



2024 Business Plan

OPERATING AND CAPITAL BUDGET SUMMARY



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Caution Regarding Forward-Looking Statements

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

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

1. Business Plan Summary

The South Coast British Columbia Transportation Authority, TransLink, is Metro Vancouver's regional transportation authority. Its service region includes 21 municipalities, one electoral area and one Treaty First Nation. TransLink delivers a wide range of services and programs to plan and provide for the transportation needs of residents, businesses and visitors in the region. This includes Bus, SkyTrain, SeaBus, HandyDART, West Coast Express and Transit Police. TransLink also shares responsibility for the Major Road Network (MRN) and walking and cycling infrastructure with its local government partners.

Since TransLink's last investment plan was approved in May 2022, a number of adverse economic developments have emerged. Inflation has driven up the cost of materials and inputs TransLink uses to provide transit service in the Metro Vancouver region, which has led to rapidly growing costs. The costs of labour, fuel, construction and materials have grown beyond our projections, resulting in higher operating and capital costs for 2024. Labour cost is the largest component of TransLink's total expenditure, and one of the biggest inflationary cost drivers. In 2024, labour cost is budgeted to increase by 9.0 per cent largely due to rising cost of living and negotiated contract settlements. Maintenance and utilities for Bus and Rail Operations are budgeted to cost 16.8 per cent more than in 2023, primarily due to the inflation affecting costs of parts, and additional maintenance required due to our aging fleet. Contracted services, insurance, fuel and power expenses are also under inflationary pressures. Of the increase in ongoing operating costs excluding amortization and interest of 9.8 per cent in TransLink's expenditure budget, over 7 per cent is due to inflationary pressures. These costs are necessary to keep the system running for the 430,000 customers who use it each day.

Upcoming system expansion is also adding cost pressure to TransLink's budget. It takes several years to prepare for the opening of a large extension to the rapid transit system like the Broadway Subway as well as Bus Rapid Transit, and these costs are starting to be reflected in TransLink's budget. These pre-opening costs include procurement of materials and supplies, as well as labour costs for the new operations and maintenance personnel required to be fully operational when we open the Broadway Subway extension in 2026. In total, system expansion is adding approximately \$26 million to TransLink's budget.

Even with cost pressures that are outside of TransLink's control, we continue to prudently and responsibly manage expenses, and keep costs as low as possible. The majority of TransLink's expenditures (85 per cent) are the costs of providing customer services. The remaining supporting costs (15 per cent) include areas that are vital to ensuring we deliver quality operations, such as administrative support and costs to operate essential IT systems, Compass system costs, cost of fare media etc. TransLink's ratio of costs to provide customer service vs support costs is in line or below that of peers in North America.

Many cost-efficiency measures are being undertaken to further reduce TransLink's expenditures where possible. For example, Coast Mountain Bus Company's (CMBC's) head office will be moved to existing office space in the same building as TransLink's head office, rendering \$2 million in savings annually starting in 2024. This will save \$20 million over a typical ten-year lease. CMBC has also brought the design and manufacturing of remaining operator safety barriers in-house, saving \$3.4 million in 2024. TransLink also continues to work with municipalities to expand bus speed and reliability measures throughout the region to mitigate the costs associated with increasing congestion. These improvements result in less fuel and operating hours, while also improving customer experiences.

TransLink's budget for 2024 reflects our region's priorities for Metro Vancouver's transportation network as we continue to navigate escalating costs and the lasting impacts of the pandemic. Our work with the Mayors and the Provincial Government to establish sustainable revenue sources is ongoing. At a time

when global externalities have put profound pressure on our finances, TransLink remains committed to putting customers first.

2. 2024 Key Priorities

For 2024 and future years, TransLink has introduced new corporate priorities to better align with the vision and goals that are set out to achieve in Transport 2050 and Access for Everyone Plan (the 10-Year Priorities).

These priorities help the organization focus and align workplans and budgets, while maintaining the system in a state of good repair, and furthering reconciliation, equity, diversity and inclusion, and resilience as common underlying themes.

Priority One: Deliver Today

TransLink will provide safe and reliable service and an outstanding customer experience every day.

- Deliver excellent service through safety-related initiatives, improved system reliability, modernization of facilities, processes, and technology, improved system cleanliness, and unwavering commitment to environmental stewardship.
- Advance the Customer Technology Innovation initiative by proceeding with the next generation solution, enabling Coast Mountain Bus Company Operation and Transit Communications to leverage up-to-date technology, optimize efficiency, and elevate the real-time customer experience.
- Improve Customer Service Communications by enhancing the capacity to facilitate communications with customers regarding major maintenance work across the system.
- Re-launch Live Chat for Customer Information.
- Stabilize, operate, and expand Customer Digital products (i.e., websites, Buzzer Blog, etc.).
- Increase media and communications capacity to effectively engage with the public, newcomers, and customers, particularly in the South of Fraser region.
- Initiate the Newcomers Program to launch and promote transit ridership among newcomers to the region.
- Build capacity to manage demand for more connections with communities, coordination and management of the Transit Volunteer Program.
- Expand the Transit Friendly Employer & Developer Program.
- Enhance Customer Research Program to improve understanding of customer preferences for potential customer experience investments such as new vehicles, station amenities, new technology which will improve process for considering customer-related investments in capital planning process.
- Enhance marketing and ridership development for Frequent Transit Network corridors including marketing, wayfinding, and customer experience improvements.
- Implement a system to track, monitor and better report and manage our energy use across the enterprise for strategic investment decision-making and aligning climate and service expansion objectives.
- Develop and implement the Sustainable Procurement Policy and Strategy.

- Improve public perceptions of safety within the transit system, aligning with the latest statistics.
- Implement an anti-sex offense campaign, encompassing the previously deployed 'Hands Off' messaging developed in collaboration with policing partners.
- Utilize new technologies to increase operational efficiencies and communications, such as real-time video access and the integration of drone capabilities.
- Commence work on replacement of Human Resources Management system and upgrade other Human Resources systems.
- Implement necessary infrastructure to sustain the ongoing use of existing maintenance-related technology and continue to identify opportunities across CMBC to utilize data and analytics, addressing gaps such as data quality, and developing a comprehensive plan.
- Establish a governance framework to develop and enhance resilience properties, enhance visibility into the information asset inventory, and improve technology and solutions for information management, protection, retention, and destruction.
- Establish an enterprise integrated security program that coordinates and integrates security activities across the Enterprise.

Priority Two: Deliver Tomorrow

TransLink will advance the implementation of the Investment Plan and Access for Everyone (the 10-Year Priorities).

- Develop a strategy and roadmap to modernize the Customer Contact Centre and customer communications experience.
- Develop and implement program supporting the advancement of Bus Rapid Transit in the region, including educating decision-makers and influencers, organizing tours, developing marketing material, managing media and interest groups.
- Develop the next Customer Experience Action Plan 2025-2027, involving research, plan development, internal engagement, and design.
- Support definition of projects and programs in future Investment Plans and associated capital plans including requirements definition, corporate asset management, feasibility studies, and standards and guideline development.
- Achieve future readiness for Broadway Subway Project, Surrey-Langley Skytrain, Operations Maintenance Centres (OMC) 4 and 5, Operations Control Centre (OCC) 2, and SkyTrain Mark V vehicles, ensuring the operational readiness of personnel, pipelines, facilities, and processes, and advancing overall business maturity.
- Continue to develop the maintenance road map and identify potential efficiencies in the low carbon fleet plan, which encompasses aspects such as hiring, training, procurement, charging stations, retrofitting of transit centers, and change management.
- Implement First Nations Transportation Program and strategies, including Indigenous Procurement Strategy, Real Estate Development Program, Driving Down Emissions.

- Develop Enterprise Digital Technology (Transformation) Strategy to lead the development of a roadmap to support the Enterprise's overall strategic technology ambitions and direction in support of business goals and objectives over the next decade.
- Prepare for the next generation of Compass systems.
- Implement an automated system for tracking and managing incident information, promoting accurate reporting, and supporting health, safety, and risk management.
- Implement software as a service (SaaS) solution for collecting vehicle health condition information for bus fleets to support maintenance oversight and repair scheduling.
- Develop Indigenous engagement on Reconciliation Action Plan.
- Collaborate with Mayors' Council and the Board to identify options and implement changes towards improving Indigenous representation in TransLink's governance structure.
- Continue development of a five-year road map for an integrated Safety, Resiliency, and Sustainability Program.
- Ensure the continuity of climate adaptation planning to advance climate adaptation and resiliency.
- Explore the future of mobility with a focus on autonomous vehicles and the impact on CMBC's business model.
- Implement software to support the oversight and management of Zero Emission Bus (ZEB) fleets.

Priority Three: Deliver Together

TransLink will build a culture of safety, trust, worth, and collaboration with our people and the communities we serve.

- Execute the Multicultural Marketing Strategy with targeted community campaigns and support for languages, customer service, safety, and recruiting.
- Implement translation services on our website to improve customer engagement.
- Host the Union International des Transports Publics (UITP) North America conference in June 2024.
- Modernize and add capacity to TransLink's ability to communicate with its employees, modernize employee Intranet and improve coordination of employee communication with operating companies.
- Issue a Community Safety Survey in accordance with the updated BC Provincial Policing Standard requirements.
- Implement Enterprise Sustainability's actions and projects in year two of the Climate Action Plan and Zero Emissions Transition Plan.
- Offer work experience opportunities for graduates in the Indigenous Interns Program.
- Assess talent processes to identify areas of focus, such as recruitment and retention, and establish consistent alignment opportunities within TransLink's Talent Operating Model.

- Conduct an assessment and planning for future skills, recruitment, and training requirements within the framework of Workforce Sustainability Planning.
 - Develop annual Indigenous Relations Screening Assessments for projects, policy, and initiatives with increased assistance to ensure archaeological and heritage screening is completed.
 - Develop a TransLink Indigenous Relations Engagement Policy and Processes for Indigenous feedback.
 - Continue supporting Indigenous Employee Resources Group with increased funding for training and plan for Indigenous advancement to management positions.
 - Implement the Cultural Recognition Policy and Program to promote Indigenous engagement on the Cultural Recognition Policy, Indigenous celebrations, and events. This includes designing storyboards for public awareness of Indigenous Nations and adding Burrard Station cultural recognition art with three Indigenous Nations and unveiling for Mark V SkyTrain cars.
 - Continue expanding Equity, Diversity and Inclusion (EDI) Program, including focus on women in leadership across the Enterprise. Continue growing and supporting speaker series and Employee Resource Groups (ERG), bringing in experts to discuss various EDI topics.
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To deliver the priorities set in the **2024 Business Plan, Operating and Capital Budget**, funding will be obtained through various sources. Funding for capital projects includes the Greater Vancouver Regional Fund (GVRF) and investing in Canada Infrastructure Program (ICIP). Main funding sources supporting current operations include transit revenues, property taxes, motor fuel taxes and parking sales tax. The main risks associated with these funding sources are reduced and / or structurally changed transit ridership and fare revenue, reduced fuel usage due to continuing zero emission vehicles adoption, reduced parking tax revenue, an overall economic downturn and the capacity to deliver capital projects.

3. 2024 Financial and Operating Summary

CONSOLIDATED REVENUES AND EXPENSES					
Twelve months ending December 31 (\$ thousands)	2022	2023	2024	Change	
	ACTUAL	BUDGET ¹	BUDGET	Incr/(Decr)	%
Revenue					
Taxation	978,076	988,404	1,012,095	23,691	2.4%
Transit	552,624	629,998	679,618	49,620	7.9%
Government transfers					
Senior Government Relief Funding	176,000	-	-	-	-
Senior Government funding	184,507	287,451	419,842	132,391	46.1%
Golden Ears Bridge tolling replacement revenue	66,629	67,267	67,874	607	0.9%
Development cost charges	25,158	23,597	52,700	29,103	123.3%
Investment income	109,064	155,673	149,679	(5,994)	(3.9%)
Amortization of deferred concessionaire credit	23,274	23,273	23,337	64	0.3%
Miscellaneous	17,458	15,384	16,609	1,225	8.0%
Sub Total Continuing Operations	2,132,790	2,191,047	2,421,754	230,707	10.5%
Gain/(Loss) on Disposal on tangible capital assets	1,748	(358)	(798)	(440)	122.9%
Total Revenue	2,134,538	2,190,689	2,420,956	230,267	10.5%
Expenditures					
Bus operations	860,510	934,378	1,021,572	87,194	9.3%
Rail operations	363,581	408,221	457,705	49,484	12.1%
Transit Police	48,070	52,820	61,689	8,869	16.8%
Corporate operations	120,837	140,036	165,691	25,655	18.3%
Roads and bridges	109,415	157,182	151,791	(5,391)	(3.4%)
Amortization of tangible capital assets ¹	250,019	268,637	273,527	4,890	1.8%
Interest ¹	181,357	188,393	178,607	(9,786)	(5.2%)
Sub Total Continuing Operations	1,933,789	2,149,667	2,310,582	160,915	7.5%
Corporate One-time	71,143	35,859	59,856	23,997	66.9%
Total Expenditures	2,004,932	2,185,526	2,370,438	184,912	8.5%
Surplus/(deficit) for the year	129,606	5,163	50,518	45,355	> 200.0%

¹ Restated to reflect budget transfers.

² Amortization and interest are shown separately to facilitate analysis.

2024 Budget Highlights

The 2024 Budget results in a \$50.5 million surplus on a Public Sector Accounting Board (PSAB) standards basis. This is a \$45.4 million improvement from the surplus budgeted for 2023, mainly due to the substantial increase in revenue from recognized Senior Government capital funding, higher transit and taxation revenues, and Development Cost Charges, partially offset by higher expenditures.

Total revenue from continuing operations is budgeted at \$2.4 billion which represents a \$230.7 million (10.5 per cent) increase from the 2023 Budget. Revenue from the Senior Government funding is \$132.4 million (46.1 per cent) higher than the 2023 Budget primarily due to an anticipated increase of activity in projects funded through the Canada Community Building Fund. Transit revenue is \$49.6 million (7.9 per cent) higher than the 2023 Budget driven by favourable trends in ridership growth observed in the latter part of 2023 carrying into 2024. Development Cost Charges (DCC) revenue is \$29.1 million (123.3 per cent) higher than the 2023 budget due to an anticipated increase in activity on DCC eligible projects, allowing TransLink to recognize revenue that was previously deferred due to project delays. Taxation revenue is \$23.7 million (2.4 per cent) higher than the 2023 Budget, mainly due to property tax rate increases and non-market adjustments.

Total expenses are budgeted at \$2.4 billion, which is a \$184.9 million (8.5 per cent) increase from the 2023 Budget, mainly due to contractual and economic increases from committed obligations including labour rate increases. Further, there is an increase in spending to maintain a state of good repairs, service delivery and prepare for system expansion.

4. Key Performance Indicators and Drivers

Financial Indicators

FINANCIAL INDICATORS					
As at December 31 (\$ thousands)	2022	2023	2024	Change	
	ACTUAL	BUDGET	BUDGET	Incr/(Decr)	%
Unrestricted cash and investments	857,847	597,446	467,732	(129,714)	(21.7%)
Capital assets	5,765,456	6,614,289	7,369,247	754,958	11.4%
Net direct debt	(2,586,545)	(2,754,580)	(2,859,898)	105,318	3.8%
Indirect P3 debt	(1,408,867)	(1,369,486)	(1,327,292)	(42,194)	(3.1%)
Total net direct debt and indirect P3 debt	(3,995,412)	(4,124,066)	(4,187,190)	63,124	1.5%
Gross interest cost as a % of operating revenue ^{1,2}	11.5%	11.5%	10.4%	(1.1%)	(9.5%)

¹ Operating revenue is total revenue less government transfers for capital projects, investment income and amortization of deferred concessionaire credit.

² The 2023 budgeted operating revenue were restated to exclude amortization of tolling revenue.

TransLink's unrestricted cash and investment balances, reflecting accumulated funding resources available for supporting operations, are budgeted to decrease by \$129.7 million (21.7 per cent). The decrease is mostly due to 2023 cash balances being lower than budget, carrying into 2024. The trend of cash outflows outpacing cash inflows is expected to continue in 2024. Capital program spending will be matched by bond issuances, allocations from the Golden Ears Bridge fund and funding from Senior Government capital programs. TransLink's unrestricted cash and investment balances are expected to remain at healthy levels to the end of 2024 due to the relief funding from the Province of B.C.

Planned capital spending during 2024 is expected to result in a net increase of \$755.0 million (11.4 per cent) in capital assets compared to the 2023 Budget. Projects forecasting significant spending in 2024 include the Marpole Transit Center and other rail infrastructure upgrade projects, conventional bus vehicles and equipment, OMC 4 storage & maintenance facility and PTC Infrastructure to support Battery Electric Buses.

Net direct debt is expected to increase by \$105.3 million (3.8 per cent) in comparison to the 2023 Budget due to the 2024 budgeted bond issuance, which is reduced by contributions to self-administered sinking funds and Municipal Financing Authority of BC (MFABC) bond debt reserve deposit.

Indirect Public-Private Partnership (P3) debt relating to the Canada Line and Golden Ears Bridge contractor liability is expected to decrease by \$42.2 million (3.1 per cent) due to amortization and principal payments.

