compass Card system. It was noted that there was a 49 per cent increase from 2015 however the complaints had subsided by the third quarter of the year when the Compass Card fare gates had closed and customers were more familiar with its usage. The steady state of Compass Card operations was further supported by a dedicated monitor in the Canada Line Control Centre and the Canada Line Attendants and Supervisors.

Other areas of concern in 2016 involved the escalator and elevator availability, train door operations and interior vehicle temperatures.

The annual operations and maintenance plans for 2016 identified major track work maintenance which required the replacement of components. In order to reduce service impacts to the customers, the operator scheduled late night single tracking and the work continued during non-revenue hours. The rail contract group reviews each plan affecting train service before implementation. In addition, the operator is in contact with CMBC and Customer Information to ensure the plans are communicated in a timely manner to the customers.

The Mystery Shopper program continues to effectively provide timely information about issues found on the system. Since the system allows the Shoppers to report the issues in real time, the operator is able to address/correct the condition before the customers are impacted. In addition, the Shoppers are also able to award commendations for various metrics such as customer service. This not only recognizes exemplary service but encourages customer engagement by the Canada Line Attendants.

In 2016, 94 per cent of the complaints were closed within 15 business days.

### **West Coast Express**

West Coast Express (WCE) received 777 complaints in 2016 which was a reduction of nearly 13 per cent over the previous year. The largest number of complaints, 461, were directly related to CP operational issues. The WCE on-time-performance (OTP) was seriously impacted by a high volume of freight trains operating between Mission City and Vancouver during the months of October and November. December presented weather related challenges for

the entire region which further impacted OTP for the year. Although WCE ran without too much difficulty, it was affected by trees falling in front of trains and difficult conditions in parking lots and stations, generating further complaints in December. For the first time, WCE monthly OTP fell to 95.3 per cent.

The monthly average of complaints remained steady for the first three quarters of 2016. Then in late October and throughout November the OTP dropped with the onslaught of CP related delays. The issues related to high volume of freight service and the limited spacing and time to move through the region. During this period WCE went from an average of 32.5 complaints per month, to a total of 261 for November alone.

WCE, BCRTC and TransLink worked with CP Rail to resolve the service delays. December saw a move toward normalized service, with only the unusual weather creating issues.

With the implementation of Compass, the walk-in business at WCE increased dramatically due to conventional transit users coming in, and the ongoing need to upgrade WCE U-Pass BC users. The tourists are also coming in large numbers to get refunds for their Compass cards before they leave the country. We received no complaints about our walk-in location and were able to provide services for about 1,800 people per month.

### **HandyDART**

HandyDART complaint numbers increased by 10 per cent from 2015. The largest increase in complaints was regarding on-time performance, with complaints regarding lateness increasing from 69 to 149. The current Access Transit policy review is recommending that TransLink undertake an assessment of the impact of reducing wait times. Operator-related complaints increased by 27 per cent, accounting for 40 per cent of all complaints. Follow-up with the operator after each complaint is done as well as any required coaching provided by the HandyDART service provider, MVT Canadian Bus Inc. (MVT).

Service availability related complaints remained low at 17. This can be attributed to the additional service that was implemented to reduce the number of trip denials to HandyDART customers in 2016. With denials still at a low level of 3,558, service availability complaints were only one per cent of all complaints.

Taxi service related complaints increased slightly, from 580 to 616 (6 per cent), while the number of taxi trips increased by 33 per cent.

As in 2015, all complaints were followed-up with both the employee as well as the customer, be it a complaint regarding a trip on a HandyDART vehicle or on a taxi. Training for taxi drivers continues to be provided by the Justice Institute and taxi companies, and MVT provides their train-the-trainer program to all taxi companies as well.

HandyDART now addresses complaints in the same manner and timeframe as CMBC: P1 within 48 hours and P3 within 15 business days. In actual practice, most complaints are responded to and closed with the customer within two days.

### **Golden Ears Bridge**

Toll operations on the Golden Ears Bridge are contracted through agreement with toll operator V-Flow Tolling Inc. (V-Flow). Although the agreement does not require customer satisfaction surveys to be conducted and reported, V-Flow voluntarily performs customer satisfaction surveys by telephone throughout each month. In 2016, 4,818 customers were surveyed, giving an overall 'Completely Satisfied' annual average rating of 95 per cent.

The agreement sets monthly performance requirements regarding the number of complaints that are allowed, as follows:

- Written complaints are not to exceed two per one thousand accounts regarding the toll system and operations of the toll system.
- Complaints regarding data entry errors by the Toll Operator are not to exceed five per one thousand accounts.
- Telephone complaints are not to exceed five complaints per one thousand calls received about the toll system and operations of the toll system.
- Less than two accounts closed due to customer service dissatisfaction out of every 400 accounts closed with respect to the toll system and operations of the toll system.
- Total complaints are not to exceed 15 per one thousand customer contacts regarding the toll system and operations of the toll system.

Complaints are compiled and summarized by V-Flow. Most complaints are received and responded to immediately if received by telephone. Written complaints or complaints requiring written response are responded to within five business days.

Complaints about the tolling service on the Golden Ears Bridge in 2016 continued to be relatively low as crossings grew.

### Detailed Complaint Tables

Tables “B” and “C” show complaints received in 2016, 2015, 2014 and 2013. Table “B” reflects specific transit service complaints for the same period. Table “C” covers Golden Ears Bridge and TransLink Corporate for the same period.

**Table B**

Complaints by Transit Service Type			2016	2015**	2014	2013
CMBC	Bus 2016*	HandyDART 2016	Total	Total	Total	Total
Service Delivery	10,371	864	11,235	10,109	9,255	9,695
Service Planning	2,731	0	2,731	2,151	1,970	2,279
Staff	14,826	587	15,413	15,140	15,702	16,567
Website	98	0	98	20	57	162
Fares/ Fare Equipment	0	3	3	2	3	58
Cell Phone/Radio	51	0	51	55	47	40
Accessibility/Racks	161	0	161	132	172	209
Other	1,115	17	1,132	975	1,688	1,609
<b>Subtotal</b>	<b>29,353</b>	<b>1,471</b>	<b>30,824</b>	<b>28,584</b>	<b>28,894</b>	<b>30,619</b>

\* (Includes SeaBus and Community Shuttle, plus the contracted services of Langley, New Westminster Community Shuttles and West Vancouver Transit)

\*\*2015 Figures restated to include West Vancouver complaints

Complaints by Transit Service Type 2016					2015	2014	2013
BCRTC	SkyTrain Expo and Millennium Line	SkyTrain Canada Line	West Coast Express	Total	Total	Total	Total
System Schedule	26	6	490	522	684	192	210
Fares/TVM/CVM	1,342	513	21	1,876	1,391	1,609	1,472
Stations/Parkways	275	21	62	358	331	446	572
Trains	748	30	27	805	900	897	807
Customer Relations	439	76	65	580	475	707	569
Safety/Security	29	27	18	74	63	64	31
Other	1	10	94	105	76	148	124
<b>Sub-Total</b>	<b>2,860</b>	<b>683</b>	<b>777</b>	<b>4,320</b>	<b>3,920</b>	<b>4,063</b>	<b>3,785</b>
<b>Total Complaints (CMBC + BCRTC) *</b>				<b>35,144</b>	<b>32,504</b>	<b>32,957</b>	<b>34,404</b>
<b>Boarded Passengers (actual)</b>				<b>386,191,923</b>	<b>364,261,259</b>	<b>356,929,763</b>	<b>355,160,383</b>
<b>Complaints per Million Boarded Passengers*</b>				<b>91.0</b>	<b>89.2</b>	<b>92.3</b>	<b>96.9</b>

\*2015 Figures restated to include West Vancouver complaints

**Table C**

<b>Golden Ears Bridge</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Customer Service	147	104	304	255
Toll System and Processes	26	5	24	121
Toll Charges and Payment	2	8	18	304
Miscellaneous	140	86	106	170
<b>Total Complaints</b>	<b>315</b>	<b>203</b>	<b>452</b>	<b>850</b>
<b>Total Crossings</b>	<b>13,525,700</b>	<b>12,695,900</b>	<b>11,695,900</b>	<b>11,010,400</b>
<b>Complaints per Million Crossings</b>	<b>23</b>	<b>16</b>	<b>38</b>	<b>77</b>

<b>TransLink Corporate</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Policy-Related (Fares, service optimization, advertising, Compass, Fare gates, etc.)	<b>4,317</b>	<b>3,412</b>	<b>2,762</b>	<b>3,781</b>

### **Complaint Handling Through Social Media**

TransLink's main social media channels for handling complaints in 2016 were Twitter, Facebook and the Buzzer Blog.

Social media enables TransLink to respond almost instantly to customers, which is critical when there is a transit service disruption and customers need accurate service information quickly. Through social media, TransLink is able to quickly and effectively address issues directly with customers and indirectly with many others as customers re-broadcast TransLink's response. From a complaint management standpoint, this quick response time addresses many of the complaints TransLink would typically receive. However, the volume of interactions and higher expectations for response, particularly during and after a major or prolonged service disruption, presents its own challenge. When complaints are made via social media, the protocol is to ask customers to log their complaints with our Customer Information department and to respond via social media as best as possible.

#### 1) Twitter

Our @TransLink Twitter channel became permanently staffed in 2011 after the proven success of the 2010 social media pilot. Customers continue to enjoy quick replies to their transit service questions, which contributes to continued growth of the channel.

At the end of 2016, @TransLink had 135,826 followers. By comparison, at the end of 2015, @TransLink had 87,147 followers and 59,257 followers in 2014. We expect to reach 175,000 in 2017.

By year end, TransLink averaged roughly 150 tweets a day, which is consistent with 2015.

#### 2) Buzzer blog

The Buzzer blog serves as a place for long-form conversations about transportation in Metro Vancouver since 2008. The blog is part of TransLink's digital presence and is often accessed by links posted on our other social media properties. The Buzzer blog had a slight increase in readership over last year with 207,500 page views in 2016 compared to 201,000 in 2015. Compass Card, Transit Fare Review, Evergreen Extension, and winter service changes were the most talked about subjects on the blog this year. There are usually between four to seven posts per week.

### 3) Facebook

TransLink's Facebook page continues to grow since its inception in 2010. The TransLink Facebook page is a place to communicate with our customers on transit-related information, share photos and videos, and provide information on major service changes. By the end of 2016, the TransLink Facebook page had 26,148 followers compared to 17,338 followers in 2015, 11,325 in 2014 and roughly 9,000 at the end of 2013. There are usually four to five new posts on the page per week.

## D. Customer Satisfaction

### 2016 Customer Service Performance Ratings

Table D below summarizes the percentage of customers who gave good-to-excellent service ratings, which is defined as a rating of 8, 9, or 10 out of 10.

All Transit System and mode-specific attribute measures, including overall service, are based on asking the customers directly. In other words, overall service is not calculated mathematically from any of the specific service attributes - such as frequency or reliability.

The analysis is segmented into the following groups:

- Transit System (includes people who have ridden the bus, SeaBus or SkyTrain at least once within the last 30 days);
- Bus System (includes all CMBC bus service as well as West Vancouver Transit and contracted Community Shuttle service);
- SkyTrain (as of August 17, 2009 the SkyTrain segment includes the Canada Line);
- SeaBus;
- West Coast Express (normally, the survey is conducted twice a year, onboard the train service only and excludes TrainBus); and
- HandyDART (survey conducted once per year, by phone with registered HandyDART customers).