The gross interest cost as a percentage of operating revenues of 10.4 per cent is 1.1 percentage points lower than the 2023 Budget mainly due to lower debt in relation to operating revenues, and lower interest cost in 2024. It is well below the policy level of 20 per cent.

Operating Indicators

OPERATING INDICATORS					
Twelve months ending December 31	2022	2023	2024	Change	
	ACTUAL	BUDGET ⁵	BUDGET	Incr/(Decr)	%
Scheduled Transit Service					
Overall Performance Rating (out of 10)	8.0	8.2	8.2	-	-
Service Hours	6,971,211	7,233,656	7,235,213	1,557	-
Operating Cost Recovery ^{1,2}	41.9%	43.6%	42.0%	(1.5%)	(3.4%)
Operating Cost per Capacity Km ³	\$0.108	\$0.112	\$0.125	\$0.012	10.7%
Complaints per million Boarded Passengers	74.0	89.3	78.2	(11.1)	(12.4%)
Access Transit Service					
Number of Trips	964,850	1,449,000	1,449,000	-	-
Operating Cost per Trip	\$57.73	\$46.31	\$47.98	\$1.67	3.6%
Number of Trips Denied	906	1,430	1,430	-	-
Complaints per one hundred thousand boarded passengers ⁴	255.2	202.0	201.6	(0.4)	(0.2%)
Ridership (thousands)					
Boarded Passengers	325,902	377,273	392,928	15,655	4.1%
Journeys	193,555	221,615	234,126	12,511	5.6%
Average Fare per Journey	\$2.70	\$2.68	\$2.75	\$0.07	2.6%

¹ The operating cost recovery is the ratio of total operating revenue to total operating costs of Bus, Rail, Transit Police and Corporate On-going except for amortization and interest expense.

² The 2022 Operating costs were restated to reflect the latest information available.

³ The operating cost per capacity km is the ratio of total operating costs of Bus, Rail and Transit Police except for amortization and interest expense to the total capacity kilometres.

⁴ The ratio of HandyDART complaints per one hundred thousand boarded passengers has combined both the Operator Complaints with the Service Complaints as a percentage of trips metrics to remain consistent with the Year-End Financial and Performance Report.

⁵ Restated to reflect some adjustments.

Scheduled Transit Service

The targeted overall performance rating for 2024 is 8.2, consistent with 2023.

Conventional system service hours for Bus Operations are expected to be slightly higher in 2024 due to additional hours to compensate for increased congestion and new service to First Nations reserves; however, this increase is almost entirely offset by lower service hours expected in Rail Operations. As a result, total service hours in 2024 will increase by 1,557 hours (0.02 per cent) across the region. In general, Expo and Millennium Line 2024 service levels will be in similar to 2023; however, the service hours and kilometres for 2024 will decrease by 7.9 per cent compared to the 2023 service plan. This is due to the planned single tracking between Braid and Lougheed Town Centre stations throughout the year to facilitate construction of the connection between the mainline and the new Operation and Maintenance Centre (OMC 4). The reduction in capacity kilometers from single tracking is partly offset by running more trains with higher capacity, and fewer six-car Mark 1 trains. As a result, the budgeted capacity kilometers for Expo and Millennium Line in 2024 is 4.3 per cent lower than the 2023 service plan.

Operating cost recovery of 42.0 per cent budgeted in 2024 is lower than the 2023 budgeted ratio of 43.6 per cent due to a higher increase in operating expenses relative to revenue, as a result of inflationary cost pressures.

Operating cost per capacity kilometre is expected to increase by 10.7 per cent over the 2023 Budget mainly due to increase in operating costs as a result of inflationary pressures.

Complaints per million boarded passengers are budgeted to be 78.2, which is 11.1 lower than the 2023 Budget.

TransLink is committed to ensuring customer safety and enhancing the experience and remains focused on delivering a reliable transportation system in a state of good repair as one of its key priorities. To enhance customer satisfaction and confidence in the transit system, TransLink will continue to build a foundation for growth while strategically allocating service where required.

Access Transit Service

We remain committed to ensuring that services are fully available for passengers unable to use conventional public transit without assistance as demand returns and grows. As such, the 2024 budgeted service level is the same as the 2023 budget.

The budgeted operating cost per trip for 2024 is expected to increase by 3.6 per cent compared to the 2023 budget largely due to contractual and committed increases such as labour rates, maintenance and lease costs. The actual cost per trip will depend on demand for service.

Ridership

Boardings represent each time a passenger enters a fare paid zone including transfers. Boardings in 2024 are expected to be 4.1 per cent higher than the 2023 Budget.

Journeys represent a complete transit trip regardless of the number of transfers. For 2024, journeys are projected to be 5.6 per cent higher than the 2023 Budget.

In 2023, ridership continued to recover, growing from 81 per cent of pre-COVID levels in January to 88 per cent in September. Metro Vancouver's ridership recovery continues to lead its peer regions in Canada and the USA. Starting in fall 2023, ridership growth is expected to be driven by long-term socio-economic factors such as population and economic growth as opposed to users returning in the aftermath of the COVID-19 pandemic. The ridership growth trend observed in the latter part of 2023 is expected to continue in 2024.

The average fare per journey is forecast to be \$2.75 in 2024, compared to \$2.68 in the 2023 Budget, driven by the planned July 1, 2024, fare increase of 2.3%.

Key Drivers

Ridership

Ridership growth in 2024 is expected to be driven by the 'evergreen' factors that drove growth prior to the COVID-19 pandemic: regional employment levels and population growth. Following the recovery from the pandemic, transit users are now engaging with the transit system in a different way than before the pandemic, with many utilizing a hybrid work model and using the system to commute less often. This is manifested in high intra-regional variance in ridership recovery – ridership in the eastern part of the region (Surrey, Langley and Maple Ridge/Pitt Meadows) is significantly higher than pre-COVID (110-120 per cent) while ridership in the Burrard Peninsula is below 80 per cent of pre-COVID levels. The total number of distinct transit users – at about 875,000 - is very close to the number of users before the pandemic, with these users riding the system proportionately less.

Households

Household projections are based on estimates from BC Stats for the Metro Vancouver region. The number of households in the Metro Vancouver region is expected to grow by 1.5 per cent in 2024 compared to the 2023 Budget. Household growth impacts both transit and taxation revenues.

Interest rates

Interest rates for the 2024 budget are based on forecasts from major Canadian chartered banks, the BC Ministry of Finance and TransLink credit spread and issue costs. In 2024, short-term borrowing rates are expected to increase relative to 2023 Budget by 0.4 percentage points and long-term borrowing rates are expected to decrease by 0.1 percentage points. Interest rates are a major driver of debt service costs on TransLink's future borrowing. In reaction to rising inflation, the Bank of Canada has increased its target overnight rate by 475 basis points since March 2022. TransLink expects higher interest rates to remain throughout 2024 as the Bank of Canada continues to implement its policy of higher rates to counteract inflation.

Inflation

Inflation rates are based on applicable Consumer Price Index rates anticipated in 2024.

Taxable fuel consumption

Fuel consumption volumes are used to estimate fuel tax revenue. Fuel volume projections are developed based on an internally developed forecast and vehicle fleet trends which consider the total number of vehicles, average distance driven and fuel economy in the region as well as leakage of fuel tax revenue caused by purchases outside the Metro Vancouver region.

Combined fuel volumes in the 2024 Budget are comprised of 84.7 per cent gasoline and 15.3 per cent diesel.

Hydro cost

BC Hydro sets out electricity rate increases which impact propulsion power for SkyTrain and Trolley Buses along with facility utility costs. In 2024, rate increases are expected to be 2.5 per cent, an increase of 0.5 percentage points from the 2023 Budget assumption. Rate increases take effect in April of each year.

Gasoline and Diesel prices

Fuel prices affect operating costs for revenue and non-revenue buses as well as West Coast Express trains. Fuel prices are estimated using fuel vendors and U.S. Energy Information Administration forecasts adjusted for Canadian prices, taxes and price differentials.

Revenue Vehicle Insurance

The bus fleet insurance premium that TransLink pays to ICBC is budgeted to decrease by 15 per cent from 2023 to 2024, due to a \$6.68 rate decrease from the 2023 budget. The Increase in the insurance premium discount drives the rate decrease. ICBC has not signalled a basic insurance rate increase for 2024 as of this date.

Assumptions

The following table summarizes the sensitivity to changes in key assumptions used to develop the 2024 Budget:

2024 BUDGET ASSUMPTIONS			SENSITIVITIES		
		RATE / VOLUME	Change	Impact (\$ millions)	
Background Assumptions					
Real GDP Growth		1.50%			
Employment rate		1.00%			
Hydro Cost Increase		2.53%			
Population	thousands	2,929			
Households	thousands	1,148			
Operating Assumptions with Sensitivity Analysis					
Revenue					
Regional Fuel Consumption					
Gasoline	millions of litres	1,783.9	1 per cent +/-	3.3	
Diesel	millions of litres	321.4	1 per cent +/-	0.6	
Ridership	millions of journeys	232.9	1 per cent +/-	6.4	
Expense					
Diesel cost	dollars per litre	1.61	\$0.10 +/-	3.3	
Operational Diesel Use	millions of litres	33.43	1 per cent +/-	0.5	
Gasoline cost	dollars per litre	1.53	\$0.10 +/-	0.5	
Operational Gasoline Use	millions of litres	5.05	1 per cent +/-	0.1	
Interest rate	Short term	3.51%	0.5 per cent +/-	0.0	
	Long term	4.10%	0.5 per cent +/-	1.5	
Inflation	General	2.50%	0.5 per cent +/-	1.0	
	Materials	2.50%	0.5 per cent +/-	1.3	

5. Consolidated Revenues

CONSOLIDATED REVENUES					
Twelve months ending December 31 (\$ thousands)	2022 ACTUAL	2023 BUDGET	2024 BUDGET	Change	
				Incr/(Decr)	%
Taxation					
Fuel	424,535	400,438	389,469	(10,969)	(2.7%)
Property & replacement	455,914	477,828	511,224	33,396	7.0%
Parking sales	74,970	87,073	88,039	966	1.1%
Hydro levy	22,657	23,065	23,363	298	1.3%
Transit	552,624	629,998	679,618	49,620	7.9%
Government transfers					
Senior Government Relief Funding	176,000	-	-	-	-
Senior Government funding	184,507	287,451	419,842	132,391	46.1%
Golden Ears Bridge tolling replacement revenue	66,629	67,267	67,874	607	0.9%
Development cost charges	25,158	23,597	52,700	29,103	123.3%
Investment income	109,064	155,673	149,679	(5,994)	(3.9%)
Amortization of deferred concessionaire credit	23,274	23,273	23,337	64	0.3%
Miscellaneous revenue	17,458	15,384	16,609	1,225	8.0%
Revenue Before Gain/(Loss) on Disposals	2,132,790	2,191,047	2,421,754	230,707	10.5%
Gain/(Loss) on Disposal on tangible capital assets	1,748	(358)	(798)	(440)	122.9%
Total Revenue	2,134,538	2,190,689	2,420,956	230,267	10.5%

TransLink receives its revenue mainly through taxation, transit fares and government transfers. Total consolidated revenues for 2024 are budgeted to be \$2.4 billion, \$230.3 million higher than 2023 budget. This is predominantly due to an increase in revenue recognized from Senior Government capital contributions of \$132.4 million (46.1 per cent), driven by an increase of anticipated activity in projects funded through the Canada Community Building Fund. Additionally, transit revenue is \$49.6 million (7.9 per cent) higher than the 2023 Budget due to favourable trends in ridership recovery observed in the latter part of 2023 carrying into 2024. Taxation revenue is also anticipated to grow due to an increase in the property tax revenue stream as a result of property tax rate increases and non-market adjustments, slightly offset by lower fuel tax revenue due to an increase in zero-emission vehicles (ZEV) adoption and vehicle fuel efficiency improvements. Furthermore, Development Cost Charges (DCC) revenue is expected to increase by \$29.1 million (123.3 per cent) due to an increase in activity on DCC-eligible projects, allowing TransLink to recognize revenue that was deferred in prior years due to project delays.

2024 Budget vs 2023 Budget

Taxation

TAXATION REVENUES					
Twelve months ending December 31 (\$ thousands)	2022 ACTUAL	2023 BUDGET	2024 BUDGET	Change	
				Incr/(Decr)	%
Fuel	424,535	400,438	389,469	(10,969)	(2.7%)
Property & replacement	455,914	477,828	511,224	33,396	7.0%
Parking sales	74,970	87,073	88,039	966	1.1%
Hydro levy	22,657	23,065	23,363	298	1.3%
Total Taxation revenue	978,076	988,404	1,012,095	23,691	2.4%

Taxation revenues are comprised of taxes collected on fuel, property and replacement taxes, parking sales tax and the hydro levy.

Fuel tax revenue for 2024 is budgeted at \$389.5 million which is \$11.0 million (2.7 per cent) lower than the 2023 Budget. The decrease is attributable to an increase in the number of ZEVs leading to fewer vehicles requiring fuel, fuel efficiency improvements and higher revenue leakage to cross-border fuel purchases.

Property and replacement tax revenue is budgeted at \$511.2 million, \$33.4 million (7.0 per cent) higher than the 2023 Budget. This includes an annual 4.15 per cent increase in property tax revenue from existing properties. Additionally, the 2024 budget assumes a non-market change increase of 2.3 per cent, which is a proxy for development and construction growth that impacts revenue. The replacement tax remains at \$18.0 million for 2024.

Transit

TRANSIT REVENUES					
Twelve months ending December 31 (\$ thousands)	2022 ACTUAL	2023 BUDGET	2024 BUDGET	Change	
				Incr/(Decr)	%
Fares	395,450	461,453	503,637	42,184	9.1%
Programs	127,292	132,544	140,332	7,788	5.9%
Total fare and programs revenue	522,742	593,997	643,969	49,972	8.4%
Other ¹	29,882	36,001	35,649	(352)	(1.0%)
Total Transit revenue	552,624	629,998	679,618	49,620	7.9%

¹ 2022 Other Transit Revenue was restated to reflect the latest information available.

Total transit revenue is budgeted at \$679.6 million which is an increase of \$49.6 million (7.9 per cent) compared to the 2023 Budget. The ridership growth observed in 2023, which is currently at approximately 90 per cent of pre-pandemic levels overall, with some regions surpassing pre-pandemic levels, is expected to continue in 2024. Furthermore, there is a planned fare increase of 2.3% in 2024.

The future ridership growth will be driven primarily by long-term socio-economic factors, population growth, employment levels and service expansion. The transit revenue growth assumption in 2024 are based on a moderate growth scenario.

The 2024 Budget includes a \$7.8 million (5.9 per cent) increase in program revenue, which is primarily due to increasing university enrollments in the region and an increase in eligible users of BC Government Bus Passes.

Government Transfers

GOVERNMENT TRANSFERS					
Twelve months ending December 31 (\$ thousands)	2022 ACTUAL	2023 BUDGET	2024 BUDGET	Change	
				Incr/(Decr)	%
Senior Government Relief Funding	176,000	-	-	-	-
Senior Government funding	184,507	287,451	419,842	132,391	46.1%
Golden Ears Bridge tolling replacement revenue	66,629	67,267	67,874	607	0.9%
Total Government Transfers	427,136	354,718	487,716	132,998	37.5%

Government transfers include funds received from Greater Vancouver Regional Fund (GVRF), Investing in Canada Infrastructure Program (ICIP), the Public Transit Infrastructure Fund (PTIF), Canada Line funding, Building Canada Fund and other miscellaneous programs.

Revenue from Government Transfers is expected to be \$133.0 million (37.5 per cent) higher than the 2023 Budget primarily due to an increase of anticipated activity in projects funded through the Canada Community Building Fund, resulting in higher revenue recognized from Senior Government capital transfers. Vehicle deliveries are expected across multiple fleet procurement projects throughout 2024 and construction of the Marpole Transit Centre continues to advance.

Development Cost Charges (DCC)

The revenue from development cost charges is \$52.7 million, which is \$29.1 million (123.3 per cent) higher than the 2023 Budget. In accordance with PSAB standards, DCC revenue is recognized to the extent that DCC eligible projects are completed. The 2024 budget reflects an increase in activity on DCC eligible projects, allowing TransLink to recognize revenue that was deferred in prior years due to project delays.

Investment Income

Investment income is budgeted at \$149.7 million. The \$6.0 million (3.9 per cent) decrease below the 2023 Budget is mainly due to lower average cash balances given the releases from the Golden Ears Bridge Fund to support eligible capital project spending, partially offset by higher interest rates.

Risks and Challenges

Risks related to transit fare revenue include macroeconomic and social factors such as the unemployment rate, immigration levels including government policies therein, and continuance of working from home arrangements with new travel patterns. In addition, there exists the possibility of an economic downturn, whether a follow-on consequence of the pandemic or due to general market changes and fluctuations. It is difficult to predict the impact that an economic downturn would have on the job market and unemployment rates in Metro Vancouver, and in turn the use of the transit system.

Fuel tax revenue is challenging to forecast as suppliers have up to 48 months to recover tax paid on exempt volumes of fuel resold outside the transit region. Market changes in the price of crude oil, the increase in usage of ZEVs, the USD/CAD exchange rate and economic growth, as well as consumer tendency to purchase fuel across the US border can also impact the amount of fuel tax collected and remitted to TransLink. In the second half of 2023, retail gasoline volumes have declined compared to the same period in the prior year, which may indicate the start of a general decline in fuel consumption due primarily to increasing adoption of ZEV vehicles. The 2024 budget for fuel tax reflects the expectation of lower fuel volumes than in 2023.