Data is from three sources:

- TransLink's Bus, SkyTrain, SeaBus Customer Service Performance Survey, which interviews adults who have ridden transit at least once within the last 30 days in Metro Vancouver. Interviews are conducted daily and by phone.
- TransLink's West Coast Express Customer Service Performance Survey, which is conducted twice per year (March and September) onboard the West Coast Express train. Surveys are partially administered by an interviewer, and may be completed by the individual.
- TransLink's HandyDART Customer Service Performance Survey, which is conducted once per year in the fall by phone and primarily with past month users of the service.

### Customer Service Performance Summary for 2016 — Transit System, Bus, SeaBus, SkyTrain, West Coast Express and HandyDART

#### Transit System

In 2016, more than half of transit riders (60 per cent) gave the system good-to-excellent scores of 8, 9 or 10 out of 10 for overall service. This is up from last year (57 per cent), with the first two quarters of 2016 a little higher than the second. The overall service rating at the system level remains lower than each of the overall service ratings by mode.

The transit system service attributes that customers are most critical of include: the amount of transit information available on board buses as well as the number of bus shelters available throughout the region. Transit bus shelters are provided by the municipalities. Less than half of customers consistently rate these aspects of transit service as being good to excellent (8 or higher out of 10). However, more than half (53 per cent) of TransLink's customers feel they are getting good-to-excellent value for the money they spend on transit. This has been trending upward over the past few years (48 per cent in 2015 and 47 per cent in 2014).

**Bus System**

Six and a half out of ten bus riders rate the overall bus service provided in Metro Vancouver as good to excellent; this is up three percentage points from 2015.

The top three areas of bus service strength remain: having an operator who drives safely and professionally, feeling safe from crime on board the bus, and having a direct route. Four-in-five riders gave scores of 8 or higher to these attributes.

Overcrowding (49 per cent), on-time reliability (57 per cent) and frequency of service (49 per cent) remain the three lowest-rated bus service attributes although all are up from last year (up from 48 per cent, 55 per cent and 47 per cent respectively).

**SkyTrain**

In 2016, 75 per cent of SkyTrain customers, which includes Canada Line, gave the overall service good-to-excellent scores. This is an increase of three percentage points over 2015.

Overcrowding, although not the lowest-rated attribute, is an important area of SkyTrain service to monitor because of the relative impact that crowding has on customers' perceptions of the overall SkyTrain service. The rating is marginally higher than last year.

**SeaBus**

SeaBus ratings are up over last year. Four-in-five SeaBus customers (84 per cent, versus 78 per cent in 2015) now rate the service as an eight or higher out of ten for overall service. Ratings are also higher for safety from crime.

**West Coast Express**

West Coast Express always receives high scores from its customers with greater than four-in-five (84 per cent) giving it good-to-excellent ratings for overall service. This, is up from last year (72 per cent), as are many of the attributes of WCE service; most notably on-time reliable service (71 per cent, up from 59 per cent in 2015).

Over the course of the year there were several disruptive issues revolving around the shared use of the track with CP Rail and their maintenance schedule.

**HandyDART**

HandyDART Service is a highly-rated transit service, with eight-in-ten riders (79 per cent) giving it good-to-excellent ratings for overall service, which is identical to 2015 ratings. Most attributes continue to achieve very high ratings, especially those related to operators' abilities. Ratings for value for money remain very high (85 per cent).

The three lowest-scoring HandyDART attributes: service availability, on-time reliable service and ease of booking a trip, achieve very respectable ratings (all 72 per cent).

**Table D - 2016 Customer Service Performance Scores**

Attributes	Transit system	Bus system	SkyTrain	SeaBus	West Coast Express	HandyDART
<b>Per cent who gave scores of 8, 9 or 10 out of 10</b>						
Overall Service	60	65	75	84	84	79
Value for Money	53				61	85
Good Connections	49				64	
Adequacy of Transit Information — Stops/Stations	45					
Adequacy of Transit Information On-Board — Bus	45					
Adequacy of Transit Information On-Board — SkyTrain	58					
Adequacy of Transit Information On-Board — SeaBus	58					
Transit Information Availability (On-Board and Stations)					70	
Operation of Service During Convenient Hours	52				44	
Having Enough Bus Shelters	35					
Ease of Contacting Telephone Information Clerk	62					
Ease of Navigating Website	58					
Having a Courteous Bus Operator/Having Courteous, Competent and Helpful Staff/Operators		75	76	83	92	95
Safe and Professional Bus Operator		84				
Feeling Safe from Crime On Board the Bus / SkyTrain		83	79			
Feeling Safe from Crime at the Stop and Transit Exchange /Inside SkyTrain Stations / at SeaBus		78	72	86		
Feeling Safe from Crime (On-Board and Stations)					94	
Feeling Safe from Crime (WCE Parking Lots)					63	
Not Being Overcrowded		49	46	73	57	
On-Time, Reliable Service		57	80	93	71	72
Clean and Graffiti Free Buses / SkyTrain Cars / Vessel / Vehicles And Stations		73	73	84	94	
Having A Direct Route		80				
Trip Duration from the Time You Boarded to the Time You Got Off		74		87	84	
Frequency of Service		49	73	64	63	

Attributes	Transit system	Bus system	SkyTrain	SeaBus	West Coast Express	HandyDART
Staff Availability			38	64	85	
Delays Are Announced and Explained			31		66	
Enough Parking					44	
Equipment Provides a Safe Ride					94	
Operator's Skills to Assist Passengers Who Have a Physical Disability						94
Feeling Safe from Injury When Riding HandyDART						94
Ease of Booking a Trip on HandyDART						72
HandyDART Vehicle Cleanliness and Good Repair						91
Availability of HandyDART When Needed						72

## Notes:

1. As of August 17, 2009, the overall SkyTrain measures include Canada Line customers
2. Beginning in 2013, when rating the HandyDART service, customers were asked to focus on trips they made on traditional HandyDART vehicles.
3. Beginning in April 2008, the bus service attribute, courteous, competent and helpful bus operator was split into two attributes, "having a courteous bus operator" and "having an operator who drives safely and professionally".

**E. Changes to Articles of the Authority**

There were no amendments to the Articles of the Authority in 2016.

**F. Board Summary**

Date of Meeting	Board/Committee Meeting	Resolutions/Outcomes
February 17, 2016	Stakeholder Relations & Service Committee	<ul style="list-style-type: none"> <li>Update on Stakeholder Relations and Service Committee initiatives.</li> </ul>
March 11, 2016	Board Meeting	<ul style="list-style-type: none"> <li>South Coast British Columbia Transportation Authority 2016 Tariff Bylaw Number 108-2016, adopted.</li> <li>South Coast British Columbia Transportation Authority 2016 Tariff Bylaw Number 109-2016, adopted.</li> </ul>
March 23, 2016	Risk & Capital Committee	<ul style="list-style-type: none"> <li>Enactment of South Coast British Columbia Transportation Authority Major Road Network Bylaw Number 105-2016, recommended for Board adoption.</li> <li>Disposition of property, recommended for Board approval.</li> </ul>
March 23, 2016	Stakeholder Relations & Service Committee	<ul style="list-style-type: none"> <li>Update on various Stakeholder Relations and Service Committee matters.</li> </ul>
March 24, 2016	Audit Committee	<ul style="list-style-type: none"> <li>The 2015 Audited Consolidated Financial Statements recommended for Board approval.</li> <li>The 2015 Statutory Annual report recommended for Board approval and release to the Mayors' Council on Regional Transportation.</li> <li>Enactment of South Coast British Columbia Transportation Authority 2016 Property Tax Bylaw Number 106-2016, recommended for Board adoption.</li> <li>Enactment of South Coast British Columbia Transportation Authority 2016 Replacement Tax Bylaw Number 107-2016, recommended for Board adoption.</li> </ul>
March 24, 2016	Human Resources & Governance Committee	<ul style="list-style-type: none"> <li>Appointment of Conduct Review Advisor, recommended for Board approval.</li> <li>Amended Executive Performance Plan, recommended for Board approval.</li> <li>Labour relations matter, recommended for Board endorsement.</li> <li>Creation of an Executive Committee, recommended for Board approval.</li> </ul>

Date of Meeting	Board/Committee Meeting	Resolutions/Outcomes
March 30, 2016	Board Meeting	<ul style="list-style-type: none"> <li>• The 2015 Audited Consolidated Financial Statements approved.</li> <li>• The 2015 Statutory Annual Report and release to the Mayors' Council on Regional Transportation approved.</li> <li>• South Coast British Columbia Transportation Authority 2016 Property Tax Bylaw 106-2016 adopted.</li> <li>• South Coast British Columbia Transportation Authority 2016 Replacement Tax Bylaw Number 107-2016 adopted.</li> <li>• South Coast British Columbia Transportation Authority Major Road Network Bylaw Number 105-2016 adopted.</li> <li>• Disposition of property approved.</li> <li>• Conduct Review Advisor appointed.</li> <li>• Amended Executive Performance Plan approved.</li> <li>• Labour relations matter approved.</li> <li>• Creation of an Executive Committee approved.</li> </ul>
April 20, 2016	Stakeholder Relations & Service Committee	<ul style="list-style-type: none"> <li>• Update on Stakeholder Relations and Service Committee initiatives.</li> </ul>
May 19, 2016	Board Meeting	<ul style="list-style-type: none"> <li>• Amendment to South Coast British Columbia Transportation Authority Transit Tariff Bylaw 87-2013, approved.</li> <li>• Public Board Meeting procedures approved.</li> <li>• Disposition of property matters approved.</li> </ul>
May 24, 2016	Audit Committee	<ul style="list-style-type: none"> <li>• 2016 Financial and Performance Report, as at March 31, 2016, approved for release.</li> </ul>
June 1, 2016	Risk & Capital Committee	<ul style="list-style-type: none"> <li>• Update on various property matters.</li> </ul>
June 9, 2016	Risk & Capital Committee	<ul style="list-style-type: none"> <li>• Property disposition process endorsed.</li> </ul>
June 14, 2016	Human Resources & Governance Committee	<ul style="list-style-type: none"> <li>• Update on various Human Resource and Governance matters.</li> </ul>
June 14, 2016	Stakeholder Relations & Service Committee	<ul style="list-style-type: none"> <li>• Independent Transit Services Application – Bowen Island Express Bus (2016), recommended to Board for approval.</li> <li>• Independent Transit Services Application – New Westminster River Market Shuttle (2016), recommended for Board approval.</li> </ul>

Date of Meeting	Board/Committee Meeting	Resolutions/Outcomes
June 15, 2016	Audit Committee	<ul style="list-style-type: none"> <li>• 2015 report pursuant to the <i>Financial Information Act</i>, recommended for Board approval.</li> </ul>
June 15, 2016	Risk & Capital Committee	<ul style="list-style-type: none"> <li>• Update on various Major Capital Projects initiatives.</li> </ul>
June 23, 2016	Board Meeting	<ul style="list-style-type: none"> <li>• 2015 report pursuant to the <i>Financial Information Act</i> approved.</li> <li>• Independent Transit Services Application – Bowen Island Express Bus (2016) approved.</li> <li>• Independent Transit Services Application – New Westminster River Market Shuttle (2016) approved.</li> <li>• Endorsed recommendations to fully close Compass fare gates, and to implement fare gate accessibility solutions for customers unable to tap.</li> </ul>
July 11, 2016	Risk & Capital Committee	<ul style="list-style-type: none"> <li>• Update on various property matters.</li> </ul>
August 22, 2016	Risk & Capital Committee	<ul style="list-style-type: none"> <li>• Disposition of property recommended for Board approval.</li> </ul>
August 24, 2016	Audit Committee	<ul style="list-style-type: none"> <li>• Enactment of South Coast British Columbia Transportation Authority 2016 Tariff Bylaw Number 111-2016, recommended for Board adoption.</li> <li>• 2016 Financial and Performance Report, as at June 30, 2016, approved for release.</li> </ul>
August 24, 2016	Board Meeting	<ul style="list-style-type: none"> <li>• South Coast British Columbia Transportation Authority 2016 Tariff Bylaw 111-2016 adopted.</li> <li>• Appointment of operating subsidiary directors approved.</li> <li>• 2017 Corporate priorities endorsed.</li> </ul>
August 24, 2016	Stakeholder Relations & Service Committee	<ul style="list-style-type: none"> <li>• Update on Stakeholder Relations and Service Committee initiatives.</li> </ul>
August 31, 2016	Board Meeting	<ul style="list-style-type: none"> <li>• Disposition of property approved.</li> </ul>
September 20, 2016	Audit Committee	<ul style="list-style-type: none"> <li>• Financial Policies recommended to Board for approval.</li> </ul>
September 20, 2016	Risk & Capital Committee	<ul style="list-style-type: none"> <li>• Update on various Major Capital Projects matters.</li> </ul>
September 21, 2016	Human Resources & Governance Committee	<ul style="list-style-type: none"> <li>• Update on various Human Resource and Governance matters.</li> </ul>
September 21, 2016	Stakeholder Relations & Service Committee	<ul style="list-style-type: none"> <li>• Update of various Stakeholder Relations and Service Committee matters.</li> </ul>

Date of Meeting	Board/Committee Meeting	Resolutions/Outcomes
September 23, 2016	Board Meeting	<ul style="list-style-type: none"> <li>• Financial Policies approved.</li> <li>• Consultation Plan for the 2017 – 2026 Investment Plan: Phase One of the 10-Year Vision, approved.</li> <li>• Creation of a 10-Year Investment Plan Committee, approved by Consent Resolution.</li> </ul>
October 3, 2016	Board Meeting	<ul style="list-style-type: none"> <li>• Acquisition of 28 SkyTrain vehicles approved.</li> </ul>
October 25, 2016	Stakeholder Relations & Service Committee	<ul style="list-style-type: none"> <li>• Update on various Stakeholder Relations and Service Committee matters.</li> </ul>
October 26, 2016	Risk & Capital Committee	<ul style="list-style-type: none"> <li>• Acquisition of property recommended to Board for approval.</li> </ul>
October 26, 2016	Board Meeting	<ul style="list-style-type: none"> <li>• Election of 2017 Board Chair.</li> <li>• Property acquisition approved.</li> </ul>
November 16, 2016	Audit Committee	<ul style="list-style-type: none"> <li>• Issuance of 2016 bonds recommended to Board for approval.</li> <li>• Financial Policy recommended for board approval. Seventh extension of Credit Agreement recommended to Board for approval.</li> <li>• 2017 Business Plan, Operating and Capital Budget recommended to the Board for approval.</li> </ul>
November 23, 2016	Board Meeting	<ul style="list-style-type: none"> <li>• 2017 – 2026 Investment Plan: Phase One of the 10-Year Vision approved.</li> <li>• Issuance of 2016 Bonds approved.</li> </ul>
November 29, 2016	Audit Committee	<ul style="list-style-type: none"> <li>• 2016 Financial and Performance Report as at September 30, 2016, approved for release.</li> <li>• Enactment of South Coast British Columbia Transportation Authority 2016 Tariff Bylaw Number 112-2016, recommended for Board adoption.</li> <li>• 2017 Strategic Internal Audit Plan approved.</li> </ul>
November 29, 2016	Board Meeting	<ul style="list-style-type: none"> <li>• South Coast British Columbia Transportation Authority 2016 Tariff Bylaw Number 112-2016 approved.</li> <li>• Labour relations matter approved.</li> </ul>
November 29, 2016	Risk & Capital Committee	<ul style="list-style-type: none"> <li>• Update on various Risk &amp; Capital matters.</li> </ul>
November 30, 2016	Human Resources & Governance Committee	<ul style="list-style-type: none"> <li>• 2017 Board Committee Structure and Membership recommended for Board approval.</li> <li>• Appointment of operating subsidiary directors recommended for Board approval.</li> <li>• Executive Compensation Plan amendment recommended for Board approval.</li> </ul>

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Date of Meeting	Board/Committee Meeting	Resolutions/Outcomes
November 30, 2016	Stakeholder Relations & Service Committee	<ul style="list-style-type: none"><li>• Update on various Stakeholder Relations and Service Committee matters.</li></ul>
December 8, 2016	Board Meeting	<ul style="list-style-type: none"><li>• 2017 Business Plan, Operating and Capital Budget approved.</li><li>• Financial Policy approved.</li><li>• Seventh extension of Credit Agreement approved.</li><li>• 2017 Board Committee Structure and Membership approved.</li><li>• Appointment of operating subsidiary directors approved.</li><li>• Executive Compensation Plan amendment approved.</li></ul>

## G. Fare Collection Bylaw

The current version of the Fare Collection Bylaw is shown below.

### Definitions

1. In this regulation:

**"Act"** means the *South Coast British Columbia Transportation Authority Act*;

**"pass"** means a record that the authority or a related party has issued or recognized as authorization for the person to whom it was issued to enter a fare paid zone or board a transit vehicle that is not a fare paid zone, and includes, without limitation, a transfer, a fare receipt, a monthly pass, any other time-limited pass and a payment card;

**"payment card"** means a record issued by the authority or a related party if the following apply:

- (a) the person to whom the record is issued can, by paying money to the authority or a related party, create or increase a credit balance on the record;
- (b) the credit balance on the record can be applied by the person to whom the record was issued towards any fare;

**"surcharge date"**, in relation to a ticket, means the later of

- (a) the date that is 180 days after the date of service of the ticket,
- (b) if the person to whom the ticket was issued disputes his or her liability under the ticket in accordance with section 4, the date that is 31 days after the date on which a notice of decision in response to the dispute is provided to that person under section 4 (4), and
- (c) if the person to whom the ticket was issued appeals his or her liability under the ticket in accordance with section 7, the date that is 7 days after the date on which a notice of decision in response to the appeal is provided to that person under section 7 (5);

**"ticket"** means a ticket issued under section 248 of the Act.

### Description of infraction

2. Every word and phrase set out in Column 2 of Schedule 1 to this regulation is authorized to be used on a ticket to describe the infraction of contravening the provision of the Act referred to in Column 1 opposite that word or phrase.

### Ticketed amounts

3. (1) For the contravention of a provision of the Act set out in Column 1 of Schedule 1 to this regulation,
  - (a) Column 2 of Schedule 1 sets out the description of the infraction for the purposes of section 2, and
  - (b) Column 3 of Schedule 1 prescribes the fine for the infraction.(2) On the surcharge date applicable to a ticket, a surcharge of \$40 is added to and forms part of the ticketed amount if full payment of the ticketed amount is not made before the surcharge date.  
(3) On the date that is 366 days after the date of service of the ticket, an additional surcharge of \$60 is added to and forms part of the ticketed amount if full payment of the ticketed amount is not made on or before that date.

### Dispute process

4. (1) For the purposes of section 251 (1) of the Act, a person to whom a ticket has been issued may dispute his or her liability under the ticket

- (a) within 14 days after the date of service of the ticket, or
  - (b) if the authority is satisfied that, due to extenuating circumstances, the person was not reasonably able within that 14 day period to dispute liability under the ticket, within any longer period that the authority may, in writing, specify.
- (2) To dispute liability under a ticket, the person to whom the ticket was issued must, within the dispute period referred to in subsection (1) of this section, provide to the authority, in accordance with subsection (3), a notice of the dispute
- (a) identifying on which of the grounds set out in section 251 (1) of the Act the person is basing the dispute, and
  - (b) providing any information relevant to the dispute.
- (3) A notice of dispute under subsection (2) of this section must be provided to the authority by
- (a) mailing it to the head office of the authority, or
  - (b) providing it electronically in the manner set out on the authority's website.
- (4) Within 30 days after receiving a notice of dispute under subsection (2), the authority must
- (a) decide whether to confirm or cancel the ticket, and
  - (b) provide to the person who submitted the notice of dispute, in accordance with subsection (5), notice of that decision and the basis on which it was made.
- (5) A notice of decision under subsection (4) must be provided to the person who submitted the notice of dispute by
- (a) mailing the notice of decision to the postal address provided for that person in the notice of dispute, or
  - (b) emailing the notice of decision to the email address provided for that person in the notice of dispute.

#### **Appeal period**

5. (1) For the purposes of section 253 of the Act, a person who has disputed liability under a ticket in accordance with section 4 of this regulation and Division 3 of Part 12 of the Act may appeal liability under the ticket to an arbitrator
- (a) within 30 days after the authority provided notice under section 4 (4) of this regulation of the authority's decision, or
  - (b) if the arbitrator is satisfied that, due to extenuating circumstances, the person was not reasonably able within that 30 day period to appeal liability under the ticket, within any longer period that the arbitrator may, in writing, specify.
- (2) A request under subsection (1) (b) for an extension of time within which to appeal liability under a ticket must
- (a) set out the reason why the person was unable to provide a notice of appeal within the 30 day period referred to in subsection (1) (a), and
  - (b) be provided to the authority by
    - (i) mailing the request to the head office of the authority, or
    - (ii) providing the request electronically in the manner set out on the authority's website.
- (3) Promptly after receiving a request referred to in subsection (2), the authority must provide the request to the arbitrator.
- (4) Within 14 days after receiving a request under subsection (3), the arbitrator must provide notice to the appellant and the authority as to whether an extension of time within which to appeal liability under the ticket has been granted and if an extension is granted, indicate the date before which the notice of appeal must be provided to the authority.

#### **Additional grounds for appeal**

6. For the purpose of section 253 (c) of the Act, a person may appeal liability under a ticket on the ground that relevant information was not submitted in the dispute procedure.

**Appeal process**

7. (1) To appeal liability under a ticket, the person to whom the ticket was issued must, within the appeal period referred to in section 5 (1), provide to the authority, in accordance with subsection (2) of this section, a notice of appeal
- (a) identifying on which of the grounds set out in section 253 of the Act or section 6 of this regulation the person is basing the appeal, and
  - (b) providing any information relevant to the appeal.
- (2) A notice of appeal under subsection (1) must be provided to the authority by
- (a) mailing it to the head office of the authority, or
  - (b) providing it electronically in the manner set out on the authority's website.
- (3) Promptly after receiving a notice of appeal under subsection (2), the authority must provide the notice of appeal to the arbitrator who has the earliest availability.
- (4) An arbitrator to whom a notice of appeal is provided under subsection (3) may request from the appellant or the authority any additional records or information that the arbitrator considers appropriate and may, in his or her sole discretion, authorize the appellant and the authority to provide the additional records or information to the arbitrator in one or more of the following manners:
- (a) in person;
  - (b) in writing;
  - (c) electronically.
- (5) After receiving a notice of appeal under subsection (3), the arbitrator must
- (a) confirm or cancel the ticket, and
  - (b) provide, in accordance with subsection (6), to
    - (i) the person who submitted the notice of appeal, and
    - (ii) the authority notice of that decision and the basis on which it was made.
- (6) A notice of decision under subsection (5) must be provided to the person who submitted the notice of appeal by
- (a) mailing the notice of decision to the postal address provided for that person in the notice of appeal, or
  - (b) emailing the notice of decision to the email address provided for that person in the notice of appeal.