Property tax revenue includes revenue from new development and construction growth; the growth rate for 2024 is estimated at 2.3 per cent. If the actual rate for 2024 is lower than 2.3 per cent, a lesser amount of incremental property tax revenue will be received.

TransLink has limited influence on the operations of our partners that remit our parking sales tax revenue. Changes in parking rates, continuance of working from home arrangements, and changes in consumer behaviour including switching to public transit could impact this revenue stream.

6. Consolidated Expenses by Segment

CONSOLIDATED EXPENSES BY SEGMENT					
Twelve months ending December 31 (\$ thousands)	2022 ACTUAL	2023 BUDGET ¹	2024 BUDGET	Change	
				Incr/(Decr)	%
Bus operations	860,510	934,378	1,021,572	87,194	9.3%
Rail operations	363,581	408,221	457,705	49,484	12.1%
Transit Police	48,070	52,820	61,689	8,869	16.8%
Corporate operations	120,837	140,036	165,691	25,655	18.3%
Roads and bridges	109,415	157,182	151,791	(5,391)	(3.4%)
Amortization of tangible capital assets ²	250,019	268,637	273,527	4,890	1.8%
Interest ²	181,357	188,393	178,607	(9,786)	(5.2%)
Sub Total Continuing Operations	1,933,789	2,149,667	2,310,582	160,915	7.5%
Corporate One-time	71,143	35,859	59,856	23,997	66.9%
Total Expenses by Segment	2,004,932	2,185,526	2,370,438	184,912	8.5%

¹ Restated to reflect budget transfers.

² Amortization and Interest are shown separately to facilitate analysis.

TransLink is responsible for delivering transit services, operating five bridges and providing operating and capital funding for the Major Road Network (MRN) and cycling in Metro Vancouver. The overall expenses budget increase of 8.5 per cent is mainly reflective of inflationary impacts. By continuing to focus on efficiencies and absolutely essential expenditures, TransLink is making targeted investments in critical areas of business resiliency in order to mitigate key Enterprise risks and achieve key Enterprise objectives, including rail expansion readiness and advancing key select priorities of Access for Everyone.

Of the \$160.9 million increase in Continuing Operations expenses in 2024 Budget, approximately \$140 million relates to contractual and economic increases from committed obligations, including labour rate increases. Approximately \$32 million relates to maintain a state of good repairs and service delivery, while \$13 million additional costs are budgeted to support growth and expansion. These increases are partially offset by savings and efficiencies of \$8 million, \$19.1 million lower non-capital costs related to delivery of the R6 RapidBus project that is nearing completion, and lower interest expenses of \$9.8 million.

Corporate One-time costs are budgeted at \$59.9 million, including costs of capital projects that are not eligible for capitalization, feasibility studies, operational readiness for rail expansion, major studies including Bus Rapid Transit, RapidBus expansion, and Bus Speed and Reliability.

Bus Operations

Coast Mountain Bus Company (CMBC) oversees the operations of Conventional and Community Shuttle bus services, SeaBus and Access Transit. By the end of 2024, CMBC's fleet will consist of approximately 2,145 Conventional Buses, Community Shuttles and Access Transit (HandyDART) vehicles. This figure also includes vehicles owned by TransLink but operated by third-party service providers. Bus Operations will span 110.5 million service kilometres, deliver 5.8 million service hours and offer 1.4 million Access Transit trips in 2024.

Initiatives

In 2024, CMBC will undertake a range of strategic activities and initiatives in order to deliver on TransLink's three key Corporate priorities:

Priority One: Deliver Today

- Continue to increase system flexibility, balance cancellation management and maintain on-time performance, through the continuation of the corridor deployment program.
- Re-launch Live Chat for Customer Information.
- Transform 150 bus stop to be wheelchair accessible.
- Conduct tire performance study and evaluation.
- Further work on Customer Safety Strategy.

Priority Two: Deliver Tomorrow

- Support the TransLink Climate Adaptation Plan.
- Support the TransLink Zero Emission Fleet Transition Plan.
- Support TransLink in the development of a new Access Transit Service Delivery Model.
- Support implementation of the Onboard Technology Assets Program (OTAP), Bus Daily Operations Management System (DOMS), and the CCloudSuite Enterprise Asset Management (EAM) projects.

Priority Three: Deliver Together

- Continue to support employee physical health, mental health and return to work initiatives.
- Move forward with the next steps of our EDI commitment.
- Support implementation of Health and Safety Software.

Risks and Challenges

Coast Mountain Bus Company has identified the following key risks and challenges:

- **Recruitment and Retention Challenges:** The risk exists that CMBC cannot recruit, train and/or effectively retain talent to meet ongoing operational requirements. Inability to recruit sufficient trades (e.g., mechanics) within the required timeframe may result in negative impacts on overtime, morale, and other operational constraints. CMBC is committed to prioritizing recruitment and retention activities by streamlining internal processes, holding career fairs for trades, and continually improving professional development opportunities and recognition programs for staff.

- **IT Infrastructure:** Several areas of the organization continue to operate with IT infrastructure that has reached end of life or is not fit for purpose. This may eventually impact the entity's ability to meet industry standards and maintain a state of good repair. To achieve operational efficiencies and ensure continuity, significant upgrades and/or replacements of systems such as DOMS, Facility Depot camera systems, and data warehouses are essential.
- **Aging Physical Infrastructure:** The risk exists that physical infrastructure is aging at a rate faster than we are keeping up with repairs, replacements, and resources. This is being caused by many reasons, some of which include funding limitations, operational constraints, and supply chain delays. The delays in upgrading physical infrastructure could potentially lead to service disruptions. As mitigating actions, CMBC is incorporating condition assessments and feasibility studies for all types of fixed infrastructure as part of the capital plan over the next five years.
- **Facility Capacity Constraints:** The risk that CMBC facility capacity will not meet the increased ridership demands. This risk is caused by factors such as fleet diversification, long replacement lifecycles and delayed depot construction timelines. This risk may result in higher operational costs, such as deadheading, and loss in efficiencies which could impact service delivery. Facility capacity analysis is underway, including facilities optimization and site solution for shuttles.
- **Low Carbon Fleet Strategy:** The risk that CMBC cannot meet the scope, scale, timing and technological needs required for transitioning to a low carbon fleet. While a significant portion of the fleet is due for replacements, upgrades to the infrastructure and operational impacts needs to be assessed and planned for. Consideration for bus electrification is being integrated into implementation plans for specific depots, and the Zero Emission Fleet Transition Plan is currently being developed and will be incorporated within the Investment Plan.
- **Customer & Employee Safety:** The risk that safety incidents affecting our customers and employees is increasing. This risk arises from various factors including socio-economic stressors, mental health, and drug addiction. Furthermore, environmental factors such as heat waves, snowstorms and flooding also pose a risk. These factors could result in increased injuries, fatalities, adverse reputational impacts, direct impacts to customer service, and operating cost impacts. CMBC continues its focus on ensuring effective safety related messaging, assessing the effectiveness of existing safety controls, integration of climate change risks within the safety management system, partnering with Transit Police to reduce operator assaults and improve overall customer safety.

2024 Budget vs 2023 Budget

BUS OPERATIONS BY CATEGORY					
Twelve months ending December 31 (\$ thousands)	2022 ACTUAL	2023 BUDGET ¹	2024 BUDGET	Change	
				Incr/(Decr)	%
Administration	21,979	25,327	31,085	5,758	22.7%
Contracted Services	78,890	91,217	96,071	4,854	5.3%
Fuel and Power	74,365	69,649	69,993	344	0.5%
Insurance	16,555	17,314	18,007	693	4.0%
Maintenance, Materials and Utilities	83,492	90,307	102,524	12,217	13.5%
Professional and Legal	3,345	4,624	5,796	1,172	25.3%
Rentals, Leases and Property Tax	18,489	25,641	27,480	1,839	7.2%
Salaries, Wages and Benefits	563,395	610,299	670,616	60,317	9.9%
Total Expenses by Category	860,510	934,378	1,021,572	87,194	9.3%

¹ The 2023 budget figures were restated to reflect transfers.

The Bus Operations Budget 2024 of \$1,021.6 million is \$87.2 million (9.3 per cent) higher than the 2023 Budget. This consists of increases in costs to operate the conventional bus service, Community Shuttle and SeaBus of \$74.0 million (9.7 per cent), Access Transit of \$2.4 million (3.5 per cent) and other contracted bus services of \$1.8 million (6.6 per cent). The CMBC 2024 operating budget increase is primarily due to committed contractual obligations related to labour and economic increases, and resources to support additional service hours and delivering excellent service. Furthermore, inflation and the impact of aging fleet has significantly impacted maintenance costs.

In comparison to the 2023 Budget:

- Salaries, wages and benefits are budgeted to increase by \$60.3 million mainly due to negotiated contractual increases, labour adjustments, and benefit increases.
- Maintenance, materials and utilities are budgeted to increase by \$12.2 million mainly due to inflationary impacts on the cost of spare parts and higher maintenance services needed for the aging fleet.
- Administration costs are budgeted to increase by \$5.8 million mainly due to inflationary impacts on general corporate costs.
- Contracted transit services are budgeted to be \$4.9 million higher than 2023 Budget mainly due to contractual rate increases.

Service Assumptions

In 2024, CMBC will continue providing services right-sized to the needs of the region. Budget-to-budget conventional transit service hours and kilometres are expected to increase by 1.7 per cent, and conventional capacity kilometres are expected to increase by 2.4 per cent. New service to First Nations reserves will be added in 2024 along with additional hours to compensate for increased congestion. Despite the demand being lower than budget in 2023, Access Transit service levels will remain the same as in the 2023 Budget to ensure that services are fully available for passengers unable to use conventional public transit without assistance.

The following table shows the service levels at CMBC operations:

BUS OPERATIONS					
Twelve months ending December 31	2022 ACTUAL	2023 BUDGET	2024 BUDGET	Change	
				Incr/(Decr)	%
SERVICE HOURS					
CMBC Operations	5,243,124	5,450,888	5,539,380	88,492	1.6%
Conventional Bus	4,680,876	4,867,708	4,922,468	54,760	1.1%
Community Shuttle	548,311	569,255	602,953	33,698	5.9%
SeaBus	13,937	13,925	13,959	34	0.2%
Contracted Transit Services	239,042	242,575	250,591	8,016	3.3%
West Vancouver	119,609	118,523	119,450	927	0.8%
Contract Community Shuttle	119,432	124,052	131,141	7,089	5.7%
Conventional Transit Service Hours	5,482,165	5,693,463	5,789,971	96,508	1.7%
SERVICE KILOMETRES					
CMBC Operations	100,419,070	103,645,478	105,461,820	1,816,342	1.8%
Conventional Bus	89,766,567	92,765,455	94,013,522	1,248,067	1.3%
Community Shuttle	10,466,792	10,694,095	11,261,450	567,355	5.3%
SeaBus	185,711	185,928	186,848	920	0.5%
Contracted Transit Services	4,869,510	5,003,909	5,075,069	71,160	1.4%
West Vancouver	2,243,973	2,225,574	2,207,836	(17,738)	(0.8%)
Contract Community Shuttle	2,625,537	2,778,335	2,867,233	88,898	3.2%
Conventional Transit Service Kilometres	105,288,581	108,649,387	110,536,889	1,887,502	1.7%
CAPACITY KILOMETRES					
CMBC Operations	5,459,211,346	5,792,447,592	5,934,000,544	141,552,952	2.4%
Conventional Bus	5,136,509,649	5,464,207,032	5,591,789,264	127,582,232	2.3%
Community Shuttle	251,203,008	256,658,280	270,274,800	13,616,520	5.3%
SeaBus	71,498,689	71,582,280	71,936,480	354,200	0.5%
Contracted Transit Services	175,211,548	177,958,740	179,205,392	1,246,652	0.7%
West Vancouver	112,198,650	111,278,700	110,391,800	(886,900)	(0.8%)
Contract Community Shuttle	63,012,898	66,680,040	68,813,592	2,133,552	3.2%
Conventional Transit Capacity Kilometres	5,634,422,894	5,970,406,332	6,113,205,936	142,799,604	2.4%

The following table shows the service levels at Access Transit:

ACCESS TRANSIT					
Twelve months ending December 31	2022 ACTUAL	2023 BUDGET	2024 BUDGET	Change	
				Incr/(Decr)	%
Service Kilometres	8,299,487	11,673,000	11,673,000	-	-
Access Transit Trips					
Trips - HandyDART	797,140	1,297,000	1,297,000	-	-
Trips - Taxi Supplement	167,710	152,000	152,000	-	-
Total Access Transit Trips	964,850	1,449,000	1,449,000	-	-

Rail Operations

British Columbia Rapid Transit Company Ltd. (BCRTC), on behalf of TransLink, maintains and operates two of the three SkyTrain lines in Metro Vancouver, the Expo and Millennium Lines. BCRTC is responsible for managing the contracted service agreement with InTransit BC for the operation and maintenance of the Canada Line. BCRTC also operates and maintains the West Coast Express commuter rail service. BCRTC is committed to its employees, the ongoing improvement of the customer experience and supporting TransLink's critical role in planning and managing the region's transportation network.

In 2024, BCRTC will continue to focus on delivering excellent service to our customers and managing day-to-day operations and maintenance initiatives while at the same time supporting the largest expansion and infrastructure renewal in the company's history. These major expansion and infrastructure renewal projects are at various stages of progress and are occurring in tandem with state of good repair commitments. Over the next few years, BCRTC will continue to support both the ongoing investments in existing rail services and major expansion rail projects, and ensure we continue to provide the safe, reliable and frequent services our customers have come to expect.

BCRTC's 2024 business plan aligns its focus areas and objectives with those of TransLink to support an integrated approach to meet the ever-expanding needs of our customers in the Metro Vancouver region. BCRTC's corporate values center on mutual support and collaboration, with a focus on three primary objectives:

- Deliver Excellent Service
- Achieve Future Readiness
- A Healthy, Motivated, and Fulfilled Team

BCRTC aligns its business plan objectives within TransLink's Corporate Priorities as follows:

Deliver Today: Deliver Excellent Service

- Maintain service performance and on-time delivery
- Maintain state of good repair and deliver annual capital portfolio
- Station cleanliness
- Cybersecurity of operating technology
- Quality management

Deliver Tomorrow: Achieve Future Readiness

- Continued support of delivery of Broadway Subway Project and Surrey Langley Skytrain
- Support the new Operations Control Centre (OCC 2) and new Operations and Maintenance Centre (OMC 4)
- Begin to test and commission Mark V trains
- Mature and grow business capability

Deliver Together: Healthy, Motivated, and Fulfilled Team

- Continue to improve the employee experience and safety culture
- Attraction and retention of talent
- Staff engagement and recognition
- Training and competency management
- Apprenticeship program development

Risks and Challenges

BCRTC has identified the following key risks and challenges:

- Aging infrastructure - TransLink's rail network is multi-decades old across three different transit services. SkyTrain originally opened in 1986, West Coast Express in 1996, and Canada Line in 2010. Each rail operation strives to maintain its assets in a state of good repair, however, as assets age there are growing risks of more asset failures, and more funds being required to maintain a safe and reliable transit system.
- Asset management maturity - Although continuous improvement of asset management practices is a key focus, there is a risk that system performance and reliability are negatively impacted by outdated asset management practices, and suboptimal maintenance plans created based on flawed or incomplete data.
- Supply chain constraints - Global supply chain constraints and the bespoke nature of many spare parts create a risk that parts will not be available when required to meet maintenance needs resulting in service delivery and reliability issues. BCRTC is continuously working to improve its supply chain strategies in alignment with best practices and source alternatives, where practicable.
- Climate change and resilience - TransLink has released a Climate Action Plan to further develop risk responses, design guidelines, and programs to make infrastructure more resilient to climate impacts. However, there is a risk that the infrastructure and assets will not be able to withstand extreme weather events associated with climate change.
- Managing the pace of growth - The Access for Everyone Plan (10-Year Priorities) proposes an unprecedented expansion of the SkyTrain network. BCRTC endeavors to balance the pace of growth and evolving project delivery schedules with the ongoing delivery of a safe and reliable system and ensuring the long-term success of the business.
- Ability to attract & retain talent - The risk exists that BCRTC cannot recruit, train and/or effectively retain talent to meet ongoing operational requirements. Inability to recruit sufficient trades within the required timeframe may result in negative impacts on overtime, morale, and other operational constraints. In conjunction with TransLink, BCRTC is committed to prioritizing recruitment and retention activities by streamlining internal processes, holding career fairs for trades, tapping into non-traditional markets, and continually improving professional development opportunities and recognition programs for staff.

2024 Budget vs 2023 Budget

RAIL OPERATIONS BY CATEGORY					
Twelve months ending December 31 (\$ thousands)	2022 ACTUAL	2023 BUDGET ¹	2024 BUDGET	Change	
				Incr/(Decr)	%
Administration	7,183	11,396	12,638	1,242	10.9%
Contracted Services	135,815	142,012	150,631	8,619	6.1%
Fuel and Power	15,631	17,415	17,926	511	2.9%
Insurance	6,843	7,587	9,660	2,073	27.3%
Maintenance, Materials and Utilities	56,347	65,761	79,803	14,042	21.4%
Professional and Legal	3,524	5,660	6,635	975	17.2%
Rentals, Leases and Property Tax	1,808	1,915	4,345	2,430	126.9%
Salaries, Wages and Benefits	136,430	156,475	176,067	19,592	12.5%
Total Expenses by Category	363,581	408,221	457,705	49,484	12.1%

¹ The 2023 budget figures were restated to reflect transfers.