**Cancellation of tickets**

8. If a ticket is cancelled under section 4 or 7 and some or all of the ticketed amount of the ticket has been paid to the authority, the authority must refund the amount paid.

**Payment of fare**

9. For the purposes of section 244 (1) (a) of the Act, a person may satisfy the requirement to pay the fare required by the tariff in any of the following manners:
- (a) if a pass has been issued to the person and that pass is valid for application to the fare,
    - (i) if a device that can record the use of the pass has been installed or made available by the authority or a related party for the fare paid zone or transit vehicle, by using the pass in such a way that
      - (A) its use is recorded by the device, and
      - (B) if the pass is a payment card, the unpaid portion, if any, of the fare is debited from the pass, or

- (ii) if there is no such device installed or made available by the authority or a related party for the fare paid zone or transit vehicle but there is a transit employee at the person's entry point to the fare paid zone or transit vehicle, by presenting that pass to that transit employee for inspection;
- (b) if, under the tariff, another form of payment is authorized,
- (i) if a device that can recognize that form of payment has been installed or made available for the fare paid zone or transit vehicle by the authority or a related party, by using that form of payment in such a way that
- (A) its use is recorded by the device, and
- (B) if applicable, the unpaid portion, if any, of the fare is debited from the form of payment, or
- (ii) if there is no such device installed or made available by the authority or a related party for the fare paid zone or transit vehicle but there is a transit employee at the person's entry point to the fare paid zone or transit vehicle, by presenting that form of payment to that transit employee for inspection.

#### **Proof of payment**

- 10.** To comply with section 244 (1) (b) of the Act in relation to a fare, a person must
- (a) obtain and retain any receipt issued by the authority or a related party for the payment of that fare,
- (b) if a pass that is valid for application to the fare is used, retain the pass, or
- (c) if under the tariff another form of payment is authorized and that other form of payment is used, retain that form of payment and obtain and retain
- (i) any receipt issued by the authority or a related party, and
- (ii) any record in the person's power or control, whether in electronic form or otherwise, that confirms that the form of payment was used in payment of the fare.

#### **Schedule 1**

##### **South Coast British Columbia Transportation Authority Act**

<b>Provision</b>	<b>Contravention</b>	<b>Fines</b>
Section 244 (1) (a)	Fare evasion	\$173
Section 244 (2)	Failure to produce	\$173

#### **H. Section 248 Tickets and Collections**

The numbers of tickets issued and collected under Section 248 from January 1 to December 31, 2016 are represented in the table below.

	Tickets issued under Section 248 (number)	Collected ticket amounts (\$)
January 1 to December 31, 2016	25,849	1,471,923

Consolidated Financial Statements  
(Expressed in thousands of dollars)

**SOUTH COAST BRITISH COLUMBIA  
TRANSPORTATION AUTHORITY**

Year ended December 31, 2016



KPMG Enterprise™  
Metro Tower I  
4710 Kingsway, Suite 2400  
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Canada  
Telephone (604) 527-3600  
Fax (604) 527-3636

## INDEPENDENT AUDITORS' REPORT

To the Members of the Board of the South Coast British Columbia Transportation Authority

We have audited the accompanying consolidated financial statements of the South Coast British Columbia Transportation Authority, which comprise the consolidated statement of financial position as at December 31, 2016, the consolidated statements of operations, changes in net debt and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.



We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the South Coast British Columbia Transportation Authority as at December 31, 2016 and its consolidated results of operations, consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

Chartered Professional Accountants

March 30, 2017  
Burnaby, Canada

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Financial Position  
(Expressed in thousands of dollars)

December 31, 2016, with comparative information for 2015

	2016	2015
<b>Financial assets</b>		
Cash and cash equivalents	\$ 252,436	\$ 210,918
Accounts receivable (note 7(f))	133,736	102,421
Loan receivable (note 3)	325,313	-
Restricted cash and investments (note 4(a))	504,295	501,009
Investments (note 4(b))	80,917	60,943
Debt reserve deposits (note 5)	35,049	36,407
	<u>1,331,746</u>	<u>911,698</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 7(f))	234,522	241,766
Debt (note 6)	2,347,266	2,144,102
Deferred government transfers (note 7(a))	941,046	1,124,066
Golden Ears Bridge contractor liability (note 8(a))	1,049,021	1,050,913
Deferred concessionaire credit (note 9(a))	549,059	572,396
Employee future benefits (note 10(b))	120,147	110,023
Deferred revenue and deposits	35,519	14,742
Deferred lease inducements	12,578	12,799
	<u>5,289,158</u>	<u>5,270,807</u>
Net debt	(3,957,412)	(4,359,109)
<b>Non-financial assets</b>		
Tangible capital assets (note 11)	4,867,996	4,606,623
Supplies inventory	61,831	56,442
Prepaid expenses	11,657	11,719
	<u>4,941,484</u>	<u>4,674,784</u>
Commitments and contingencies (note 12)		
Accumulated surplus	<u>\$ 984,072</u>	<u>\$ 315,675</u>

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board:

Original signed by Lorraine Cunningham  
Chair

Original signed by Tony Gugliotta  
Director

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Operations  
(Expressed in thousands of dollars)

Year ended December 31, 2016, with comparative information for 2015

	2016 Budget (note 2(s))	2016 Actual	2015 Actual
<b>Revenue:</b>			
Taxation (note 15)	\$ 784,532	\$ 825,670	\$ 772,722
Transit (note 7(g))	508,272	541,589	511,445
Golden Ears Bridge tolling	50,641	52,116	48,444
Government transfers (note 7(a))	282,185	240,533	228,943
Amortization of deferred concessionaire credit (note 9(a))	23,337	23,337	23,273
Investment income	36,172	40,567	34,381
Miscellaneous revenue	3,537	6,351	6,102
Gain on disposal of tangible capital assets	-	422,183	2,340
	1,688,676	2,152,346	1,627,650
<b>Expenses:</b>			
Bus division	790,099	789,843	770,108
Corporate	159,502	144,870	122,559
Rail division	352,934	363,537	361,129
Roads and bridges	180,200	151,711	178,308
Transit Police	33,872	33,988	33,184
	1,516,607	1,483,949	1,465,288
Surplus for the year	172,069	668,397	162,362
Accumulated surplus, beginning of year	186,004	315,675	153,313
Accumulated surplus, end of year	\$ 358,073	\$ 984,072	\$ 315,675

See accompanying notes to consolidated financial statements.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Changes in Net Debt  
(Expressed in thousands of dollars)

Year ended December 31, 2016, with comparative information for 2015

	2016 Budget (note 2(s))	2016 Actual	2015 Actual
Surplus for the year	\$ 172,069	\$ 668,397	\$ 162,362
Acquisition of tangible capital assets	(435,321)	(453,777)	(267,619)
Amortization of tangible capital assets	181,520	181,663	168,290
Gain on disposal of tangible capital assets	-	(422,183)	(2,340)
Net proceeds from disposal of tangible capital assets	-	432,924	2,642
Tangible capital assets contributed to municipalities	-	-	3,784
Write-down of tangible capital assets	-	-	612
	(253,801)	(261,373)	(94,631)
Change in supplies inventory	(1,622)	(5,389)	(5,176)
Change in prepaid expenses	997	62	797
	(625)	(5,327)	(4,379)
(Increase) decrease in net debt	(82,357)	401,697	63,352
Net debt, beginning of year	(4,490,795)	(4,359,109)	(4,422,461)
<b>Net debt, end of year</b>	<b>\$ (4,573,152)</b>	<b>\$ (3,957,412)</b>	<b>\$ (4,359,109)</b>

See accompanying notes to consolidated financial statements.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Cash Flows  
(Expressed in thousands of dollars)

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used for):		
Operating transactions:		
Surplus for the year	\$ 668,397	\$ 162,362
Non-cash charges to operations (note 13)	(483,515)	(58,919)
Net proceeds from disposal of assets held-for-sale	-	4,868
Changes in non-cash operating working capital (note 13)	(338,298)	28,054
Cash provided by (used for) operating transactions	(153,416)	136,365
Capital transactions:		
Purchase of tangible capital assets	(421,886)	(267,619)
Net proceeds from disposal of tangible capital assets	432,924	2,642
Cash provided by (used for) capital transactions	11,038	(264,977)
Investing transactions:		
Increase in restricted cash and investments	(3,286)	(83,132)
Increase in investments	(19,974)	(336)
Decrease (increase) in debt reserve deposits	1,358	(303)
Cash used for investing transactions	(21,902)	(83,771)
Financing transactions:		
Debt proceeds	270,000	180,750
Premium on financing	24,021	8,461
Repayments of debt	(93,256)	(92,049)
Repayments of Golden Ears Bridge contractor liability	(1,892)	(462)
Government transfers received for tangible capital additions	6,925	130,255
Cash provided by financing transactions	205,798	226,955
Increase in cash and cash equivalents	41,518	14,572
Cash and cash equivalents, beginning of year	210,918	196,346
Cash and cash equivalents, end of year	\$ 252,436	\$ 210,918
Supplementary information:		
Interest paid	\$ 179,682	\$ 176,153
Contributed tangible capital asset received	30,261	-
Tangible capital assets acquired by capital lease	1,630	-

See accompanying notes to consolidated financial statements.

# **SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY**

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

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## **1. Operations:**

The South Coast British Columbia Transportation Authority, formerly the Greater Vancouver Transportation Authority, (the "Authority" or "TransLink") was established in June 1998 as a regional public transportation authority under the South Coast British Columbia Transportation Authority Act (the "Act") to provide for the planning, funding, management and operation of an integrated regional transportation system for the Greater Vancouver region.

## **2. Significant accounting policies:**

### **(a) Basis of presentation:**

The consolidated financial statements of the Authority have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants Canada.

### **(b) Basis of consolidation:**

The consolidated financial statements include the accounts of the Authority and its active wholly owned subsidiaries as follows:

- (i) Coast Mountain Bus Company Ltd. ("CMBC") – bus, SeaBus and community shuttle services;
- (ii) British Columbia Rapid Transit Company Ltd. ("BCRTC") – SkyTrain services on the Expo, Millennium and Canada Lines;
- (iii) West Coast Express Limited ("WCE") – commuter rail services;
- (iv) Transportation Property and Casualty Company Inc. ("TPCC") – a captive insurance company which provides insurance liability coverage to the Authority's operating subsidiaries; and
- (v) TransLink Security Management Ltd. ("TSML") – transit police services transferred from the TransLink entity to TSML effective March 4, 2013.

All intercompany balances and transactions have been eliminated upon consolidation.

### **(c) Basis of accounting:**

TransLink follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay. Interest expense is accrued as the obligation is incurred.

# **SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY**

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

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## **2. Significant accounting policies (continued):**

(d) Cash and cash equivalents:

Cash and cash equivalents include highly liquid investments with a term to maturity of three months or less at the date of purchase.