The Rail Operations 2024 Budget of \$457.7 million is \$49.5 million (12.1 per cent) higher than the 2023 Budget of \$408.2 million.

The 2024 Budget increases are primarily due to committed contractual obligations and economic increases, including labour rate increases, maintenance activities, and resources to support activities and initiatives to achieve our objectives of delivering excellent service, achieving future readiness, and fostering a healthy, motivated, and fulfilled team. Below are highlights of the 2024 Budget compared to the 2023 Budget:

- Salaries, wages, and benefits are expected to increase by \$19.6 million (12.5 per cent). This includes contractual and economic labour increases, as well as resources to support state of good repair, preparing for the future expansion, project delivery and other key initiatives.
- Maintenance, materials and utilities are expected to increase by \$14.0 million (21.4 per cent) for initiatives to ensure the state of good repair of our assets, and provide a safe and clean environment for our customers and staff, as well as increased service for WCE and inflationary increases.
- Contracted services are expected to increase by \$8.6 million (6.1 per cent) due to contractual increases, including the costs related to Capstan station that will open in 2024.
- Administration expenses are expected to increase by \$1.2 million (10.9 per cent) due to inflationary pressures in information technology software and license costs, as well as support required to meet growing needs of the Enterprise, prepare for future and continued investment in cyber security and resiliency of systems.
- Professional and legal expenses are expected to increase by \$1.0 million (17.2 per cent) to support future growth and state of good repair initiatives.

Service Assumptions

RAIL OPERATIONS					
Twelve months ending December 31	2022 ACTUAL	2023 BUDGET ¹	2024 BUDGET	Change	
				Incr/(Decr)	%
SERVICE HOURS					
SkyTrain: Expo & Millennium Lines	1,270,783	1,315,118	1,211,693	(103,425)	(7.9%)
SkyTrain: Canada Line	200,064	200,892	201,342	450	0.2%
West Coast Express	18,199	24,183	32,207	8,024	33.2%
Rail Operations Service Hours	1,489,046	1,540,193	1,445,242	(94,951)	(6.2%)
SERVICE KILOMETRES					
SkyTrain: Expo & Millennium Lines	51,212,463	52,999,223	48,831,237	(4,167,986)	(7.9%)
SkyTrain: Canada Line	6,427,122	6,453,643	6,468,113	14,470	0.2%
West Coast Express	686,268	911,233	1,213,632	302,399	33.2%
Rail Operations Service Kilometres	58,325,853	60,364,099	56,512,982	(3,851,117)	(6.4%)
CAPACITY KILOMETRES					
SkyTrain: Expo & Millennium Lines	4,527,517,850	4,691,815,246	4,488,039,049	(203,776,197)	(4.3%)
SkyTrain: Canada Line	901,996,802	905,719,046	907,749,782	2,030,736	0.2%
West Coast Express	101,293,186	134,497,843	179,132,083	44,634,240	33.2%
Rail Operations Capacity Kilometres	5,530,807,838	5,732,032,135	5,574,920,914	(157,111,221)	(2.7%)

¹Canada Line's 2023 budget was restated to correct a calculation error.

In general, Expo and Millennium Line 2024 service level will remain consistent with 2023. The service hours and kilometres for 2024 are planned to decrease by 7.9 per cent compared to the 2023 service plan. This reduction is primarily due to the planned single tracking between Braid and Lougheed Town Centre stations throughout the year, in order to facilitate the construction requirements of SkyTrain Operation and Maintenance Centre (OMC 4). The reduction in capacity kilometers from single tracking is partly offset by the increased capacity offered by a phased introduction of five-car Mark V trains as they become available. As a result, the budgeted capacity kilometers for 2024 are 4.3 per cent lower than the 2023 service plan.

In 2024, Canada Line will improve peak and late evening services by slightly reducing midday service. Therefore, the change in overall service indicators is neutral. Because 2024 is a leap year, the total service hours, service kilometres and capacity kilometres will each increase by 0.2 per cent compared to the 2023 service plan.

West Coast Express service hours, service kilometres and capacity kilometres will each increase by 33.2 per cent in 2024 compared to the 2023 service plan. The 2024 service plan is being increased to meet demand with five trains operating in each direction, with a total of 36 cars. The 2023 service plan was based on five trains and 27 cars providing services.

Police Operations

Mandated by the Minister of Public Safety and Solicitor General as a Designated Policing Unit, the Metro Vancouver Transit Police (Transit Police) preserves and protects public peace throughout the transit system. Working with local police services, each officer aims to prevent crime and offences against the law, aid in the administration of justice and enforce the laws of British Columbia and the Criminal Code of Canada. The Province established Transit Police in 2004 as the first dedicated transit police service in Canada, and Transit Police was established in 2005.

Initiatives

In 2024, Transit Police will continue to implement the 2022-2026 strategic plan. The plan is centred around three pillars: Cross-Regional Policing, Engaged Community Partners and Modern Policing Culture and has 11 objectives.

Cross-Regional Policing

The transit system's expansive geography uniquely enables Transit Police to build strong relationships with all cross regional policing partners in Metro Vancouver to improve public safety and the safety of transit staff and ridership. To address local, regional and international threats to the transit system, Transit Police will participate in joint-agency policing opportunities and provide specialized services and operational/emergency planning for the threats and many special events that may affect the transit system and its ridership. As the breadth of people and places served by the transit system expands, Transit Police will seek the expertise of enterprise and community partners to ensure that transit users can access the services they need, particularly those who are vulnerable and at-risk. Transit Police will work with neighbourhood and community partners to ensure that transit hubs are safe spaces within the community, while also helping to improve perceptions of safety on transit.

In support of crime reduction/prevention on and around the transit system, Transit Police will engage in intelligence-led proactive enforcement of provincial statutes, applicable bylaws, Transit Conduct and Safety Regulations and the *Criminal Code*, and partner with other police agencies to accomplish extensive investigations and joint-force operations. This includes support for provincial initiatives such as the Repeat Violent Offending Intervention Initiative (ReVOII), which focuses on improving public safety by coordinating responses across the justice system. ReVOII brings together police, dedicated prosecutors, dedicated probation officers and correctional supervisors to provide early interventions in cases involving repeat violent offending. As a cross regional police agency, Transit Police is a participant in all three hubs/teams in Metro Vancouver.

Engaged Community Partners

To better engage and serve transit customers, Transit Police will continue to advance the implementation of a Tiered Policing Pilot Program to enhance policing resources and improve efficiencies. The Community Safety Officer ("CSO") team supplements regular police officers by taking on a range of proposed duties, such as providing enhanced peace officer visibility at the major transit hubs, guarding crime scenes, tagging property, enforcing the *Greater Vancouver Transit Conduct and Safety Regulation*, conducting fare enforcement, engaging with passengers, working in collaboration with enterprise partners and assisting vulnerable persons. The aim is to positively affect perceptions of safety on transit and free up police officer resources to respond to calls for service and conduct criminal investigations. The first class of CSOs were fully trained in Q3/Q4 2023 and are now deployed. The second class of CSOs began training in Q4 2023 and are anticipated to complete training in Q1 2024. A third class of CSOs is anticipated later in 2024.

Transit Police will explore the establishment of a second location to launch a Community Policing Office, to augment the Waterfront Station Community Policing Office (launched in 2021). Transit Police will continue to train volunteers, who are working on a variety of safety projects at Waterfront Station, as well as other transit locations in Vancouver and elsewhere on the system, in order to increase feelings of safety and security.

The Transit Police and the Police Board will continue to advance their commitment to Truth and Reconciliation and to address the overrepresentation of Indigenous people in the justice system. The Indigenous Liaison Officer will continue to review criminal investigations involving Indigenous people who are either a victim, complainant or accused and consider restorative justice options. In 2024, the Transit Police will explore expansion of the Blue Eagle Community Cadet Program (for youth 12 to 15 years) to a third location. The Vancouver and Surrey based programs will operate in the Spring and Fall. This program helps support urban Indigenous youth in their personal development as well as build positive relationships between Transit Police Officers and the youth.

Modern Policing Culture

Transit Police will continue to work to develop greater diversity and inclusiveness in its workforce, and to deliver services impartially, equitably and in a culturally safe manner. To ensure that adequate resources are available to meet growth and expansion, an initial phased increase in hiring will need to proceed in 2024. Ongoing, the new staffing model will provide a guideline for future human resource planning. Work will continue to improve operational effectiveness and to meet new policing standards, and regulations and laws, such as implementation of the new Provincial Policing Standards on Unbiased Policing. This includes a survey of citizen satisfaction with the Transit Police service and new/expanded Indigenous Awareness Training.

Risks and Challenges

Police Officer hiring by the new Surrey Police Service impacted attrition in 2022 and 2023 and it may continue to affect retention in 2024. In the policing environment, a casual pool of sworn officers is limited in order to fill vacancies and/or backfill for injuries. There is a comprehensive process for the hiring of police officers and it can be lengthy, particularly for new recruits. The candidate pool for recruits and experienced officers varies month to month and hiring delays may affect overtime costs. In anticipation of the transit system expansion (Millennium-Broadway and Surrey-Langley extensions), Transit Police must be proactive in developing and acquiring the necessary civilian professional and sworn officer resources to support its operations and to meet public expectations. Further, there will be increased budget pressures from the increased recruit training fees at the Police Academy, emergency communication costs from E-Comm 9-1-1 and mandatory training requirements arising from new BC Provincial Policing Standards.

Similar to other police agencies across Canada, Transit Police has seen a reduction in applications received from potential new recruits and experienced police officer hires. In an increasingly competitive hiring environment, a refreshed recruitment campaign is scheduled for 2024 to support a pool of applications that is sufficient to meet targeted hiring numbers.

2024 Budget vs 2023 Budget

POLICE OPERATIONS BY CATEGORY					
Twelve months ending December 31 (\$ thousands)	2022 ACTUAL	2023 BUDGET ¹	2024 BUDGET	Change	
				Incr/(Decr)	%
Administration	3,144	4,201	5,080	879	20.9%
Insurance	88	140	156	16	11.4%
Maintenance, Materials and Utilities	1,619	1,701	2,004	303	17.8%
Professional and Legal	231	432	437	5	1.2%
Rentals, Leases and Property Tax	2,852	2,829	3,705	876	31.0%
Salaries, Wages and Benefits	40,136	43,517	50,307	6,790	15.6%
Total Expenses by Category	48,070	52,820	61,689	8,869	16.8%

¹ Restated to reflect budget transfers.

Police operations expenditures are expected to increase by \$8.9 million (16.8 per cent) from Budget 2023. This is mainly due to higher salaries, wages and benefits which are a result of negotiated contractual and benefit increases and two additional working days. Of the \$6.8 million increase in salary costs, \$1.4 million are recoverable through secondments to other agencies, with recovery recorded in miscellaneous revenue. In addition, inflationary pressures from the increased cost of tuition fees for new police officer recruits, increased contractual costs of radio dispatch services, and increased costs of vehicle maintenance, fuel and police equipment contributed to the year-over-year budget increase.

Corporate Operations

Corporate Operations' key priority is to support the operating needs of the organization with a focus on achieving enterprise-wide priorities. While managing fiscal pressures by achieving efficiencies and cost reductions, TransLink is focusing on service quality, investing in business resiliency and advancing the region's vision for the future.

Corporate operations consist of the following areas: Transportation Planning and Policy, Engineering, Human Resources, Business Technology Services, Strategic Sourcing, Real Estate, General Counsel, Customer Communications and Public Affairs, Financial Services, Compass Operations, and Safety and Emergency Management.

Initiatives

In 2024, Corporate operations will undertake a range of strategic activities and initiatives in order to deliver on TransLink's three key Corporate priorities:

Priority One: Deliver Today

- Improve Customer Service Communications by enhancing the capacity to facilitate communications with customers regarding major maintenance work across the system.
- Initiate the Newcomers Program to launch and promote transit ridership among newcomers to the region.
- Build capacity to manage demand for more connections with communities, coordination and management of Transit Volunteer Program.
- Increase media and communications capacity to effectively engage with the public, newcomers, and customers, particularly in the South of Fraser region.
- Stabilize, operate, and expand Customer Digital products (Websites, Buzzer, etc.).
- Enhance marketing and ridership development for Frequent Travel Network corridors including marketing, wayfinding, and customer experience improvements.
- Implement a Sustainability Platform to enhance strategic investment decision-making, align with climate and service expansion objectives, and meet increased reporting requirements to governments, funders, green bond initiatives, and accountability reporting.
- Develop and implement the Sustainable Procurement Policy.
- Assess Enterprise safe operating plans and projects aimed at rebuilding ridership & confidence.
- Establish a governance framework to develop and enhance resilience properties, enhance visibility into the information asset inventory, and improve technology and solutions for information management, protection, retention, and destruction.
- Establish an enterprise integrated security program that coordinates and integrates security activities across the enterprise.
- Commence work on replacement of Human Resources Management System and upgrade other HR systems.

Priority Two: Deliver Tomorrow

- Develop a strategy and roadmap to modernize the Customer Contact Centre and customer communications experience.
- Develop and implement program supporting the advance of Bus Rapid Transit in region, including educating decision-makers and influencers, organizing tours, developing marketing material, managing media and interest groups.
- Develop Major Studies program and business cases for the next 10-Year priorities.
- Continue implementation of the enterprise Business Continuity Management program and continue to investigate SaaS solutions to streamline processes.
- Develop the next Customer Experience Action Plan 2025-27, involving research, plan development, internal engagement, and design.
- Enhance Customer Research Program to improve understanding of customer preferences for potential Customer Experience investments such as new vehicles, station amenities, new technology which will improve process for considering customer-related investments in capital planning process.
- Expand the Transit Friendly Employer and Developer Programs.
- Support definition of projects and programs in future Investment Plans and associated capital plans including: requirements definition, corporate asset management, feasibility studies, and standards and guideline development.
- Initiate the Broadway Subway Customer Readiness program.
- Support Corporate programs (such as First Nations Transportation Program) and strategies including Indigenous Procurement Strategy, Real Estate Development Program, Driving Down Emissions.
- Develop Enterprise Digital Technology (Transformation) Strategy to lead the development of a strategy and roadmap to support the Enterprise's overall strategic technology ambitions and direction in support of business goals and objectives over the next decade.
- Prepare for the next generation of Compass systems.
- Implement an automated system for tracking and managing incident information, promoting accurate reporting and supporting health, safety, and risk management.
- Implement software as a service (SaaS) solution for collecting vehicle health condition information for bus fleets to support maintenance oversight and repair scheduling.
- Develop Indigenous engagement on Reconciliation Action Plan.
- Collaborate with the Board of Directors and the Mayors' Council to identify options and implement changes towards improving Indigenous Representation in governance.
- Implement software to support the oversight and management of Zero Emission Bus (ZEB) fleet.

Priority Three: Deliver Together

- Execute the Multicultural Marketing Strategy with targeted community campaigns and support for languages, customer service, safety, and recruiting.
- Implement translation services of our website to improve customer engagement.
- Host the Union International des Transports Publics (UITP) North America conference in June 2024.
- Modernize and add capacity to TransLink's ability to communicate with its employees, modernize employee Intranet and improve coordination of employee communication with operating companies.

- Implement Enterprise Sustainability's actions and projects in Year 2 of the Climate Action Plan and Zero Emissions Transition Plan.
- Offer work experience opportunities for graduates in the Indigenous Interns program.
- Develop internal Indigenous Cultural Awareness Training to improve Enterprise knowledge and awareness of Indigenous Culture.
- Develop a TransLink Indigenous Relations Engagement Policy and Engagement Process with Indigenous feedback.
- Develop annual Indigenous Relations Screening Assessments for projects, policy and initiatives with increased assistance to ensure archaeological and heritage screening is completed.
- Develop Indigenous bus driver training plan including training prerequisites for a Class 5 driver license and continue implementing Indigenous Employee Resources Group with training and plan for Indigenous advancement to management positions.
- Implement the Cultural Recognition Policy and Program to promote Indigenous engagement, celebrations and events. This includes designing storyboards for public awareness of Indigenous Nations and adding Burrard Station cultural recognition art with 3 Indigenous Nations and unveiling for Mark V SkyTrain.
- Continue expanding EDI Program, including focus on women in leadership across the Enterprise and continue Speaker series and Employee Resource Groups, bringing in experts to discuss various EDI topics.
- Implement various initiatives to improve and maintain mental health, promote psychological safety and improve employee satisfaction.
- Continue delivering Leadership training through UBC Leadership program.