(e) Financial instruments:

Financial instruments are classified into two categories: fair value or cost.

(i) Fair value:

Investments and derivatives that are quoted in an active market and loans receivable are reflected at fair value as at the reporting date. The Authority does not hold any investments or derivatives that are quoted in an active market. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and related balances are reversed from the Statement of Remeasurement Gains and Losses. As at December 31, 2016, the Authority does not have any unrealized gains or losses and a Statement of Remeasurement Gains and Losses has not been included in these financial statements.

(ii) Cost:

All other financial instruments are recorded at cost. Gains and losses on financial instruments recorded at cost are recognized in the Statement of Operations when the financial asset is recognized due to disposal or impairment. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are included in the cost of the related investments.

Accounts receivable and accounts payable and accrued liabilities are measured at cost using the effective interest rate method. Any gains, losses or interest expense is recorded in the annual surplus depending on the nature of the financial liability that gave rise to the gain, loss or expense. Valuation allowances are made when collection is in doubt.

(f) Supplies inventory:

Supplies inventory is valued at the lower of average cost and net realizable value. Cost includes purchase price, import duties, other net taxes, and transport, handling and other costs directly attributable to acquisition. Net realizable value is the estimated current replacement cost.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

## 2. Significant accounting policies (continued):

### (g) Tangible capital assets:

Tangible capital assets have been recorded as follows:

- (i) Tangible capital assets are recorded at cost, including capitalized interest as described in note 2(h). Cost includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset, including the purchase price and other acquisition costs such as installation costs, design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation, insurance costs and duties.
- (ii) As part of the establishment of the Authority, certain tangible capital assets contributed by the Province of British Columbia and BC Transit were recorded at the estimated fair value at the date of acquisition based on appraisals carried out.
- (iii) Amortization is provided on the cost less estimated salvage value on a straight-line basis over a period not exceeding the estimated useful lives as follows:

Asset	Years
Land improvements	30
Buildings	30
Bridges, guideways, stations and tunnels	30 - 100
Other supporting systems (tracks, rail, roads, electrical, drainage, ventilation, tolling)	8 - 40
Vehicles and SeaBus	5 - 40
Equipment	5 - 40

### (h) Capitalization of interest:

Interest costs directly attributable to construction projects and major capital acquisitions are capitalized from the commencement of the capital outlays until the assets are placed into service.

### (i) Major Road Network ("MRN") expenditures:

Part 2 of the Act provides that the Authority must establish a MRN, comprising an integrated system of highways throughout the transportation service region, and the Authority must contribute funds to the municipalities for the purpose of constructing and maintaining any part of the MRN within that municipality if certain conditions are met.

Funding related to constructing the MRN is expensed under the heading "capital infrastructure contributions" as the related assets are the property of the appropriate municipalities who assume all the rights and obligations.

Funding related to operating and maintaining the MRN are expensed under the heading "maintenance, materials and utilities".

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

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## 2. Significant accounting policies (continued):

### (i) Major Road network ("MRN") expenditures (continued):

For the MRN and Bike ("MRNB") programs, the amount of allocated funding contribution to each municipality for construction is determined by the proportion of a municipality's regional population and employment growth, consistent with the Metro Vancouver Growth Strategy. For the Operations, Maintenance and Rehabilitation funding of the MRN, the amount of annual Operation and Maintenance ("O&M") contribution and the annual Pavement Rehabilitation ("R") contribution to each municipality are determined by the corresponding set funding rate per lane kilometer of the MRN.

### (j) Pension plans and employee future benefits:

#### (i) Pension plan:

The Authority, its subsidiaries and employees make contributions to the Public Service Pension Plan ("PSPP"). These contributions to the PSPP are expensed as incurred.

#### (ii) Employee future benefits:

Post-retirement and post-employment benefits are available to the majority of the Authority's employees. The cost of post-retirement benefits is actuarially determined, prorated on service and management's best estimate of retirement ages and expected health care costs. The cost of post-employment benefits to disabled employees is actuarially determined based on future projected benefits of currently disabled employees. The obligations under these post-retirement and post-employment benefit plans are accrued as the employees render services necessary to earn the future benefits. The measurement date of the accrued benefit obligation coincides with the Authority's fiscal year. The most recent actuarial valuation of the plans was December 31, 2016. The plans are unfunded and require no contributions from employees. Employer contributions are based upon expected annual benefit payments.

Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The net accumulated actuarial gains (losses) are amortized over the average remaining service period of active employees in the consolidated statement of operations. The amortization period of the active employees covered by the post-retirement plan is 12 years (2015 - 12 years) and post-employment plan is 6 years (2015 - 6 years).

### (k) Deferred revenue:

The Authority defers the portion of the revenue collected from transit services relating to services not yet rendered. This revenue is recognized in the year in which related services are provided.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

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## 2. Significant accounting policies (continued):

### (l) Deferred concessionaire credit:

Deferred concessionaire credit represents the funding provided by the Canada Line Concessionaire towards the design and construction phases of the Canada Line in exchange for the right to operate the line over the 30 year operating term. This amount is amortized to income on a straight-line basis over the operating term of the concessionaire agreement which commenced in August 2009 and will expire in July 2040.

### (m) Government transfers:

Restricted transfers from governments are deferred and recognized as revenue as the related stipulations in the agreement are met. Unrestricted transfers are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

A significant portion of the Authority's government funding for capital purposes is received from the federal government through the Gas Tax program and other similar programs. Under these agreements, the Authority is required to acquire specific transit assets with the funds. The Authority is also required under certain agreements to maintain the assets over a set holding period and repay funds if the associated assets are sold before the end of the holding period.

### (n) Liability for contaminated sites:

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. Liabilities are recorded net of any expected recoveries.

A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) the Authority is directly responsible or accepts responsibility;
- (iv) it is expected that future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

### (o) Income taxes:

The Authority is a tax exempt corporation, which is exempt from Canadian Federal and British Columbia Provincial income taxes as it is deemed to be a public body performing the function of government in Canada. The Authority's subsidiaries file on the basis that they are exempt from Canadian Federal and British Columbia Provincial income taxes.

# **SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY**

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

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## **2. Significant accounting policies (continued):**

(p) Foreign currency translation:

Transactions of the Authority and its subsidiaries originating in foreign currencies are translated at the rates in effect at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at exchange rates in effect at the statement of financial position dates. Foreign exchange gains and losses are included in income.

(q) Use of estimates:

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of estimates include determination of useful lives of tangible capital assets, percentage of completion of construction-in-progress, allowance for doubtful accounts receivable, obsolete inventory, determination of employee future benefits, liability for contaminated sites, self-insurance liability provisions and provisions for legal contingencies. Actual results could differ from those estimates.

(r) Segment disclosure:

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. TransLink has provided definitions of segments used and presented financial information in the segmented format (note 16). The Business Technology, Human Resource, Payroll and Administrative Services costs are managed by the corporate segment and allocated among the operating segments, as appropriate. Interest has been allocated based on the allocated depreciation.

(s) Budget data:

The budget data presented in these consolidated financial statements were approved by the Board of Directors on December 9, 2015.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

### 3. Loan receivable:

In 2016, the Authority sold the Oakridge Transit Centre land for proceeds of \$440,000,000. The Authority received \$88,000,000 of the proceeds in 2016 with the remaining payment due in annual instalments as follows:

	Instalments
January 20, 2018	\$ 22,000
January 20, 2019	66,000
January 20, 2020	66,000
January 20, 2021	66,000
January 20, 2022	66,000
January 20, 2023	66,000
<b>Total</b>	<b>\$ 352,000</b>

The instalments are secured by a mortgage on the land sold.

The loan receivable of \$325,313,000 is the present value of the instalments due as at December 31, 2016 using a discount rate of 2.10%.

Interest accrues on each instalment if it is not paid one month prior to its due date. Interest accrues at 18.00% per annum, calculated and compounded half-yearly. Provided the purchaser is in compliance with the land sale agreement and related mortgage, the purchaser can prepay all or any part of the remaining instalments at any time without notice, bonus or penalty.

### 4. Restricted and unrestricted investments:

The Authority holds investments consisting of term deposits, money market instruments, and bonds held at various financial institutions.

All these investments are recorded at amortized cost. The bonds have an average initial term of 147 months (2015 – 104 months) and an average remaining term to maturity of 129 months (2015 - 89 months). All bonds held by the Authority, as at December 31, 2016 and 2015, were rated A or higher.

Details of effective interest rates and coupon rates of the government and corporate bonds are as follows:

	2016		2015	
	Effective rates	Coupon rates	Effective rates	Coupon rates
Weighted average rate	2.59%	3.20%	2.22%	3.10%
Interest rate range	1.09% - 4.51%	1.33 - 5.60%	0.95% - 4.51%	0.95% - 5.60%

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

## 4. Restricted and unrestricted investments (continued):

### (a) Restricted cash and investments:

	2016	2015
Government transfers for capital project funding (i):		
Cash and cash equivalents	\$ 52,354	\$ 34,705
Investments:		
Term deposits and money market instruments	72,013	150,386
Bonds (note 14(b))	68,097	136,918
Total government transfers for capital project funding	192,464	322,009
Self-administered sinking funds:		
Cash and cash equivalents	14	18
Bonds maturing beyond one year (note 14(b))	162,380	117,743
Total self-administered sinking funds	162,394	117,761
Land reserve:		
Cash and cash equivalents	128,016	38,609
TPCC (wholly-owned captive insurance subsidiary):		
Bonds (note 14(b))	21,421	22,630
<b>Total restricted cash and investments</b>	<b>\$ 504,295</b>	<b>\$ 501,009</b>

(i) Government transfers for capital project funding consists of \$190,464,000 (2015 - \$320,009,000) of unspent Gas Tax funds and \$2,000,000 (2015 - \$2,000,000) of other contributions.

### (b) Unrestricted investments:

Unrestricted investments are comprised of term deposits and money market instruments in the amount of \$80,917,000 (2015 - \$60,943,000).

## 5. Debt reserve deposits and callable demand notes:

The Authority is required to pay the Municipal Finance Authority of British Columbia ("MFA") debt reserve deposits into a debt reserve fund of 1.00% (2.00% prior to 2007) of the face value of each debenture borrowing from the MFA. These are interest bearing restricted funds administered by the MFA and are only refundable once the respective debt issue has been fully repaid.

If at any time the MFA does not receive sufficient funds to meet payments or sinking fund contributions due on the Authority's debt obligations, the interest and principal payments or sinking fund contributions will be deducted from this debt reserve fund.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

## 5. Debt reserve deposits and callable demand notes (continued):

In addition to the debt reserve deposit, the Authority is required by the MFA to issue a non-interest bearing demand note for an amount equal to one-half the average annual installment of principal and interest relative to any debt borrowed less the debt reserve deposit. The demand notes payable to the MFA are callable only if, in the event of a default by the Authority or Metro Vancouver (the interposed significant lender over the Authority's long-term debt), there are insufficient funds in the Authority's debt reserve deposit held at the MFA to meet a required interest, principal payment or sinking fund contribution. As the Authority is in full compliance with its debt payments and no such call has been made by the MFA on these demand notes, their face value have not been recorded as a liability on the consolidated statement of financial position. At year-end, the maximum value of the demand notes totaled \$42,299,000 (2015 - \$45,786,000).

## 6. Debt:

	2016	2015
Unsecured commercial paper, due next 12 months	\$ 239,603	\$ 119,590
Unsecured sinking fund bonds held by the MFA, weighted average coupon rate of 4.17% (effective rate 4.22%), maturing at various dates from 2017 to 2036, 10 to 30 year original term	1,417,315	1,495,075
Less: MFA administered debt sinking funds	(694,896)	(683,920)
Unsecured serial debenture held by the MFA, coupon rate of 5.10% interest payable semi-annually (effective rate 5.19%), maturing in 2025, principal repayment of approximately \$2 million annually, 20 year original term	23,817	26,162
Unsecured bullet maturity bond series TL-1, interest rate 3.80% (effective rate 3.88%), maturing 2020, original 10 year term	299,121	298,902
Unsecured bullet maturity bond series TL-2, interest rate 4.65% (effective rate 4.70%), maturing 2041, original 30 year term	198,587	198,539
Unsecured bullet maturity bond series TL-3, interest rate 3.85% (effective rate 3.82 %), maturing 2052, original 40 year term	251,502	251,502
Unsecured bullet maturity bond series TL-4, interest rate 4.45% (effective rate 3.97%), (2015 - 4.27%) maturing 2044, original 30.5 year term	395,606	221,672
Unsecured bullet maturity bond series TL-5, interest rate 3.05% (effective rate 3.06%), maturing 2025, original 10.5 year term	214,932	214,915
Capital lease, weighted average implicit rate of 4.00% (2015 - 2.73%), maturing at various dates from 2017 to 2020	1,679	1,665
	<b>\$ 2,347,266</b>	<b>\$ 2,144,102</b>

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

## 6. Debt (continued):

The Authority has an unsecured revolving credit facility with a syndicate of Canadian financial institutions totaling \$500 million which will expire on March 23, 2020. The credit facility is to be used primarily as a liquidity backstop of commercial paper and provides for loans at varying rates of interest based on certain benchmark interest rates, specifically the Canadian prime rate and the Canadian bankers' acceptance rate, and on the Authority's credit ratings at the time of drawdown. The Authority is also required to pay commitment fees, which are also dependent on the Authority's credit ratings. This credit facility has no financial covenants or requirement to maintain a specific credit rating and was not drawn upon in 2016.

The Authority's unsecured commercial paper program is backstopped by the abovementioned syndicated credit facility which enables it to issue commercial paper up to a maximum aggregate of \$500 million. As at December 31, 2016, \$239,603,000 (2015 - \$119,590,000), was owed under this commercial paper program at an average interest rate of 0.76% (2015 - 0.74%) and is due for repayment in January and February 2017 (2015 - January 2016).

The future debt payments, future actuarial interest on the MFA sinking fund payments and unamortized premium / issue costs are summarized as follows:

	Commercial Paper	Sinking Fund Bonds Held by MFA	Serial Debenture Held by MFA	Bullet Maturity Bonds	Capital Leases	Total
Future payments:						
2017	\$ 240,000	\$ 53,266	\$ 2,405	\$ -	\$ 947	\$ 296,618
2018	-	44,012	2,466	-	475	46,953
2019	-	36,357	2,529	-	222	39,108
2020	-	34,700	2,593	300,000	35	337,328
2021	-	34,700	2,659	-	-	37,359
Thereafter	-	198,269	11,334	1,030,000	-	1,239,603
	240,000	401,304	23,986	1,330,000	1,679	1,996,969
Future actuarial interest	-	323,335	-	-	-	323,335
	240,000	724,639	23,986	1,330,000	1,679	2,320,304
Unamortized premium / (issue costs)	(397)	(2,220)	(169)	29,748	-	26,962
	\$ 239,603	\$ 722,419	\$ 23,817	\$ 1,359,748	\$ 1,679	\$ 2,347,266

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

## Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

### 7. Transfers from other governments:

#### (a) Deferred government transfer:

	Balance, January 1, 2016	Contributions and assets received	Interest earned	Recognized as revenue	Balance, December 31, 2016
Capital project funding:					
Gas Tax	\$ 472,306	\$ -	\$ 3,799	\$ (161,255)	\$ 314,850
Canada Line	548,234	-	-	(23,244)	524,990
Building Canada Fund	73,945	2,224	-	(4,419)	71,750
Public Transit Fund	13,372	-	-	(3,758)	9,614
Evergreen Line	-	30,261	-	(23,261)	7,000
Public Transit Infrastructure Fund	6,095	-	-	(1,740)	4,355
Transit Secure Fund	7,289	-	-	(794)	6,495
Urban Transportation Showcase	2,404	-	-	(687)	1,717
Miscellaneous programs	421	902	-	(1,048)	275
	1,124,066	33,387	3,799	(220,206)	941,046
Operating funding:					
Canada Line Operating Fund	-	19,290	-	(19,290)	-
Properties Environmental Program	-	234	-	(234)	-
Other cost sharing projects	-	803	-	(803)	-
	-	20,327	-	(20,327)	-
	\$ 1,124,066	\$ 53,714	\$ 3,799	\$ (240,533)	\$ 941,046

The balance as at December 31, 2016 of \$941,046,000 consists of \$190,464,000 (2015 - \$320,009,000) of unspent Gas Tax funds, \$2,000,000 (2015 - \$2,000,000) of Canada Line capital project funding and \$748,582,000 (2015 - \$802,057,000) of funds that have been spent and will be recognized as revenue as the related stipulations in the agreement are met.

#### (b) Gas Tax funding:

The Authority receives funding annually from the Government of Canada via a Gas Tax funding agreement between the Authority and the Union of British Columbia Municipalities (“UBCM”).

The Authority is required to spend the funds on defined tangible capital assets to support the mandate, as prescribed in the agreement.

In 2015, the Authority entered into a new funding agreement with UBCM (the “Agreement”).

Under the terms of the Agreement, for tangible capital assets acquired prior to April 1, 2014, the Authority is required to continue to retain title to the ownership of the infrastructure for a period of 10 years, or the useful life of the asset, if less than 10 years. Accordingly, once the contributions are spent on eligible items and the assets are placed into service, the contributions are amortized to revenue over 10 years, or the assets’ useful life if less than 10 years.

Tangible capital assets acquired on or subsequent to April 1, 2014 are not subject to stipulations and the contributions are recognized in revenue when the funds are spent on eligible items.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

## 7. Transfers from other governments (continued):

### (b) Gas Tax funding (continued):

Receipts and disbursements for the year are as follows:

	2016	2015
Opening balance, unspent funds	\$ 320,009	\$ 283,279
Amount received during the year	-	122,564
Interest earned	3,799	3,953
Less:		
Amount spent on designated public transit projects	(133,344)	(89,804)
Net administrative costs	-	17
Closing balance, unspent funds	\$ 190,464	\$ 320,009

### (c) Canada Line funding:

The Authority has received certain contributions for the Canada Line infrastructure from the federal and provincial government with the stipulation that TransLink operate and maintain the Canada Line for a minimum of 30 years, equal to the operating agreement with the concessionaire. As such, the Authority recognizes the revenue from the contributors over the holding period of 30 years.

### (d) Building Canada Fund:

The Building Canada Fund was established by the Federal Government to provide strategic funding to infrastructure projects managed by Canadian provinces, territories and municipalities. Through an agreement with the Province, the Authority obtains funding from the Major Infrastructure Component of the Building Canada Fund which supports various projects related to public transit. In addition to the federal funds, the Authority also receives Provincial funding for certain Building Canada Fund related projects.

Under the agreement, if any of the assets acquired are disposed or used in a manner other than as described in their request for funding, the Authority is required to return a portion of the contribution to the Province as follows:

Portion of contribution refund	Up to 1 year after the project completion date	Reduction in refund each year afterward
Fixed assets (non-movable)	100%	4%
Non-fixed assets (movable)	100%	10%

Accordingly, the Authority recognizes the revenue over the stipulation periods of 10 or 25 years.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

## 7. Transfers from other governments (continued):

### (e) Evergreen Line:

TransLink received \$30,261,000 of Evergreen Line project assets funded by partners of the British Columbia Transportation Financing Authority ("BCTFA"), of which \$7,000,000 was funded by PPP Canada Inc. and has a 25 year holding period stipulation on the related tangible capital asset.

### (f) Working capital balances:

	2016	2015
Trade accounts receivable	\$ 45,283	\$ 39,217
Due from Federal Government	6,806	6,173
Due from Province of British Columbia	74,490	49,227
Due from Regional Districts	4,767	5,576
Due from other Authorities	2,390	2,228
<b>Accounts receivable</b>	<b>\$ 133,736</b>	<b>\$ 102,421</b>

	2016	2015
Trade accounts payable and accrued liabilities	\$ 202,106	\$ 205,744
Due to Federal Government	4,663	4,683
Due to Province of British Columbia	1,879	419
Due to Regional Districts	19,396	25,116
Due to other Authorities	6,478	5,804
<b>Accounts payable and accrued liabilities</b>	<b>\$ 234,522</b>	<b>\$ 241,766</b>

### (g) Transit revenue:

Included in transit revenues is \$11,614,000 (2015 - \$10,887,000) of contributions from the provincial government to assist with administering the U-Pass program and to offset any lost transit revenues.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

## 8. Golden Ears Bridge:

### (a) Golden Ears Bridge ("GEB") contractor liability:

In 2006, the Authority entered in a fixed-price contract with the Golden Crossing General Partnership (the "GCGP") to design, construct, finance, operate, maintain and rehabilitate the GEB. The contract was executed in March 2006 and terminates in June 2041.

The GEB contractor liability to finance the construction is repaid by the Authority over the operating term as follows:

	2016	2015
Opening balance	\$ 1,050,913	\$ 1,051,375
Interest accretion on contractor liability to last payment date	66,638	67,113
Payments made	(68,530)	(67,575)
Ending balance	\$ 1,049,021	\$ 1,050,913

As the last monthly payment of the year was made on December 8, 2016, the interest accrual from December 9 to 31, 2016 of \$4,104,000 (2015 - \$4,211,000) is included in accounts payable and accrued liabilities.

Capital and interest payments to the GCGP commenced on substantial completion of the project. The nominal (based on 2005 dollars) monthly blended capital and interest payments, prior to escalation for the CPI index, are \$4,792,000.

The obligation to the GCGP bears interest at an effective rate of 6.70% per annum. The effective interest rate is the implicit interest rate, which establishes the net present value of the payment stream equal to the cost of the bridge, considering future payments adjusted by the forecasted CPI index with an estimated annual inflation rate of 2.00%. The estimated payments in the next five years are as follows:

	Capital and interest
2017	\$ 71,578
2018	73,018
2019	74,477
2020	75,977
2021	77,504

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

## 8. Golden Ears Bridge (continued):

### (b) Operating agreement with GCGP:

The Authority also pays the GCGP a monthly Operating, Maintenance, Rehabilitation (“OMR”) fee of \$316,198 (based on 2005 dollars), which escalates based on a CPI index. Including an estimated 2.00% inflation rate per annum, the OMR payments to GCGP in the next 5 years are expected to be as follows:

	OMR
2017	\$ 4,723
2018	4,818
2019	4,914
2020	5,013
2021	5,114

### (c) Agreement with V-Flow Tolling Inc. (“V-Flow”):

The Authority has a contract with V-Flow to design, furnish, install, test, operate and maintain a toll system for the GEB on behalf of the Authority. The contract expires on July 15, 2017, with the Authority having the option to extend the term of the contract for an additional year.