Risks and Challenges

Corporate Operations have identified the following key risks and challenges:

- Delivering on our capital project commitments continues to be a key challenge with multiple competing critical projects along with rapidly escalating costs. Deferral of these projects would negatively impact our ability to deliver customer services, improve safety and reliability of the system, and maintain our assets in a state of good repair.
- With the recent significant growth in regional population, TransLink may face operational challenges keeping pace with the growing demand leading to increased overcrowding and worsening transit customer experience. In addition to meeting the service expansion goals, capacity constraints on our depot facilities needs to be assessed and planned for.
- Business Resilience remains a key challenge which compromises our ability to recover critical services safely and quickly during major operational incidents, disasters, or emergencies. Inadequate planning / coordination (internally and externally) and lack of vulnerability assessments could lead to extended service interruptions, lapses in communication and potential regulatory compliance issues. The extreme effects of climate change related events (heat, flooding among others) could also negatively impact the facilities, infrastructure, staff and customer health and safety.
- TransLink is legislatively required to support regional and provincial environmental objectives, including air quality and greenhouse gas emissions reductions. Lack of organized change management to adopt zero-emission technologies & facilities as well as the inability to rapidly advance the expansion initiatives to support the mode shift from personal vehicles to transit, could lead to these targets not being achieved.

- Risks associated with the insufficient prioritization of the technology initiatives may result in an inadequate support to our business processes. Cybersecurity risk / threat environment is continuously evolving and could lead to potential privacy impacts, decrease in business effectiveness and loss of public confidence.
- The overall increase in public concerns and media coverage about crime & safety within the region, poses the risk of our customers and employees not feeling safe on transit system. There is an increased need for public safety measures such as immediate response to acute system safety events, as well as awareness of available physical and psychological safety resources.
- The talent shortage of skilled workforce in the market challenges our ability to attract and retain qualified candidates. Such challenges, if not managed well, may delay Corporate Operations meeting internal and external customer expectations.

The risks and challenges are continuously monitored through management oversight and governance.

2024 Budget vs 2023 Budget

CORPORATE OPERATIONS BY CATEGORY					
Twelve months ending December 31					
(\$ thousands)	2022	2023	2024	Change	
	ACTUAL	BUDGET ¹	BUDGET	Incr/(Decr)	%
Administration	22,162	25,338	35,582	10,244	40.4%
Contracted Services	15,903	17,186	18,871	1,685	9.8%
Insurance	444	644	665	21	3.3%
Maintenance, Materials and Utilities	2,478	2,883	2,524	(359)	(12.5%)
Professional and Legal	10,730	18,221	18,667	446	2.4%
Rentals, Leases and Property Tax	15,328	15,704	11,993	(3,711)	(23.6%)
Salaries, Wages and Benefits	53,792	60,060	77,389	17,329	28.9%
Total Expenses by Category	120,837	140,036	165,691	25,655	18.3%

¹ 2023 budget figures were restated to reflect transfers.

Corporate operations are budgeted at \$165.7 million, an increase of \$25.7 million (18.3 per cent) compared to the 2023 Budget. In the 2024 Budget, TransLink addresses the operating needs of the organization within essential Enterprise priorities while managing unprecedented cost pressures. The 2024 operating budget increases are primarily due to committed contractual obligations and economic increases, including negotiated labour rate increases, and resources to support initiatives to support the upcoming expansion and meet growing needs of the Enterprise.

Salaries, wages and benefits have increased by \$17.3 million (28.9 per cent) due to increases in the labour rates along with additional positions required to meet both our ongoing service delivery, upcoming expansion and the growing needs of the Enterprise. The increase in administration expenses of \$10.2 million (40.4 per cent) is mainly due to inflationary pressures in information technology software and license costs, as well as new technology products and support required to meet growing needs of the Enterprise, prepare for future and continued investment in cyber security and resiliency of systems. TransLink is committed to identifying efficiencies and reducing non-essential spending to deliver planned initiatives amid continued financial constraints.

Roads and Bridges

ROADS & BRIDGES OPERATIONS BY CATEGORY					
Twelve months ending December 31 (\$ thousands)	2022 ACTUAL	2023 BUDGET ¹	2024 BUDGET	Change	
				Incr/(Decr)	%
Administration	27	30	53	23	76.7%
Capital infrastructure contributions	60,666	84,577	92,803	8,226	9.7%
Contracted Services	5,960	6,220	6,660	440	7.1%
Insurance	1,358	1,342	1,376	34	2.5%
Maintenance, Materials and Utilities	38,137	61,515	47,146	(14,369)	(23.4%)
Professional and Legal	1,847	1,057	1,085	28	2.6%
Rentals, Leases and Property Tax	104	405	417	12	3.0%
Salaries, Wages and Benefits	1,316	2,036	2,251	215	10.6%
Total Expenses by Category	109,415	157,182	151,791	(5,391)	(3.4%)

¹ 2023 budget figures were restated to reflect transfers.

The 2024 Roads and Bridges budget of \$151.8 million is \$5.4 million (3.4 per cent) lower than the 2023 budget. The favourable variance is primarily due to lower non-capital costs related to delivery of the R6 RapidBus project that is nearing completion partly offset by timing differences in capital infrastructure contributions, which are reimbursements for costs incurred by local governments in the delivery of bike, walk, road and transit priority projects partly funded by TransLink.

The Roads and Bridges 2024 Budget will support TransLink's mandate to oversee the Major Road Network, support the Regional Goods Movement Strategy and the Municipal Cost Share Programs portfolios. In addition, this budget provides resources to administer TransLink's Bike Program and oversees the operations and maintenance of TransLink-owned bridges. This budget is expected to provide the following outcomes:

- Provide the tools to monitor and manage the Major Road Network's performance.
- Support the development of a Regional Safety Strategy.
- Improve regional coordination between public and private sector partners on challenges across various travel modes.
- Improve regional road network operations including improvement of freight wayfinding and trip planning tools, loading zone operations and incident response.
- Continue to make progress towards implementing a regional permit system for oversize-overweight vehicles.
- Administer and maintain TransLink's Bike Parking Program.
- Develop Bike Program capital investment roadmap.
- Maintain and perform ongoing operations, inspections and rehabilitation on all TransLink-owned bridges.
- Develop seismic response plans for all TransLink-owned bridges.
- Manage the Golden Ears Bridge concession agreement and perform annual audits of Concessionaire performance.

Amortization

The 2024 Budget for amortization expense is \$4.9 million (1.8 per cent) higher in comparison to the 2023 Budget. Major contributors to the additional amortization expense in 2024 include the following projects

coming into service: Enterprise Finance and Supply Chain Management ERP and Enterprise Asset Management System (BCRTC), Onboard Technology Assets Program (OTAP) and Canada Line Capstan Station. This is partly offset by lower amortization on assets that will become fully depreciated in 2024, the majority of which are vehicle assets.

Interest

Interest expense of \$178.6 million is \$9.8 million (5.2 per cent) lower than the 2023 Budget primarily due to higher capitalized interest as a result of increased capital spending, and no short-term debt assumed in 2024. Lower interest expense is partly offset by higher interest rates associated with new debt and a portion of MFABC debt anticipated to be renewed at higher interest rates.

Corporate – One Time

Corporate One Time costs in the 2024 Budget are \$59.9 million, consisting of costs of capital projects that are not eligible for capitalization (\$17.3 million), Operational Readiness for Rail Expansion (\$13.4 million), RapidBus project (\$10.4 million), feasibility studies (\$6.6 million), contingency provision (\$5.0 million), major studies and Bus Rapid Transit project (\$3.2 million), Flexible Service Piloting Program (\$1.8 million), Bus Speed and Reliability project (\$1.5 million) and other miscellaneous items.

7. Investment in Capital Assets

Summary of Capital, by Program (\$ thousands)	Total Project Budget			2024 Capital Cash Flow		
	Gross Cost	Less: Funding	Translink Net Cost	Gross Cost	Less: Funding	Translink Net Cost
2024 New Capital Program						
Equipment	43,021	-	43,021	5,873	-	5,873
Facilities	49,431	-	49,431	2,093	-	2,093
Infrastructure	83,244	-	83,244	33,343	-	33,343
Technology	319,552	-	319,552	35,327	-	35,327
Vehicles	544,940	(438,690)	106,250	941	(4)	937
Contingency	99,000	-	99,000	44,000	-	44,000
2024 New Capital Program Total	1,139,188	(438,690)	700,498	121,577	(4)	121,573
Active/Approved in Principle (AIP) Capital						
Equipment	225,934	(22,848)	203,086	28,094	(614)	27,480
Facilities	806,458	(473,303)	333,155	273,011	(172,066)	100,945
Infrastructure	445,990	(92,761)	353,229	140,455	(16,661)	123,794
Major Construction	3,286,404	(968,023)	2,318,381	612,260	(204,063)	408,197
Technology	147,632	-	147,632	48,959	-	48,959
Vehicles	913,172	(850,251)	62,921	208,068	(174,584)	33,484
Active/Approved in Principle (AIP) Capital Total	5,825,590	(2,407,186)	3,418,404	1,310,847	(567,988)	742,859
Total Capital						
Equipment	268,955	(22,848)	246,107	33,967	(614)	33,353
Facilities	855,889	(473,303)	382,586	275,104	(172,066)	103,038
Infrastructure	529,234	(92,761)	436,473	173,798	(16,661)	157,137
Major Construction	3,286,404	(968,023)	2,318,381	612,260	(204,063)	408,197
Technology	467,184	-	467,184	84,286	-	84,286
Vehicles	1,458,112	(1,288,941)	169,171	209,009	(174,588)	34,421
Contingency	99,000	-	99,000	44,000	-	44,000
	6,964,778	(2,845,876)	4,118,902	1,432,424	(567,992)	864,432
Capital Infrastructure Contributions						
2024 New Program	112,948	-	112,948	26,547	-	26,547
Active and Approved in Principle	380,816	-	380,816	59,962	-	59,962
Capital Infrastructure Contributions Total	493,764	-	493,764	86,509	-	86,509
All Projects	7,458,542	(2,845,876)	4,612,666	1,518,933	(567,992)	950,941

Overview

TransLink's capital program is aligned with our current priorities of providing safe and reliable service and an outstanding customer experience, advancing the implementation of the Investment Plan and 10-Year Priorities, and building a culture of safety, trust, worth, and collaboration with our people and the communities we serve, while continuing to work on implementing key prioritized programs. The current capital program continues to address the emerging state of good repair investments needed to ensure existing assets serve customers and stakeholders safely, effectively and efficiently while advancing key expansion projects. Capital projects have been planned and prioritized through an integrated review process across the Enterprise that measures the impact on strategy, customer experience, stakeholder value, business effectiveness and other factors.

The table above highlights capital projects grouped into asset categories and includes capital infrastructure contributions as per TransLink’s mandate of addressing regional Major Road Network (MRN) needs. The budget for the 2024 new capital program is \$1.1 billion and \$112.9 million for Capital Infrastructure Contributions.

Total forecast capital projects cash flow in 2024 is \$1.5 billion, of which \$121.6 million relates to 2024 new capital program, \$1.3 billion to capital programs of previous years and \$86.5 million to Capital Infrastructure Contributions. The net cash flow in 2024 after Senior Government funding is \$950.9 million.

2024 New Capital Program

The 2024 new capital program is intended to keep the overall system in a state of good repair, advance a reliable transportation network and continue to deliver milestones for key expansion projects.

Fleet replacement and Low Carbon Fleet Strategy related projects are anticipated to be funded by the Canada Community Building Fund at approximately 90 per cent. This includes the 2026 Conventional Bus Replacement (262 Battery-Electric Buses), 2025 Conventional Bus Replacement (7 Battery-Electric Buses), and 1 pilot trolley bus for 2028–2029 Conventional Bus Replacement. The net capital for the 2024 new capital program is planned at \$700.5 million.

Table 1: 2024 New Capital Program (\$ thousands)

2024 New Capital Program, Project Details		Total Project Budget			2024 Capital Cash Flow		
Classification and Project Name	Project Description	Gross Cost	Less: Funding ¹	TransLink Net Cost	Gross Cost	Less: Funding ¹	Translink Net Cost
Equipment							
2024 CMBC Hoist Asset Renewal Program	Replace 9 hoists located at Burnaby Transit Centre North, Burnaby Transit Centre South, Surrey Transit Centre, and Hamilton Transit Centre.	1,105	-	1,105	-	-	-
Capital Spares Program	Procurement of significant capital spare parts at BCRTC.	2,500	-	2,500	2,500	-	2,500
Metro Vancouver Transit Police (MVTP) Police Equipment Replacement	Replace end of life and purchase new police equipment, to ensure the safety of the public and first responders.	800	-	800	800	-	800
SkyTrain Customer and Operations Telecommunications (SCOT) System Upgrade - Phase 5	The SCOT system controls voice/data communication between Control Operators and customers. SCOT Phase 5 provides essential improvements to security, operational efficiency, and the customer experience, in addition to headend system upgrades at the new maintenance building.	5,800	-	5,800	2,477	-	2,477
Supervisory Control & Data Acquisition (SCADA) Remote Terminal Units (RTU) Replacement	Replace 30 SCADA RTUs and associated hardware across Operations and Maintenance Centre 1, Millennium, Expo, and Evergreen Power Propulsion Substations.	16,446	-	16,446	-	-	-
Tunnel Ventilation Systems (TVS) Dunsmuir Fans and Dampers Upgrades - Design	A staged project to assess and replace end-of-life TVS field-side infrastructure equipment (fans, dampers, conduits, etc.) in the Columbia, New Westminster, and Dunsmuir tunnels.	16,370	-	16,370	96	-	96
Equipment Total		43,021	-	43,021	5,873	-	5,873

2024 New Capital Program, Project Details		Total Project Budget			2024 Capital Cash Flow		
Classification and Project Name	Project Description	Gross Cost	Less: Funding ¹	TransLink Net Cost	Gross Cost	Less: Funding ¹	Translink Net Cost
Facilities							
Burnaby Transit Centre - Design	To modernize Burnaby Transit Centre including updating the facility to current seismic standards, accommodating future service expansion, and supporting fleet electrification requirements.	39,000	-	39,000	1,792	-	1,792
Central Park Plaza Tenant Improvements (Phase 2)	Outfit floors 9, 11, and part of floor 13 at Central Park Plaza to satisfy BCRTC's expanded office requirements.	8,707	-	8,707	152	-	152
CMBC Transit Centres and SeaBus Fuel Tanks Relocation/Replacement	Replace two 45,500L single wall biodiesel storage tanks and one 2,270L single wall waste oil storage tank with a new double-wall tank at the SeaBus Maintenance and Administration Facility.	1,724	-	1,724	149	-	149
Facilities Total		49,431	-	49,431	2,093	-	2,093
Infrastructure							
2024 BCRTC Roofing Replacement Program	Design and/or replace the roofs at Gilmore Station, Sapperton Substation, Brentwood Town Centre Station, Operations and Maintenance Centres 1&2.	23,870	-	23,870	23,870	-	23,870
2024 CMBC Pavement Rehabilitation Program	Rehabilitate pavement at up to 5 locations, including Coquitlam Central Loop, Dunbar Loop, Newton Exchange, Port Coquitlam Transit Centre and Port Coquitlam Station Bus Loop.	2,117	-	2,117	103	-	103
2024 CMBC Roof and Envelope Replacement Program	Design and replace the roofs at Dunbar Loop Crew Facility, Burnaby Transit Centre South, and Ladner Exchange.	3,148	-	3,148	3,148	-	3,148
2024 Millennium Line Elevator Replacement Program	Replace 3 Expo Line elevators at Operations and Maintenance Centre 2 and Sapperton.	5,904	-	5,904	-	-	-
2024 Millennium Line Escalator Replacement Program	Procure and install 10 American Public Transportation Association/Transit grade escalators on the Millennium Line and 3 escalators at Commercial Broadway Station.	26,735	-	26,735	52	-	52
Catwalk Program - Year 2 of 3	Installation of up to 5 catwalks and design of up to 6 catwalks for subsequent years.	7,064	-	7,064	2,716	-	2,716
Distributed Maintenance Sites – Phase B	Develop a major site to improve tool time, standardize workspaces, reduce OMC congestion, and reduce incident response time for Downtown Vancouver and the new BSP extension.	8,600	-	8,600	494	-	494
First Nation Transportation (FNT) Bus Infrastructure Costs	Install critical bus-supportive infrastructure for 24 bus stops that will enable TransLink to introduce a bus route to a First Nation reserve and treaty land.	1,500	-	1,500	600	-	600
Non-Revenue Vehicle (SSV) Charging Stations	Study, design, and partial installation of charging infrastructure to align with TransLink's SSV fleet plan.	2,217	-	2,217	271	-	271
Vancouver Transit Centre (VTC) Skybridge State of Good Repair (SOGR)	Design and repair excessive corrosion on the metal bracing of the VTC pedestrian skybridge and eliminate future corrosion caused by de-icing agents.	2,089	-	2,089	2,089	-	2,089
Infrastructure Total		83,244	-	83,244	33,343	-	33,343

2024 New Capital Program, Project Details		Total Project Budget			2024 Capital Cash Flow		
Classification and Project Name	Project Description	Gross Cost	Less: Funding ¹	TransLink Net Cost	Gross Cost	Less: Funding ¹	Translink Net Cost
Technology							
2024 IT Infrastructure Refresh	Replace IT technology infrastructure equipment (network, end-user computing, data centre hardware, etc.) in line with defined enterprise equipment lifecycles to ensure a state of good repair.	14,000	-	14,000	4,793	-	4,793
2024 TransLink Software Asset Renewal Program (TSARP)	Update technology assets to ensure business continuity and continued vendor support.	2,500	-	2,500	1,116	-	1,116
BCRTC Software Application Renewal Program	Replace key business systems and migrate enterprise software applications at BCRTC for data resiliency and usability.	462	-	462	312	-	312
Budgeting and Forecasting System Replacement	Replacement of TransLink's budgeting and forecasting system.	6,500	-	6,500	941	-	941
Bus Daily Operations Management System (DOMS) Product Replacement Program - Paperless Bidding	Replace the current bid/dispatch system that has been out of state of good repair since 2020.	6,934	-	6,934	5,916	-	5,916
Business Continuity Management (BCM) Software	Implement BCM tool to enable an automated, process-oriented approach for completing business continuity plans.	343	-	343	343	-	343
Business Technology Agile initiatives	Business technology projects delivered with the Agile method.	500	-	500	500	-	500
Compass Modernization	Upgrade the current fare revenue collection system to the next generation to maintain a state of good repair and support corporate priorities.	220,671	-	220,671	3,005	-	3,005
Electronic Bad Order (BO) Cards	Replace the manual and paper-based pre-trip inspection process with BO Cards.	350	-	350	350	-	350
Enterprise Asset Management – CMBC	Upgrade / implement enterprise asset management solution at CMBC.	36,000	-	36,000	16,167	-	16,167
ERP Legacy System Data Preservation	Decommission legacy systems replaced by the new ERP, preserve data in accordance with records management retention policies, and develop data integrations.	1,500	-	1,500	110	-	110
Fire Life & Safety System (FLSS) Network Card Upgrade	Upgrade the FLSS network cards due to obsolescence and end of vendor support to maintain state of good repair.	11,484	-	11,484	395	-	395
HR Management System (HRMS) Replacement	Implement a modern HRMS that delivers enhanced HR capabilities and can be supported and maintained in an optimal manner.	14,237	-	14,237	132	-	132
Real-time Transit Information System (RTIS) Upgrade - Phase 1	Fix urgent and high value upgrades of RTIS capabilities to meet state of good repair and quality standards.	3,100	-	3,100	276	-	276
Regional Transportation Monitoring Pilot	Gather, monitor and integrate multi-modal transportation data across Metro Vancouver in support of the reduction and elimination of greenhouse gases (GHGs) in the transportation sector.	400	-	400	400	-	400

2024 New Capital Program, Project Details		Total Project Budget			2024 Capital Cash Flow		
Classification and Project Name	Project Description	Gross Cost	Less: Funding ¹	TransLink Net Cost	Gross Cost	Less: Funding ¹	Translink Net Cost
Sustainability Platform Implementation	Implement an emissions and energy management information system (EEMIS) solution that will improve TransLink's energy and emissions management capability.	571	-	571	571	-	571
Technology Total		319,552	-	319,552	35,327	-	35,327
Vehicles							
2024 BCRTC Service Support Vehicles (SSVs) Replacement	Replace 10 BCRTC service support vehicles which have reached the end of their service life.	836	-	836	21	-	21
2024 CMBC Service SSVs Replacement	Replace 25 CMBC service support vehicles which have reached the end of their service life.	2,400	-	2,400	-	-	-
2025 Community Shuttle Expansion to Reserves	Purchase 13 Community Shuttle buses to support the service expansion for First Nations communities and the Fraser Mills development.	4,766	-	4,766	-	-	-
2025 Conventional Bus Replacement (30 natural gas buses)	Replace thirty 40' buses which will reach the end of their service life in 2025 with natural gas buses.	28,915	-	28,915	-	-	-
2025 Conventional Bus Replacement (6 double-decker buses)	Replace 9 Orion V Highway coaches which will reach the end of their service life in 2025 with 6 double-decker buses.	10,020	-	10,020	915	-	915
2025 Conventional Bus Replacement (7 battery-electric buses)	Replace six 40' buses which will reach the end of their service life in 2025 with 7 battery-electric buses.	13,068	(11,475)	1,593	-	-	-
2025 HandyDART Vehicle Replacement	Replace 46 HandyDART buses that will reach the end of their service life in 2025.	10,150	-	10,150	-	-	-
2026 Conventional Bus Replacement (262 battery-electric buses (BEBs))	Purchase 45 60' depot charged BEBs, 64 40' in-route charged BEBs, and 153 40' depot charged BEBs to replace 236 diesel buses which will reach the end of their service life in 2026.	470,352	(423,317)	47,035	-	-	-
2028-2029 Conventional Bus Replacement (1 pilot trolley bus)	Purchase one pilot trolley bus for the upcoming 60' electric trolley bus replacement. The pilot will be used for testing and evaluation in advance of the production of the remaining 73 trolley buses due for retirement in 2028 - 2029.	4,433	(3,898)	535	5	(4)	1
Vehicles Total		544,940	(438,690)	106,250	941	(4)	937
Contingency							
Capital Program Contingency	General capital program contingency.	10,000	-	10,000	5,000	-	5,000
Capital Program Inflation Contingency	Capital program contingency for cost escalations in the capital project portfolio associated with inflation pressures.	89,000	-	89,000	39,000	-	39,000
Contingency Total		99,000	-	99,000	44,000	-	44,000
Grand Total		1,139,188	(438,690)	700,498	121,577	(4)	121,573

¹The funding is sourced from the Canada Community Building Fund (CCBF).

Active and Approval in Principle (AIP) Projects Underway

Capital projects already approved and underway have a total budget of \$5.8 billion. Anticipated Senior Government contributions total \$2.4 billion, leaving the net cost forecast at \$3.4 billion. The spending forecast in 2024 is \$1.3 billion with Senior Government funding of \$568.0 million, and net spending of \$742.9 million.

Most of the spending is for Major Construction Programs (\$612.3 million), Facilities programs (\$273.0 million) and Fleet Replacement and Expansion programs (\$208.1 million).

The Active and Approved in Principle capital program budget includes \$368.7 million cost escalations in the Rail Expansion Program, and \$122.7 million for the Marpole Transit Centre.

Table 2: Active and Approved in Principle (AIP) Projects Underway (\$ thousands)

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2024 Capital Cash Flow		
Classification and Program Name	Project Description	Gross Cost	Less: Funding ¹	TransLink Net Cost	Gross Cost	Less: Funding ¹	TransLink Net Cost
Equipment							
Automatic Train Control (ATC) Existing Equipment Replacement Program	Replace ATC equipment to improve system reliability and maintain a state of good repair.	67,405	-	67,405	4,606	-	4,606
CMBC Facilities Camera Replacement	Replace end-of-life security camera and surveillance systems at CMBC facilities, SeaBus facilities and vessels.	1,600	-	1,600	1,099	-	1,099
CMBC Hoist Asset Renewal Program	Replace hoist equipment at CMBC Transit Centres that has reached the end of service life.	4,606	-	4,606	1,390	-	1,390
Expo Line Traction Power Equipment Replacement	Design and install alternating current and direct current for 19 substations on the Expo Line substation traction power equipment.	39,226	(8,488)	30,738	10,646	(613)	10,033
Guideway Clearing Equipment Implementation	Design and implement specialized guideway clearing equipment to safely clear snow, ice and general debris buildup on SkyTrain track.	1,474	-	1,474	295	-	295
Installation of Fire Safety system on Millennium Line	Installation of Fire Safety system on Millennium Line.	9,250	-	9,250	339	-	339
Millennium Line Linear Heat Detector Upgrade Project	Upgrade 19 Guideway flame detectors near 6 Millennium Line stations that are at end of life.	1,000	-	1,000	730	-	730
Onboard Technology Assets Program (OTAP)	Replace end-of-life technology equipment (cameras, radio systems and vehicle logic units) onboard the fleet of vehicles with new technologies to maintain state of good repair.	59,437	(13,875)	45,562	674	(1)	673
Rail Switch Machine Test Bench	Purchase of specialized test benches, testing equipment and shop equipment.	948	-	948	55	-	55
Rail-borne Equipment Replacement	Replace BCRTC rail-borne equipment vehicles nearing end-of-life used heavily for inspections, maintenance and capital project support.	11,973	-	11,973	3,252	-	3,252
Replacement of Hegenscheidt Underfloor Lathe	Replace the Hegenscheidt Wheel Lathe that has reached the end of its service life.	7,474	-	7,474	2,135	-	2,135

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2024 Capital Cash Flow		
Classification and Program Name	Project Description	Gross Cost	Less: Funding ¹	TransLink Net Cost	Gross Cost	Less: Funding ¹	TransLink Net Cost
SkyTrain Physical Security System	Upgrade and expand the existing Keyscan access control system, replace the key management system and replace and expand the key safes.	8,219	(485)	7,734	1,205	-	1,205
SkyTrain Training Simulator	Design and implement an updated SkyTrain simulator for staff training.	2,779	-	2,779	254	-	254
Uninterruptible Power Supply (UPS) Replacement and Design Standardization	Replace end-of-life UPS systems that are required to power and protect life safety, communication, and other systems until a generator is mobilized in the event of a utility outage.	10,543	-	10,543	1,414	-	1,414
Equipment Total		225,934	(22,848)	203,086	28,094	(614)	27,480
Facilities							
BCRTC Operations and Maintenance Centre (OMC) 1 and 2 - Space Optimization and Modernization	Renovation to optimize and modernize BCRTC's workplace and facilities.	9,024	-	9,024	2,619	-	2,619
Burnaby Transit Centre (BTC) Facility Improvement for Phase Two Expansion - Design & Implementation	Relocation of the BTC central complex functions and central stores off site and demolition of the building provides a significant opportunity to support the system-wide fleet requirements, as well as support the move towards battery electric buses aligned with zero emissions goals.	47,043	(17,647)	29,396	24,460	(9,220)	15,240
Burnaby Transit Centre (BTC) Master Plan - Pre-Design	Modernize the facility including meeting current seismic standards, facilitate expansion of the bus fleet to accommodate increased ridership, and provide infrastructure for fleet electrification to align with the organization's low carbon emission objectives.	3,165	-	3,165	2,606	-	2,606
Canada Line Capstan Station Project	Design, construction, testing and commissioning of the new Richmond Capstan Station on Canada Line.	59,132	(32,173)	26,959	3,456	-	3,456
CMBC - Burnaby Transit Centre South (BTCS) Emergency Generator Replacement	Detailed design & implementation of the BTCS emergency generator replacement.	867	-	867	699	-	699
CMBC Gateway office relocation	Relocating CMBC Gateway staff to Sapperton office.	2,732	-	2,732	1,888	-	1,888
CMBC Transit Centres and SeaBus Fuel Tanks Relocation/Replacement	Replace three 45,000L underground diesel fuel tanks at Burnaby Transit Centre South and one 18,181L anti-freeze tank with above ground storage tanks.	1,675	-	1,675	1,055	-	1,055
CMBC Trolley Overhead - Skeena	Renovate and fit out the Skeena facility.	11,437	-	11,437	6,472	-	6,472
Customer Amenities Pilot	Further research and preliminary design to improve customer amenities and implement one new pilot project location.	2,653	-	2,653	1,991	-	1,991
Marpole Transit Centre (MTC) – Design and Implementation	Construction for the MTC. This facility will be designed for the operation and maintenance of 350 40' equivalent Battery Electric Buses. TransLink requires this infrastructure to operate, maintain, and store an electrified fleet replacing existing diesel buses. This facility will also free up space at existing depots to help	498,305	(375,500)	122,805	171,578	(143,026)	28,552

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2024 Capital Cash Flow		
Classification and Program Name	Project Description	Gross Cost	Less: Funding ¹	TransLink Net Cost	Gross Cost	Less: Funding ¹	TransLink Net Cost
	facilitate future electrification & service expansion.						
Operations and Maintenance Center (OMC) 1 Receiving Area and Storage Upgrades	Detailed design and implementation services for upgrading the receiving area and storage capacity at OMC 1 stores.	1,206	-	1,206	512	-	512
OMC 1 3rd Floor Server Room Upgrade	Upgrade and expansion to the Video Cassette Recorder room at OMC 1.	1,247	-	1,247	800	-	800
Port Coquitlam Transit Center Facility Improvements	Implementation of facility improvements at Port Coquitlam Transit Center to provide capacity expansion to operation, maintenance & service to meet the service capacity requirements.	77,046	(13,002)	64,044	22,047	(7,898)	14,149
Port Coquitlam Transit Centre Infrastructure to Support Battery Electric Buses (BEBs)	Provide the infrastructure to support BEBs to be based out of Port Coquitlam Transit Centre.	69,630	(34,981)	34,649	28,668	(11,922)	16,746
SeaBus Terminal Passenger Counting System Update	Replacement of the existing end-of-life turnstiles with a new automated Passenger Counting and Control System, which includes a new counting technology and closing gates to the SeaBus.	4,000	-	4,000	2,785	-	2,785
SeaBus Terminals Interior Refurbishment	Refurbishments to the passenger environment in North and South SeaBus Terminals.	17,296	-	17,296	1,375	-	1,375
Facilities Total		806,458	(473,303)	333,155	273,011	(172,066)	100,945
Infrastructure							
2023 CMBC Pavement Rehabilitation Asset Replacement Program	Rehabilitate pavement (asphalt) and some concrete panel replacements at Knight & Marine Bus Loop, Maple Ridge Town Centre Exchange, Marine Drive Exchange, Metrotown Station, Phibbs Exchange, and Scottsdale Exchange.	1,984	-	1,984	1,891	-	1,891
2023 CMBC Roof Replacement Program	Replace the skylight and the roof membranes at the identified roof sections of Burnaby Transit Centre South and the roof and building envelope components of the Anderson road and Blanca Bus loop washrooms.	3,197	-	3,197	3,095	-	3,095
BCRTC - Distributed Maintenance Sites - Remote Reports	Improvement to existing stations to support the improvement of all rail infrastructure. This project will improve tool time, standardized workspaces, reduce Operations and Maintenance Centre congestion and reduce incident response time.	2,000	-	2,000	872	-	872
BCRTC - System-wide Heating, Ventilation and Air Conditioning (HVAC) Replacement	Design and implementation of the BCRTC system-wide HVAC systems replacement.	5,546	-	5,546	375	-	375
BCRTC Rail Switch Machines and Turnout Replacement Program (2023-2025)	Replace 170 existing switch machines and 24 Turnouts/Track switches that are past their service life over the span of next three years (2023-2025).	25,358	-	25,358	9,862	-	9,862
Bike Parkades - State of Good Repair	The TransLink Owned Bike Infrastructure capital program delivers the state of good repair and upgrade of assets within TransLink's cycling portfolio (e.g., BC Parkway, bike parking, and bike counters)	555	-	555	555	-	555

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2024 Capital Cash Flow		
Classification and Program Name	Project Description	Gross Cost	Less: Funding ¹	TransLink Net Cost	Gross Cost	Less: Funding ¹	TransLink Net Cost
	to advance regional active transportation goals and objectives.						
Brentwood SkyTrain Station Upgrades – Phase One and Two	Upgrade to improve the weather protection, amenities and elevator at Brentwood SkyTrain station’s rail and bus facilities.	32,704	(9,406)	23,298	12,685	(2,631)	10,054
BTC Retaining Walls - Seismic Stabilization	The project is to replace the existing retaining walls at BTC North and South with a mechanically stabilized earth block wall.	4,700	-	4,700	3,464	-	3,464
Burrard Expo Line Station Upgrade - Escalator Replacement	Replace 5 existing escalators at Burrard SkyTrain Station.	22,862	(14,386)	8,476	2,872	(1,217)	1,655
Catwalk Program - Year 1 of 3	Design and installation of catwalks to meet the requirement of safe and reliable rooftop equipment maintenance for the CMBC bus fleet.	6,898	-	6,898	6,470	-	6,470
Coquitlam Central Multimodal Reconfiguration	Implement needed bus layover expansion, including supporting Battery Electric Bus (BEB) infrastructure, address WCE area pedestrian safety concerns and mitigate park & ride capacity reductions.	2,300	-	2,300	392	-	392
Elevating Devices Asset Renewal Program - Millennium Line Escalators 2022	Supply and installation to replace 4 current end-of-life commercial grade escalators with new transit grade escalators at Millennium Line stations (Gilmore and Production Way).	10,102	-	10,102	1,120	-	1,120
Elevating Devices Asset Renewal Program – Millennium Line Escalators	To secure the supply and installation of 10 APTA/Transit grade escalators on the Millennium Line and 3 escalators at Commercial Broadway Station.	10,506	(5,470)	5,036	7,008	(2,357)	4,651
Expo Line Elevator Replacement	Upgrade or replace Expo Line elevators, including WCE and Operations and Maintenance Centre yard, as prioritized in the Escalators and Elevators Condition Assessment Services.	32,126	(15,035)	17,091	10,766	(1,750)	9,016
Expo Line Linear Induction Motors (LIM) Rail Replacement	Replace LIM rail assembly on Expo Line. This design phase also includes current condition assessment, detail design, and up to 3,000 linear metres of LIM rail implementation.	6,212	-	6,212	2,244	-	2,244
Expo Line Surrey Power Rail Replacement	Replacement of 8.6 km of power rail on the Expo Line from the east of Scott Road station to King George which has reached the end of service life.	19,718	-	19,718	16,648	-	16,648
Expo Line Tunnels Ventilation System Rehabilitation	Condition assessment and design of tunnel ventilation systems requiring repair and upgrade on the Expo Line.	8,480	(451)	8,029	3,032	-	3,032
Gilmore Station Upgrade and Expansion Project	Provide additional vertical circulation, improve customer amenities, increase retail space and bring station, as a whole, up to current standards.	9,887	-	9,887	5,494	-	5,494
HandyDART Norland Facility	Implement improvements at the newly leased Norland Avenue property to accommodate HandyDART operations.	5,985	-	5,985	1,918	-	1,918
Investments in Transit Priority on Priority Rapid Bus Corridors – Phase One and Two	Implement transit priority measures, upgrades to bus stops, terminals and depot improvements to accommodate service for various new and existing Rapid Bus Lines.	35,665	-	35,665	4,820	-	4,820