Subsequent to year-end, the Authority opted to extend its contract with V-Flow for another year.

Payments to V-Flow under the contract terms consist of fixed and variable components and are adjusted periodically based on a CPI index. The fixed component of the remaining payments under the contract from January 2017 to July 2018 totals \$4,699,000, as is broken down as follows:

	Fixed component
January 1, 2017 to July 15, 2017	\$ 1,483
July 16, 2017 to July 15, 2018	3,216
Total	\$ 4,699

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

## 9. Canada Line:

The Canada Line is a light rail rapid transit line that links central Richmond, the Vancouver International Airport and downtown Vancouver. The concessionaire ("InTransit BC") is contracted to operate the Canada Line from August 2009 to July 2040.

### (a) Deferred concessionaire credit:

The deferred concessionaire credit represents contributions made by the concessionaire to design and construct the Canada Line in exchange for the right to operate. This amount is being amortized over the concession term which ends July 2040.

	2016	2015
Opening balance	\$ 572,396	\$ 595,669
Less: amortization	(23,337)	(23,273)
Closing balance	\$ 549,059	\$ 572,396

### (b) Operating commitments:

Base operational and maintenance payments to the Canada Line Concessionaire (with 2003 being the base year), prior to adjustments for operational metrics and inflation, are as follows:

	Each 28-day period
January 2017 to December 2034	\$ 6,458
January 2035	5,285
February 2035 to July 2040	4,113

The total estimated base operating and maintenance payments, excluding taxes, to the Concessionaire for each of the next five years adjusted for certain operational metrics and inflation, are as follows:

2017	\$ 111,000
2018	113,000
2019	115,000
2020	117,000
2021	119,000

The base operating and maintenance payments are subject to special events and passenger volume adjustments as well as quality and availability deductions according to the provisions of the contract.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

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## 9. Canada Line (continued):

### (c) Operating contributions:

The Province of British Columbia has committed to provide funding of \$1,478,000 at each 28 day period for 395 periods to November 2039 related to the Canada Line operating expenses, which is approximately \$19,300,000 per annum subject to quality and availability deductions. The funding received in 2016 was \$19,290,000 (2015 - \$19,238,000).

## 10. Pension plans and employee future benefits:

### (a) Pension plans:

The Authority and its subsidiaries contribute to the Public Service Pension Plan (the "Plan"), which is a multi-employer defined benefit plan, together with other British Columbia public service employers, in accordance with the Public Sector Pension Plans Act.

The British Columbia Pension Corporation administers the Plan, including the payment of pension benefits and other post-retirement benefits, on behalf of the employers and the employees to whom the Act applies. The long-term funding of the Plan is based on the level contribution method. Using this method, employer contribution rates are set out so that, in combination with member contributions, they will fully pay for benefits earned by the typical new entrants to the Plan and will maintain the Plan's unfunded accrual liability ("UAL") for funding purposes, if any, as a constant percentage of employer payroll. The actuary does not attribute portions of the UAL to individual employers. Contributions to the Plan are expensed in the year when payments are made. Every three years, an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of plan funding. The latest full actuarial valuation for the Public Service Pension Plan, which was carried out as at March 31, 2014, resulted in a surplus of \$193,698,000. The total expense recorded in the consolidated financial statements, in respect of pension contributions to the Plan, amounts to \$42,559,000 (2015 - \$42,643,000).

### (b) Employee future benefits:

#### (i) Post-retirement:

In addition to the post-retirement benefits provided by the Plan, the Authority, CMBC and TSML continue to provide life insurance benefits to eligible retired employees.

In fiscal 2011, PSPP officially announced that effective April 1, 2012 it will no longer subsidize the Retiree MSP for Retirees and their dependents and extended health benefits for the Retiree's dependents. As per the COPE collective agreements, the benefits are the responsibility of TransLink and CMBC and therefore, the Authority funds (for eligible retired COPE employees) the remaining cost of MSP and extended health, which is not paid by the PSPP.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

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## 10. Pension plans and employee future benefits (continued):

(b) Employee future benefits (continued):

(ii) Post-retirement (continued):

In the collective agreement between TSML and the Transit Police Professional Association ("TPPA") union ratified on November 27, 2014, the parties eliminated the MSP and extended health retiree benefits for new employees. Employees with one complete year of service or more as of November 27, 2014 were eligible for retirement benefits as follows:

- employees with at least 10 consecutive years of service at TSML and eligible to retire on pension with TSML as of December 31, 2018 who elected by May 26, 2015 to retire on or before December 31, 2018.
- all other eligible employees were paid a lump-sum of \$750 per year of service calculated as of November 27, 2014.

BCRTC also sponsors a post-retirement plan which provides MSP coverage, extended health and dental benefits to eligible retired employees.

The total expense recorded in the consolidated financial statements, in respect of obligations under these plans, amounts to \$11,140,000 (2015 - \$10,534,000).

(iii) Post-employment:

The Authority, CMBC and TSML provide MSP, extended health, dental and life insurance benefits to employees on approved long-term disability leave (post-employment benefits).

BCRTC provides MSP, extended health, dental, life insurance and pension benefits to employees on approved long-term disability leave.

Effective December 24, 2012, WCE employees on approved long-term disability leave receive MSP, extended health, dental and life insurance benefits.

The total expense recorded in the consolidated financial statements for the year, in respect of obligations under these plans, amounts to \$2,893,000 (2015 - \$3,730,000).

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

## 10. Pension plans and employee future benefits (continued):

(b) Employee future benefits (continued):

(iv) Summary of the Authority's post-retirement and post-employment plans is as follows:

	Post-retirement benefits	Post-employment benefits	Total 2016	Total 2015
Accrued benefit obligation	\$ 102,583	\$ 19,178	\$ 121,761	\$ 115,908
Unamortized net actuarial (loss) gain	(13,427)	11,813	(1,614)	(5,885)
<b>Accrued benefit liability</b>	<b>\$ 89,156</b>	<b>\$ 30,991</b>	<b>\$ 120,147</b>	<b>\$ 110,023</b>

The accrued benefit liabilities are not funded.

(v) The expense for the year is comprised of the following components:

	Post- retirement benefits	Post- employment benefits	Total 2016	Total 2015
Current period benefit cost	\$ 5,660	\$ 5,027	\$ 10,687	\$ 10,741
Interest cost	3,570	671	4,241	3,911
Amortization of actuarial (gains) and losses	1,910	(2,805)	(895)	(388)
Net expense	11,140	2,893	14,033	14,264
Actuarially determined payments	(1,225)	(2,684)	(3,909)	(4,116)
<b>Change in accrued benefit liability</b>	<b>\$ 9,915</b>	<b>\$ 209</b>	<b>\$ 10,124</b>	<b>\$ 10,148</b>

(vi) The significant assumptions used are as follows:

	2016	2015
Discount rates	2.80% - 3.60%	2.90% - 3.60%
Expected health care cost trend rates	4.40% - 7.20%	4.40% - 6.90%

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

## Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

### 11. Tangible capital assets:

Cost	Balance, January 1, 2016	Additions, net of transfers	Disposals	Balance, December 31, 2016
Land	\$ 316,556	\$ 48,237	\$ (9,475)	\$ 355,318
Land improvements	41,648	-	(1,251)	40,397
Buildings	234,367	76,735	(5,576)	305,526
Bridges, guideways, stations and tunnels	2,178,268	193,143	-	2,371,411
Other supporting systems	848,921	192,138	-	1,041,059
Vehicles and SeaBus	1,469,296	181,995	(12,421)	1,638,870
Equipment	643,655	35,118	(5,794)	672,979
Tangible capital projects in progress	428,105	(273,589)	-	154,516
	<b>\$ 6,160,816</b>	<b>\$ 453,777</b>	<b>\$ (34,517)</b>	<b>\$ 6,580,076</b>

Accumulated amortization	Balance, January 1, 2016	Additions	Disposals	Balance, December 31, 2016
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	(19,460)	(1,298)	1,167	(19,591)
Buildings	(103,084)	(8,370)	4,703	(106,751)
Bridges, guideways, stations and tunnels	(143,150)	(22,605)	-	(165,755)
Other supporting systems	(185,461)	(32,577)	-	(218,038)
Vehicles and SeaBus	(762,257)	(76,389)	12,421	(826,225)
Equipment	(340,781)	(40,424)	5,485	(375,720)
	<b>\$ (1,554,193)</b>	<b>\$ (181,663)</b>	<b>\$ 23,776</b>	<b>\$ (1,712,080)</b>

Net book value	Balance, January 1, 2016	Additions	Disposals	Balance, December 31, 2016
Land	\$ 316,556			\$ 355,318
Land improvements	22,188			20,806
Buildings	131,283			198,775
Bridges, guideways, stations and tunnels	2,035,118			2,205,656
Other supporting systems	663,460			823,021
Vehicles and SeaBus	707,039			812,645
Equipment	302,874			297,259
Tangible capital projects in progress	428,105			154,516
	<b>\$ 4,606,623</b>			<b>\$ 4,867,996</b>

Included in tangible capital assets is capital leased equipment with a net book value of \$2,700,000 (2015 - \$3,300,000).

Interest capitalized during the year ended December 31, 2016 amounted to \$7,900,000 (2015 - \$10,800,000).

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

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## 11. Tangible capital assets (continued):

As at December 31, 2016, the net book value of Expo and Millennium Line guideways or system improvements totaled \$327,000,000 (2015 - \$320,000,000) of which \$224,000,000 (2015 - \$236,000,000) relates to improvements on the assets that are leased/licensed from the Province. The guideways are leased/licensed from the Province for nominal proceeds and the Authority is responsible for operations and maintenance. The Expo and Millennium line leases expire in 2018 and 2017 respectively. Both leases have available renewal options and the agreements provide the Authority with reimbursement of the unamortized cost of capital improvements to the assets that are leased/licensed from the Province should the leases not be renewed. As the Authority expects to either renew the leases or be reimbursed for any unamortized costs, the improvements are included in the equipment category and are being amortized over their expected useful lives and not the term of the lease.

BCTFA leases to TransLink all of its interests (owned and otherwise) with respect to the West Coast Express properties and infrastructure. As at December 31, 2016, the net book value of West Coast Express improvements totaled \$4,000,000 (2015 - \$4,300,000).

The Evergreen Line (an extension of the Millennium Line) links neighborhoods in Burnaby, Port Moody and Coquitlam and is operated by TransLink as part of the regional transportation network. The Evergreen Line is funded by the Government of Canada, BCTFA, TransLink and other partners. On October 31, 2016, the Evergreen Line was substantially completed and accordingly, a portion of the Evergreen Line infrastructure ("TransLink Evergreen Line Infrastructure") was transferred from BCTFA to TransLink including stations, guideway and the related systems east of Inlet Centre station (excluding Inlet Centre station) and the vehicle storage facility.