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2024 Capital Cash Flow		
Classification and Program Name	Project Description	Gross Cost	Less: Funding ¹	TransLink Net Cost	Gross Cost	Less: Funding ¹	TransLink Net Cost
Metro Vancouver Transit Police (MVTP) Bridgeport Deployment Office Upgrade	Expand locker room/washroom space and add a secure car park at the original Bridgeport Deployment Office to accommodate the growing police force.	1,200	-	1,200	1,088	-	1,088
Noise Mitigation Solution	Installation of customized rail dampers on sections of the Expo and Millennium Lines, to mitigate high noise levels experienced on the railway lines.	4,981	-	4,981	1,592	-	1,592
Operations and Maintenance Centre (OMC) 1 Yard Track Reconditioning Remaining Switches and Power Rail Design	Prepare design package and replacement strategy for power rail and 39 switches at the OMC 1 Yard.	2,600	-	2,600	1,271	-	1,271
Pattullo Bridge Rehabilitation	Address ongoing rehabilitation needs and perform seismic and deck replacement of the Pattullo Bridge until the end of its service life.	27,492	-	27,492	2,704	-	2,704
Phibbs Exchange Upgrade	Upgrade Phibbs bus exchange for safety and customer and vehicle capacity.	6,500	(3,509)	2,991	2,721	(288)	2,433
PowerSmart Upgrades - Burnaby Transit Centre South (BTCS) Design	Detailed design of Energy Conservation Measures identified in the Energy Audit at BTCS to reduce operating costs and improve the environmental sustainability of CMBC.	1,529	-	1,529	553	-	553
Radio Room and Antenna Replacement	Building a new radio site in parallel to the existing site to provide coverage equivalent to existing services at Bentall.	3,250	-	3,250	1,789	-	1,789
Running Rail Replacement 2023	Replace running rail that has reached the end of service life.	45,960	(17,498)	28,462	6,050	(2,887)	3,163
SkyTrain Station Power Capacity - Phase Two	To maintain a state of good repair and meet the growing demand for electricity at the Stadium and Renfrew SkyTrain stations. The project includes the design, procurement and installation of a new transformer, high voltage cabling, UPS and associated equipment.	7,140	-	7,140	230	-	230
Steveston Bus Exchange Improvements	Improve bus operations at Steveston Exchange, through more efficient bus circulation, relocated passenger facilities, and reduced impacts to residents and businesses.	2,331	-	2,331	1,640	-	1,640
TransLink Owned Bicycle Infrastructure	Rehabilitate and upgrade regional cycling routes, bike parking at transit facilities and install bike counters across the region.	14,426	-	14,426	6,441	-	6,441
Trolley Overhead (TOH) On-Street Infrastructure State of Good Repair Program 2022-2023	Replacement of TOH assets that are past their useful life.	24,827	(11,246)	13,581	4,742	(2,342)	2,400
Trolley Overhead (TOH) Rectifier Station State of Good Repair Program	Detailed design and implementation services for the replacement of TOH rectifier stations.	43,098	(15,760)	27,338	7,068	(3,189)	3,879
WCE Facilities LED Lighting Retrofit	Replace the WCE lights with LED lighting at 7 station platforms, 5 parking lots, and the Mission train layover yard.	2,058	-	2,058	1,847	-	1,847
WCE Substations Equipment Replacement	Design and implementation of equipment refurbishments and limited upgrades at	4,670	-	4,670	1,530	-	1,530

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2024 Capital Cash Flow		
Classification and Program Name	Project Description	Gross Cost	Less: Funding ¹	TransLink Net Cost	Gross Cost	Less: Funding ¹	TransLink Net Cost
	WCE Waterfront and Mission Substation and Wayside Stations.						
Westham Island Bridge Rehabilitation	Rehabilitation of the Westham Island Bridge including scour protection.	2,122	-	2,122	1,822	-	1,822
Yard Track Reconditioning	Reconditioning the existing yard tracks and track switches.	5,021	-	5,021	1,784	-	1,784
Infrastructure Total		445,990	(92,761)	353,229	140,455	(16,661)	123,794
Major Construction							
Broadway Subway Project	TransLink and BCRTC support for the construction and operation of the Millennium Line Broadway Extension including fiber optic cable extensions.	145,510	(74,746)	70,764	25,027	(17,027)	8,000
Broadway Subway Project Transit Plan	To build bypass TOH infrastructure for impacted bus routes during construction.	9,590	(9,590)	-	1,645	(1,645)	-
Edmonds Operations and Maintenance Centre (OMC) Capacity Upgrade	Improvements to the SkyTrain OMC at Edmonds.	104,438	(42,452)	61,986	31,132	(11,058)	20,074
Expo Millennium Line Upgrades Program (EMUP) - Fleet Acquisition	Procure 205 new cars for the Expo and Millennium Lines. The new SkyTrain cars are required to allow for the retirement of 150 Mark I Vehicles and to support capacity expansion to meet projected passenger demand.	959,252	(241,793)	717,459	151,713	(50,697)	101,016
EMUP - Optical Transportation Network	Improvements to the fibre optic network for SkyTrain communications.	3,700	-	3,700	1,890	-	1,890
EMUP - Propulsion Power Upgrades Expo and Millennium Lines	Improvements to rectifier substations at several SkyTrain stations and Operations and Maintenance Centre.	146,129	(28,693)	117,436	30,812	(10,566)	20,246
Expo Millennium Line Upgrades Program (EMUP) - Rail Expansion Program Management	The Rail Expansion Program Management (REPM) was initiated to provide program management support to EMUP. It will also provide systems integration and technical integration services.	305,451	(29,178)	276,273	58,295	(10,766)	47,529
Operations and Maintenance Center (OMC) 5 Project Development	A new OMC 5 will be designed to support operations of the Surrey Langley SkyTrain extension and provide long-term train storage and maintenance capacity for the Expo and Millennium Line network.	42,233	-	42,233	6,487	-	6,487
Operations and Maintenance Centre (OMC) 4 – Storage and Maintenance Facility	Design and implementation of new OMC 4 to accommodate the expanded fleet and the additional rail-borne maintenance equipment for the expanded SkyTrain networks (BSP and SLS).	763,901	(174,120)	589,781	154,505	(49,525)	104,980
SkyTrain Advanced Radio System Phase One - Three	Replace existing SkyTrain vehicle radio system to maintain a state of good repair as the current vehicle radio system is end-of-life and operating with degraded functionality.	47,352	(8,045)	39,307	12,200	(4,388)	7,812
SkyTrain Customer and Operations Telecommunications Upgrade Phase One - Four	Modernize train communications and complete integration of all SkyTrain Customer and Operations Telecommunications sub-systems to address obsolescence issues and support train expansion.	25,232	(6,588)	18,644	4,054	(485)	3,569
SkyTrain Operation Control Centre	The design, construction and commissioning of a new/upgraded Operations Control Centre.	326,766	(74,104)	252,662	109,051	(31,174)	77,877

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2024 Capital Cash Flow		
Classification and Program Name	Project Description	Gross Cost	Less: Funding ¹	TransLink Net Cost	Gross Cost	Less: Funding ¹	TransLink Net Cost
Station Access and Safety Project	Upgrades to infrastructure and systems to support the safe introduction of 5-car trains into service.	119,743	(25,270)	94,473	21,256	(7,432)	13,824
Surrey Langley SkyTrain (SLS) Project Development	Project development activities including planning, design, business case development and procurement readiness for SLS.	287,107	(253,444)	33,663	4,193	(9,300)	(5,107)
Major Construction Total		3,286,404	(968,023)	2,318,381	612,260	(204,063)	408,197
Technology							
BCRTC Software Application Renewal Program	Replace key business systems and migrate enterprise software applications at BCRTC for data resiliency and usability.	2,090	-	2,090	1,316	-	1,316
Bus Daily Operations Management System (DOMS) Product Migration	Migrate the DOMS to the vendor's next-generation software product, Trapeze OPS, to ensure that CMBC can maintain reliable conventional bus service delivery.	25,998	-	25,998	3,242	-	3,242
Cyber Security and IT Services Resiliency Program	In conjunction with the IT Infrastructure Refresh Programs, this program will see the implementation of new solutions and services that will consolidate and rationalize IT services, building in automation, migration to cloud solutions and improve our cyber posture.	40,000	-	40,000	14,122	-	14,122
Enterprise Asset Management - CMBC	Upgrade / implement enterprise asset management solution at CMBC.	21,000	-	21,000	11,641	-	11,641
Enterprise Emergency Communication System Implementation	Implement a system to notify and engage impacted stakeholder groups during an emergency event that might risk their safety, limit system use or otherwise cause disruption to services.	617	-	617	255	-	255
Enterprise Health and Safety System	Implementation of an enterprise health and safety system for consistent, automated and accurate reporting of incidents and improved management practices.	6,176	-	6,176	1,154	-	1,154
ERP/Boundary Systems Remediation	Replace workarounds and short-term solutions that were implemented in the ERP Program.	3,000	-	3,000	1,121	-	1,121
Finance Enterprise Resource Planning and Enterprise Asset Management	To implement an enterprise-wide, integrated solution to support the transformation of enterprise asset, financial and supply chain management processes.	15,960	-	15,960	632	-	632
Future of Work Technology Enablement	Acquire and deploy technology to facilitate a productive workforce as we transition to the Future of Work.	4,261	-	4,261	280	-	280
HandyDART Mobile Data Terminals (MDTs) Replacement	Replace aging infrastructure MDTs on HandyDART buses, which is critical to provide scheduling and routing information for the operators, thus ensuring operational continuity.	1,050	-	1,050	104	-	104
IT Infrastructure Refresh	Replace IT technology infrastructure equipment (e.g., network, end-user computing, and data centre hardware) in line with defined enterprise equipment lifecycles to ensure a state of good repair.	13,780	-	13,780	8,432	-	8,432
MyTime migration to Ultimate Software (UKG Dimensions)	To migrate the current version of UKG Kronos Workforce Central system to UKG Dimensions.	2,926	-	2,926	1,882	-	1,882

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2024 Capital Cash Flow		
Classification and Program Name	Project Description	Gross Cost	Less: Funding ¹	TransLink Net Cost	Gross Cost	Less: Funding ¹	TransLink Net Cost
Transit Information System Enhancements	To improve the quality, accuracy and reliability of TransLink's transit information.	579	-	579	165	-	165
Technical Drawings and Library Management System	Implement a solution to manage technical drawings and documents across TransLink Enterprise and to replace the BCRTC Library Management System.	3,100	-	3,100	1,829	-	1,829
TransLink Analytics Program (TAP) 2022	Following TAP 2021, TAP 2022 is focused on migrating the remaining on-premises Enterprise Data Warehouse to the Cloud.	4,500	-	4,500	2,296	-	2,296
TransLink Software Application Renewal Program	Renewal and replacement of software applications as per the Lifecycle Management and Renewal program.	2,595	-	2,595	488	-	488
Technology Total		147,632	-	147,632	48,959	-	48,959
Vehicles							
2020 Community Shuttle Expansion	Purchase 9 Community Shuttle vehicles to expand community service.	2,471	(2,000)	471	1,863	(1,437)	426
2020 Conventional Bus Expansion (68 buses)	Purchase 55 60' articulated hybrid buses and 6 40' battery-electric buses.	97,303	(103,450)	(6,147)	14,629	(14,426)	203
2020 Conventional Bus Replacement (25 buses)	Replacement of end-of-life Orion V model 2001 Highway buses with 25 ADI Double-decker buses.	31,342	(29,080)	2,262	-	-	-
2020 MK I Skytrain car Refurbishment	Refurbishment of 36 MK I 500-800 series cars in order to allow the continuity of safe, reliable and comfortable SkyTrain services.	8,845	(9,930)	(1,085)	2,000	(1,993)	7
2021 Community Shuttle Expansion	Purchase 9 Community Shuttle vehicles to support the services throughout Metro Vancouver.	1,100	(940)	160	1,084	(940)	144
2021 Community Shuttle Replacement (64 buses)	Replace 64 Community Shuttle buses which will reach the end of their service life in 2022.	16,900	(15,300)	1,600	16,495	(15,290)	1,205
2021 Conventional Bus Expansion (25 buses)	Purchase 9 40' battery-electric buses and 16 60' hybrid articulated buses.	47,192	(46,220)	972	37,063	(36,567)	496
2021 HandyDART Vehicle Expansion	Purchase 10 HandyDART vehicles.	3,000	(1,560)	1,440	2,867	(1,560)	1,307
2021 Next Generation SeaBus Design	Complete the design process, review design proposals and select the preferred proponent to complete the final design.	2,653	(2,510)	143	-	-	-
2022 Metro Vancouver Transit Police (MVTP) Non-Revenue Vehicle (NRV) Replacement	Replace 11 end of service life vehicles with updated fuel efficient Hybrid Ford Explorer Models.	1,090	-	1,090	145	-	145
2023 BCRTC Service Support Vehicles (SSVs) Expansion	Purchase and outfit 2 vehicles under BCRTC service support vehicles expansion program to meet staff and material transportation needs.	241	-	241	1	-	1
2023 BCRTC Service Support Vehicles (SSVs) Replacement	Replace 4 BCRTC SSVs which have reached the end of their useful life with modern equivalents.	485	-	485	4	-	4
2023 CMBC SSVs Expansion for Marpole Transit Centre	Purchase and outfit 11 new service support vehicles to support expanded operations at the new Marpole Transit Center.	1,115	-	1,115	82	-	82
2023 CMBC SSVs Replacement	Purchase and outfit 26 end of life diesel vehicles with modern (electric) equivalents.	2,518	-	2,518	2,518	-	2,518

Active and Approved in Principle (AIP) Capital Program Details		Total Project Budget			2024 Capital Cash Flow		
Classification and Program Name	Project Description	Gross Cost	Less: Funding ¹	TransLink Net Cost	Gross Cost	Less: Funding ¹	TransLink Net Cost
2023 Community Shuttle Replacement	Replace 27 Community Shuttle buses that will reach the end of their useful service life in 2023.	6,900	(6,660)	240	6,517	(6,393)	124
2023 Conventional Bus Replacement	Replace 57 40' buses which will reach the end of their service life in 2023 with battery-electric buses.	88,685	(86,090)	2,595	1,954	(1,820)	134
2023 HandyDART Vehicle Replacement	Replace 46 HandyDART vehicles that will reach the end of their service life in 2023.	8,477	(6,770)	1,707	4,884	(3,475)	1,409
2023 MVTP NRV Expansion	Expand the MVTP fleet by 4 support vehicles. This will provide vehicle resources to Support Services Sections (Recruiting, Training, Exhibits, Facilities).	195	-	195	130	-	130
2023 MVTP NRV Replacement	Replace 10 end of service life vehicles with updated fuel efficient models.	1,035	-	1,035	335	-	335
2024-2028 Conventional Bus Replacement	Replace 188 40' electric trolley buses which entered service in 2006-2007 with new in-motion charged (IMC) capable trolley buses.	414,600	(400,577)	14,023	524	(72)	452
2024 Community Shuttle Expansion to Reserves	Purchase 11 Community Shuttle buses to support the service expansion to First Nations reserves.	2,940	-	2,940	8	-	8
2024 Community Shuttle Replacement	Replace 54 Community Shuttle buses that will reach the end of their service life in 2024.	15,915	-	15,915	14,480	-	14,480
2024 Conventional Bus Replacement	Replace 50 40' natural gas buses which will reach the end of their service life in 2023.	46,143	(44,440)	1,703	45,669	(44,420)	1,249
2024 Conventional Bus Replacement	Replace 84 40' natural gas buses which will reach the end of their useful life in 2024.	78,002	(75,264)	2,738	45,656	(44,368)	1,288
2024 HandyDART Vehicle Replacement	Replace 46 HandyDART revenue vehicles that will reach the end of their service life in 2024.	9,430	-	9,430	7,221	-	7,221
2024 MVTP NRV Expansion	Expand the MVTP fleet by 15 vehicles to provide the needed resources to the Operations Section (5 for BSP; 10 for other expansion).	1,815	-	1,815	-	-	-
2024 MVTP NRV Replacement	Replace 5 end of service life vehicles with updated fuel efficient models.	575	-	575	-	-	-
CMBC Trolley Overhead (TOH) Truck replacement	Purchase one TOH wire maintenance aerial tower truck to replace the current end of life vehicle.	950	-	950	7	-	7
WCE Locomotive Refurbishment	Refurbish and upgrade 5 existing locomotives and one additional locomotive.	21,255	(19,460)	1,795	1,932	(1,823)	109
Vehicles Total		913,172	(850,251)	62,921	208,068	(174,584)	33,484
Grand Total		5,825,590	(2,407,186)	3,418,404	1,310,847	(567,988)	742,859

¹The funding sources include CCBF, PTIF, ICIP, ZETF and Metro Vancouver municipalities.