As BCTFA holds the underlying property rights on which the TransLink Evergreen Line Infrastructure is located, BCTFA and TransLink have agreed to enter into an agreement whereby TransLink may exercise and obtain the benefit of BCTFA's interests to such property rights for a 100 year term on certain terms and conditions, including that if the agreement expires or terminates then BCTFA will reimburse TransLink for the unamortized portion of the initial cost of the TransLink Evergreen Line Infrastructure.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

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## 12. Commitments and contingencies:

(a) Operating leases:

The Authority is committed to annual lease payments in respect of office premises, in the following amounts:

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2017	\$ 16,409
2018	16,576
2019	14,266
2020	12,158
2021	11,831
	<hr/>
	\$ 71,240

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Included in the payment schedule above are certain commitments that extend beyond 2021. Significant commitments beyond 2021 are as follows:

- (i) The Authority has a premise lease with the Brewery District Investments Ltd. for the head office of TransLink and TSML which ends in 2033. The monthly commitment for basic rent and operating costs subsequent to year 2021 ranges from \$739,000 to \$792,000.
- (b) WCE - lease and operating commitments:

In connection with operating the Commuter Rail System, the operating commitment for WCE include train operations, office lease, rolling stock maintenance, ticket vending and parking management and miscellaneous services.

The following summarizes the WCE operating commitments:

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2017	\$ 14,965
2018	15,129
2019	12,529
2020	11,451
2021	6,013
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	\$ 60,087

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Subsequent to 2021, monthly operating commitments for WCE are \$500,000 to \$507,000 for 2022 to 2025.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

## 12. Commitments and contingencies (continued):

### (b) Operating commitment with Cubic Transportation System Inc.:

The Authority has a contract with Cubic Transportation Systems Inc. ("Cubic") to operate its transit fare system. The contract expires in January 2026 with the Authority having the option to extend the term of the contract for an additional 5 years.

Base payments to Cubic under the contract terms for operations and maintenance are adjusted periodically based on a CPI index.

The base payments prior to adjustments for operational metrics based on 2011 dollars are as follows:

	Fixed component
2017	\$ 11,037
2018	11,161
2019	11,386
2020	11,716
2021	13,456
	<u>\$ 58,756</u>

Subsequent to 2021, the fixed monthly base payments range from \$969,000 to \$1,038,000 for 2022 to 2025.

### (c) Diesel fuel purchase:

The Authority has entered into multiple fixed price future agreements for diesel purchase volumes up to September 2017. The approximate total payment relating to the fixed price future agreements for the contracted purchase volumes is \$11,900,000 (2015 - \$9,750,000).

### (d) Natural gas supply contract:

The Authority has entered into a fixed price natural gas purchase agreement up to April 2017. The approximate total payment relating to the fixed price agreement for the contracted purchase volumes is \$264,000 (2015 - nil).

### (e) Major Road Network ("MRN") Capital Funding:

The Authority has signed several funding agreements with municipalities on major MRN projects. At December 31, 2016, the net amount of MRN capital infrastructure contributions committed and not paid is \$3,090,000 (2015 - \$6,300,000). This amount will be paid to the municipalities upon completion of their projects.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

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## 12. Commitments and contingencies (continued):

### (f) Lawsuits and claims:

As at December 31, 2016, a number of lawsuits and claims, arising in the ordinary course of business, have been initiated against the Authority. Management is of the opinion that sufficient provisions net of any recoveries have been made in the financial statements for any lawsuits and claims made against the Authority, except as noted below.

A number of lawsuits commenced against TransLink and/or its subsidiary, CLCO, in relation to the Canada Line project remain outstanding. The Authority does not believe that reasonable estimates of any potential losses can be estimated at this time and therefore, no provisions have been made in the consolidated financial statements for the following:

- A class action lawsuit filed by Cambie area merchants, where no specific amount has been claimed at this time. The trial of the first phase of this class action concluded April 2, 2015. Reasons for Judgment were delivered November 6, 2015. The main claims of the merchants for damages for the tort of nuisance were dismissed. The Court's decision allows for a certain claim of lesser value, injurious affection to property interests, to be advanced. The number of claims that may be advanced in the future is approximately 100; the amount of these claims cannot be estimated at this time.
- A lawsuit filed by a number of Cambie area merchants, where no specific amount has been claimed at this time.
- Two additional lawsuits each filed by individual Cambie area merchants, where no specific amount has been claimed at this time.

Once a reasonable estimate of the potential liability, if any, is determined, a provision will be recognized.

### (g) Other capital and inventory commitments:

At December 31, 2016, \$119,988,000 (2015 - \$305,700,000) has been contractually committed for other capital projects and inventory.

### (h) Letters of credit:

As at December 31, 2016, the Authority has issued letters of credit to the City of Richmond totaling \$1,023,000 (2015 - \$1,644,000) which expire in 2017.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

## 13. Statement of cash flows:

	2016	2015
Non-cash charges to operations:		
Amortization of tangible capital assets	\$ 181,663	\$ 168,290
Amortization of bond discount	576	1,380
Amortization of debt issue cost	193	204
Amortization of deferred concessionaire credit	(23,337)	(23,273)
Amortization of deferred government transfers	(196,945)	(207,354)
Amortization of deferred lease inducements	(221)	(222)
Government transfers revenue - asset received	(23,261)	-
Tangible capital assets contributed to municipalities	-	3,784
Write-down of tangible capital assets	-	612
Gain on disposal of tangible capital assets	(422,183)	(2,340)
	<u>\$ (483,515)</u>	<u>\$ (58,919)</u>
Changes in non-cash operating working capital:		
(Increase) decrease in accounts receivable	\$ (31,315)	\$ 223
Increase in loan receivable	(325,313)	-
Increase in supplies inventory	(5,389)	(5,176)
Decrease in prepaid expenses	62	797
(Decrease) increase in accounts payable and accrued liabilities	(7,244)	9,288
Increase in deferred revenue and deposits	20,777	12,774
Employee future benefit payable	10,124	10,148
	<u>\$ (338,298)</u>	<u>\$ 28,054</u>

## 14. Financial instruments:

### (a) Credit, interest and foreign exchange risk:

Unless otherwise noted, it is management's opinion that the Authority is not exposed to any significant credit or interest rate risk as a result of these financial instruments. Interest rate risk related to the Authority's debt will be subject to the market interest rates at the date of refinancing, but this risk is mitigated by spreading maturities of borrowings over multiple years and also regularly making contributions to sinking funds in order to repay all long-term bullet debt over a pre-determined amortization period. The Authority's operations are all based in Canada and exposure to foreign exchange fluctuations is not significant.

### (b) Fair values:

The fair values of certain debt and assets are represented in the table below. Management considers term deposits and money market instruments carrying amounts to approximate fair values. For all other classes of financial instruments presented in these consolidated financial statements, management considers the carrying amounts approximate the fair values.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

## 14. Financial instruments (continued):

(b) Fair values (continued):

2016	Fair values	Cost
Restricted investments:		
Government transfers for capital projects - bonds	\$ 68,121	\$ 68,097
TPCC - bonds	21,487	21,421
Self-administered sinking funds - bonds	165,044	162,380
2015	Fair values	Cost
Restricted investments:		
Government transfers for capital projects - bonds	\$ 136,938	\$ 136,918
TPCC - bonds	22,687	22,630
Self-administered sinking funds - bonds	123,449	117,743

## 15. Taxation revenue:

	2016	2015
Fuel tax	\$ 395,731	\$ 356,834
Property tax	324,496	314,659
Parking sales tax	67,032	63,334
Hydro levy	20,450	20,065
Replacement tax	17,961	17,830
	\$ 825,670	\$ 772,722

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

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## 16. Segmented information:

### (a) Bus division:

Fixed route bus services, SeaBus service and custom transit are delivered through TransLink's wholly-owned subsidiary, Coast Mountain Bus Company Ltd., and various contractors that operate the Community Shuttle routes, West Vancouver Blue Bus, and HandyDART. The Bus division represents the operating costs and the allocated depreciation and interest costs.

### (b) Corporate

TransLink corporate is the organization's head office, responsible for organizational leadership and oversight, and the development and undertaking of TransLink's strategic transportation and financial plans. Other functions centralized at the corporate office include capital project approvals, legal services, information systems, human resources, corporate finance, transportation systems planning, internal audit, marketing, real estate services and the transportation demand management program.

### (c) Rail division:

Automated light rail and commuter train services are provided by TransLink's wholly-owned subsidiaries, British Columbia Rapid Transit Company Ltd. and West Coast Express Ltd., and through the concession agreement for the Canada Line. The Rail division represents the operating costs and the allocated depreciation and interest costs.

### (d) Roads and Bridges:

TransLink owns and operates the Knight Street Bridge, Pattullo Bridge, Westham Island Bridge, and the Golden Ears Bridge. In partnership with the municipalities, TransLink supports the Major Road Network ("MRN"), a network of major roads throughout Metro Vancouver. The MRNs are generally owned by municipalities. TransLink provides funding for the operations, maintenance, and rehabilitation of the MRN, and shares in the costs of eligible capital improvements.

### (e) Transit Police:

The South Coast British Columbia Transportation Authority Police Service ("Transit Police") maintain order, safety and security on transit facilities and adjacent areas, and are authorized to enforce laws. The Transit Police coordinate its activities with jurisdictional police as well as other transit security staff.

# SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

## 16. Segmented Information (continued):

	2016						2015
	Bus division	Corporate	Rail division	Roads & bridges	Transit Police	Total	
<b>Revenues:</b>							
Taxation	\$ -	\$ 825,670	\$ -	\$ -	\$ -	\$ 825,670	\$ 772,722
Transit	-	541,589	-	-	-	541,589	511,445
Golden Ears Bridge tolling	-	-	-	52,116	-	52,116	48,444
Government transfers	-	240,509	-	24	-	240,533	228,943
Amortization of deferred concessionaire credit	-	-	23,337	-	-	23,337	23,273
Investment income	-	40,567	-	-	-	40,567	34,381
Miscellaneous revenue	2,629	2,366	1,078	-	278	6,351	6,102
Gain (loss) on disposal of tangible capital assets	339	422,102	(258)	-	-	422,183	2,340
	2,968	2,072,803	24,157	52,140	278	2,152,346	1,627,650
<b>Expenses:</b>							
Administration	16,232	25,022	5,486	64	2,178	48,982	44,638
Capital infrastructure contributions	-	-	-	3,910	-	3,910	30,653
Contracted services	69,094	11,819	118,210	12,667	-	211,790	203,563
Fuel and power	43,671	-	13,093	-	-	56,764	62,933
Insurance	14,574	1,344	4,178	1,045	40	21,181	20,581
Maintenance, materials and utilities	63,922	6,538	36,386	25,962	1,167	133,975	121,856
Professional and legal	2,276	27,282	3,478	7,503	354	40,893	33,952
Rentals, leases and property tax	13,113	7,848	1,826	60	1,847	24,694	40,862
Salaries, wages and benefits	433,660	41,034	83,283	1,242	28,173	587,392	569,446
Write-down of tangible capital assets	-	-	-	-	-	-	612
Expenses before amortization and interest	656,542	120,887	265,940	52,453	33,759	1,129,581	1,129,096
Amortization of tangible capital assets	84,132	15,139	61,593	20,655	144	181,663	168,290
Interest	49,169	8,844	36,004	78,603	85	172,705	167,902
	133,301	23,983	97,597	99,258	229	354,368	336,192
	789,843	144,870	363,537	151,711	33,988	1,483,949	1,465,288
<b>Surplus (deficit), end of year</b>	\$ (786,875)	\$ 1,927,933	\$ (339,380)	\$ (99,571)	\$ (33,710)	\$ 668,397	\$ 162,362

# **SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY**

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2016

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## **17. Comparative information:**

Certain comparative information has been reclassified to conform to the current year's financial statement presentation.