Capital Infrastructure Contributions

TransLink provides capital infrastructure contributions each year to the Metro Vancouver municipalities to fund rehabilitation and minor capital work on the Major Road Network and bike pathways. TransLink will maintain substantially the same level of contributions to the Major Road Network and Bike pathway programs as in prior years. Work related to the new 2024 program will begin in the fiscal year 2024. With the exception of the MRN Pavement Rehabilitation program, invoicing for all other programs will occur approximately one year after completion. TransLink is budgeting new capital contribution funding of \$112.9 million to municipalities for road and bike infrastructure. Projects already approved and underway have a budget of \$380.8 million, which with the 2024 capital infrastructure contributions, total \$493.8 million.

Table 3: Capital Infrastructure Contribution Projects Planned for 2024 (\$ thousands)

Classification and Project name	Project Description	Total Project Budget	2024 Capital Cash Flow
2024 New Program			
2024 Bicycle Infrastructure Capital Cost (BICCS) Program	2024 contribution to member municipalities for the expansion of the cycling network in the region.	17,500	-
2024 Bus Speed and Reliability (BSR) Program	2024 contribution to member municipalities to plan, design, and build transit priority infrastructure to improve bus speed and reliability.	8,732	-
2024 Major Road Network (MRN) Pavement Rehabilitation Program	2024 contribution to member municipalities for pavement rehabilitation.	26,816	26,547
2024 Major Road Network (MRN) Structures - Seismic Upgrade Program	2024 contribution to member municipalities for rehabilitation and seismic upgrade needs of structures.	17,200	-
2024 Major Road Network and Bike (MRNB) Capital Program	2024 contribution to member municipalities for upgrades to the road network and upgrades to the bike path network.	36,000	-
2024 Walking Infrastructure to Transit (WITT) Program	2024 contribution to member municipalities for the expansion of the walking infrastructure network in the region.	6,700	-
2024 New Program Total		112,948	26,547

Table 4: Capital Infrastructure Contribution Projects Currently Underway (\$ thousands)

Classification and Project name	Project Description	Total Project Budget	2024 Capital Cash Flow
Active and Approved in Principle			
2018 - 2023 Bicycle Infrastructure Capital Cost (BICCS) Program	2018 - 2023 contribution to member municipalities for the expansion of the cycling network in the region.	98,748	15,104
2018 - 2023 Major Road Network (MRN) Structures - Seismic Upgrade Program	2018 - 2023 contribution to member municipalities for rehabilitation and seismic upgrade needs of structures.	78,184	9,199
2018 - 2023 Major Road Network and Bike (MRNB) Capital Program	2018 - 2023 contribution to member municipalities for upgrades to the road network and upgrades to the bike path network.	130,148	24,686
2018 - 2023 Walking Infrastructure to Transit (WITT) Program	2018 - 2023 contribution to member municipalities for the expansion of the walking infrastructure network in the region.	33,451	4,852
2019 - 2023 Bus Speed and Reliability (BSR) Program	Provide funding to municipalities to improve bus speed and reliability infrastructure.	24,507	5,722
2021 MRN Pavement Rehabilitation Program	2021 contribution to member municipalities for pavement rehabilitation.	15,778	399
Active and Approved in Principle Total		380,816	59,962

8. Changes in Financial Position

Consolidated Statement of Financial Position			
As at December 31 (\$ thousands)	2023 BUDGET	2024 BUDGET	Change Incr/(Decr)
Cash and cash equivalents	421,013	217,200	(203,813)
Accounts receivable	185,287	496,963	311,676
Restricted cash and cash equivalents and investments	3,758,697	3,467,619	(291,078)
Investments	176,433	250,519	74,086
Debt reserve deposits	23,884	24,478	594
Financial Assets	4,565,314	4,456,779	(108,535)
Accounts payable and accrued liabilities	491,672	403,287	(88,385)
Debt	3,410,090	3,615,573	205,483
Deferred government transfers	3,878,027	3,893,469	15,442
Golden Ears Bridge contractor liability	983,404	964,547	(18,857)
Deferred concessionaire credit	386,082	362,745	(23,337)
Employee future benefits	149,330	141,259	(8,071)
Deferred revenue and deposits	76,514	99,751	23,237
Deferred lease inducements	11,668	11,781	113
Liabilities	9,386,787	9,492,412	105,625
Net Debt	(4,821,473)	(5,035,633)	(214,160)
Tangible capital assets	6,614,289	7,369,247	754,958
Supplies inventory	109,624	147,646	38,022
Prepaid expenses	36,019	36,575	556
Non-Financial Assets	6,759,932	7,553,468	793,536
Accumulated Surplus	1,938,459	2,517,835	579,376

Financial Assets

The restricted cash and investments primarily represent unspent government transfers and internally restricted amounts related to self-administered sinking funds, land reserve funds and funds segregated for Transportation Property and Casualty Co. Inc., TransLink's wholly-owned captive insurance company. The purpose of the land reserve funds is to allow proceeds from the disposition of real property to be invested back into real property. Restricted funds also include the \$2.0 billion of proceeds from the upfront settlement of monthly Golden Ears Bridge (GEB) foregone toll replacement revenue.

Liabilities

Deferred government transfers represent the receipt of capital funding offset by the amortization and revenue recognition for government funding. Included in the amount is \$2.0 billion which represents the deferred revenue balance related to the upfront settlement of monthly GEB foregone toll replacement revenue, net of revenue recognized to date.

The Golden Ears Bridge contractor's liability to finance the construction of the GEB is payable over the term ending June 2041.

Deferred concessionaire credits represent the funding provided by the Canada Line Concessionaire. This balance is amortized to income on a straight-line basis over the operating term of the concessionaire agreement, which will expire in July 2040.

The expected decrease in employee future benefits, which represent post-retirement and post-employment benefits, is due to the annual estimated current service cost and related interest. The post-retirement portion of this liability will draw down upon the retirement of the employees.

Non-Financial Assets

Planned capital spending during 2024 is expected to result in a net increase of \$755.0 million (11.4 per cent) in capital assets in comparison to the 2023 Budget. Projects forecasting significant spending in 2024 include the Marpole Transit Center and other rail infrastructure upgrade projects, conventional bus vehicles and equipment, OMC 4 storage & maintenance facility and PTC Infrastructure to support Battery Electric Buses.

9. Liquidity and Capital Resources

Cash Flows and Liquidity

Unrestricted cash and investments are expected to decrease by \$129.7 million compared to the 2023 Budget. The decrease is due to the lower-than-budgeted actual cash balances at the beginning of 2023, resulting in lower than forecast balance at the end of 2023, which carry through into 2024. The decrease reflects the expectation that in 2024 cash outflows will continue outpacing cash inflows. Senior Government relief funding of \$85.8 million is expected to be received in 2024. Capital program spending is expected to be matched by bond issuances, funding from internally restricted funds and from Senior Government capital programs. TransLink's unrestricted cash and investment balances will be maintained at healthy levels to the end of 2024.

The following table shows TransLink's unrestricted cash and investments.

UNRESTRICTED CASH AND INVESTMENTS			
As at December 31	2023	2024	Change
(\$ thousands)	BUDGET	BUDGET	Incr/(Decr)
Cash and cash equivalents	421,013	217,200	(203,813)
Investments	176,433	250,519	74,086
Total Unrestricted cash and investments	597,446	467,719	(129,727)

Restricted Funds

The unspent government transfers are used to fund qualifying capital expenditures.

RESTRICTED CASH AND INVESTMENTS			
As at December 31	2023	2024	Change
(\$ thousands)	BUDGET	BUDGET	Incr/(Decr)
Government transfers	2,781,973	2,432,236	(349,737)
TPCC's investments	28,712	28,605	(107)
Restricted proceeds of real estate sales	316,386	275,581	(40,805)
Self administered sinking funds	631,626	731,197	99,571
Total Restricted cash and investments	3,758,697	3,467,619	(291,078)

Net Debt

TransLink currently has four main sources of financing construction and acquisition of its capital assets: net direct debt, portion of internally restricted funds, indirect P3 debt and Senior Government contributions. The latter is presented on the balance sheet as deferred government transfers.

Net direct debt is expected to increase by \$105.3 million due to issuance of new debt, partially offset by contributions to self-administered sinking funds and MFA BC. The issuance of new debt in 2024 is to finance capital spending not funded by Senior Government contributions or from internally restricted reserves.

Net direct debt and indirect P3 debt of \$4.2 billion combined are expected to be \$63.1 million higher than the 2023 Budget. The increased debt is mainly due to issuing a long-term bond in 2024, partially offset by lower expected short-term debt, continuing contributions to sinking funds and P3 debt repayments. The overall levels of debt are reflective of the capital-intensive nature of the organization and rapid growth to meet the transportation needs of the region. The projected net debt to operating revenue ratio of 244.0 per cent in 2024 Budget is within the policy limit of 300 per cent.

FINANCING			
As at December 31 (\$ thousands)	2023 BUDGET	2024 BUDGET	Change Incr/(Decr)
Debt	3,410,090	3,615,573	205,483
Less: Self-administered sinking funds	(631,626)	(731,197)	(99,571)
Less: Debt reserve deposits	(23,884)	(24,478)	(594)
Net Direct Debt	2,754,580	2,859,898	105,318
Golden Ears Bridge contractor liability	983,404	964,547	(18,857)
Deferred concessionaire credit	386,082	362,745	(23,337)
Indirect P3 Debt	1,369,486	1,327,292	(42,194)
Subtotal Net Direct Debt and Indirect P3 Debt	4,124,066	4,187,190	63,124
Deferred Government Transfers	3,878,027	3,893,469	15,442
Accounts payable and accrued liabilities	491,672	403,287	(88,385)
Deferred revenue and deposits	76,514	99,751	23,237
Employee future benefits	149,330	141,259	(8,071)
Deferred lease inducements	11,668	11,781	113
Less: Accounts receivable	(185,287)	(496,963)	(311,676)
Other Financing	543,897	159,115	(384,782)
Total Financing	8,545,990	8,239,774	(306,216)
Less: Other restricted cash and investments	(3,127,071)	(2,736,422)	390,649
Less: Unrestricted cash and investments	(597,446)	(467,719)	129,727
PSAB Net Debt	4,821,473	5,035,633	214,160

Appendix I – Consolidated Financial Statements

The following statements are presented in accordance with Canadian Generally Accepted Accounting Principles for local governments, as recommended by the PSAB of the Chartered Professional Accountants of Canada.

Consolidated Statement of Financial Position

Consolidated Statement of Financial Position			
as at December 31	2022	2023	2024
(\$ thousands)	ACTUAL	BUDGET	BUDGET
Cash and cash equivalents	622,558	421,013	217,200
Accounts receivable	136,909	185,287	496,963
Restricted cash and cash equivalents and investments	3,733,194	3,758,697	3,467,619
Investments	235,289	176,433	250,519
Debt reserve deposits	23,762	23,884	24,478
Financial Assets	4,751,712	4,565,314	4,456,779
Accounts payable and accrued liabilities	400,206	491,672	403,287
Debt	3,141,748	3,410,090	3,615,573
Deferred government transfers	3,540,507	3,878,027	3,893,469
Golden Ears Bridge contractor liability	999,512	983,404	964,547
Deferred concessionaire credit	409,355	386,082	362,745
Employee future benefits	141,202	149,330	141,259
Deferred revenue and deposits	88,778	76,514	99,751
Deferred lease inducements	12,855	11,668	11,781
Liabilities	8,734,163	9,386,787	9,492,412
Net Debt	(3,982,451)	(4,821,473)	(5,035,633)
Tangible capital assets	5,765,456	6,614,289	7,369,247
Supplies inventory	116,909	109,624	147,646
Prepaid expenses	59,754	36,019	36,575
Non-Financial Assets	5,942,119	6,759,932	7,553,468
Accumulated Surplus	1,959,668	1,938,459	2,517,835

Consolidated Statement of Operations

Consolidated Statement of Operations			
Twelve months ending December 31	2022	2023	2024
(\$ thousands)	ACTUAL	BUDGET ¹	BUDGET
Revenue			
Taxation	978,076	988,404	1,012,095
Transit	552,624	629,998	679,618
Government transfers			
Senior Government Relief Funding	176,000	-	-
Senior Government funding	184,507	287,451	419,842
Golden Ears Bridge tolling replacement revenue	66,629	67,267	67,874
Development cost charges	25,158	23,597	52,700
Amortization of deferred concessionaire credit	23,274	23,273	23,337
Investment income	109,064	155,673	149,679
Miscellaneous revenue	17,458	15,384	16,609
Gain/(Loss) on disposal of tangible capital assets	1,748	(358)	(798)
	<u>2,134,538</u>	<u>2,190,689</u>	<u>2,420,956</u>
Expenses			
Bus operations	860,510	934,378	1,021,572
Rail operations	363,581	408,221	457,705
Transit Police	48,070	52,820	61,689
Corporate operations	191,980	175,895	225,547
Roads and bridges	109,415	157,182	151,791
Sub-total Expenses, before amortization and interest	<u>1,573,556</u>	<u>1,728,496</u>	<u>1,918,304</u>
Amortization of tangible capital assets	250,019	268,637	273,527
Interest	181,357	188,393	178,607
	<u>2,004,932</u>	<u>2,185,526</u>	<u>2,370,438</u>
Surplus (deficit) for the year	129,606	5,163	50,518
Accumulated surplus, beginning of year	1,830,062	1,933,296	2,467,317
Accumulated surplus, end of year	<u>1,959,668</u>	<u>1,938,459</u>	<u>2,517,835</u>

¹ 2023 budget figures were restated to reflect transfers.

Consolidated Statement of Changes in Net Debt

Consolidated Statement of Changes in Net Debt			
Twelve months ending December 31 (\$ thousands)	2022 ACTUAL	2023 BUDGET	2024 BUDGET
Surplus for the year	129,606	5,163	50,518
Acquisition of tangible capital assets	(413,490)	(932,152)	(1,515,450)
Amortization of tangible capital assets	250,019	268,637	273,527
Write-down of tangible capital asset	53,755	-	-
Tangible capital assets transfer to prepaid capital	29,752	-	-
Land transferred to partnership	17,735	-	-
Loss (gain) on disposal of tangible capital assets	(1,748)	358	798
Net proceeds from disposal of tangible capital assets	2,679	-	-
	(61,298)	(663,157)	(1,241,125)
Change in supplies inventory	(6,149)	(10,630)	(21,988)
Change in property under development	(19,599)	-	-
Change in prepaid expenses	(29,714)	(2,495)	(4,192)
	(55,462)	(13,125)	(26,180)
Decrease (increase) in net debt	12,846	(671,119)	(1,216,787)
Net debt, beginning of year	(3,995,297)	(4,150,354)	(3,818,846)
Net debt, end of year	(3,982,451)	(4,821,473)	(5,035,633)

Consolidated Statement of Cash Flows

Consolidated Statement of Cash Flows			
Twelve months ending December 31 (\$ thousands)	2022 ACTUAL	2023 BUDGET	2024 BUDGET
Surplus for the year	129,606	5,163	50,518
Non-cash changes to operations	35,428	(25,462)	(152,436)
Changes in non-cash operating working capital	208,438	(51,416)	229,268
Net changes in cash from operating transactions	373,472	(71,715)	127,350
Purchase of tangible capital assets	(413,490)	(932,153)	(1,515,451)
Net proceeds from disposal of tangible capital assets	2,679	-	-
Net changes in cash from capital transactions	(410,811)	(932,153)	(1,515,451)
Decrease (increase) in restricted cash and investments	(2,495,997)	74,853	(183,079)
Increase in investments	(69,673)	-	85,000
Decrease (increase) in debt reserve deposits	2,510	(354)	(359)
Net changes in cash from investment transactions	(2,563,160)	74,499	(98,438)
Debt proceeds	300,000	300,000	300,000
Releases for debt reduction	-	380,000	595,000
Issue costs on financing	(2,331)	-	-
Repayments of debt	(66,561)	(60,477)	(61,214)
Repayments of Golden Ears Bridge contractor liability	(13,565)	(16,109)	(18,857)
Government transfers received for tangible capital additions	2,429,891	125,887	561,185
Lease inducements received	-	(1,244)	(908)
Net changes in cash from financing transactions	2,647,434	728,057	1,375,206
Increase in cash and cash equivalents	46,935	(201,312)	(111,333)
Cash and cash equivalents, beginning of year	575,623	622,325	328,533
Cash and cash equivalents, end of year	622,558	421,013	217,200

Appendix II – Allocated Costs between Operating Companies

TransLink’s methodology for allocating costs to benefiting business units is equitable and consistent with leading practices. TransLink allocates costs to business units (Bus Operations, Access Transit, SkyTrain, West Coast Express and Transit Police) that directly benefit or consume the services or costs.

100 per cent of a cost may be allocated to a business unit if it is the only unit benefiting from or consuming that cost; or costs can be shared across multiple business units which benefit or consume the cost based on an allocation factor (for example, headcount, square footage). The charges that are allocated to the business units include administration, human resources, insurance, rent, property taxes and information technology.

The main drivers for increased allocated costs compared to the 2023 Budget are an increase in information technology costs, insurance rate increases, rental and property tax cost increases, higher training and advertising costs and higher fare media costs.

Allocated Cost Breakdown					
Twelve months ending December 31					
(\$ thousands)	2022 ACTUAL ¹	2023 BUDGET	2024 BUDGET	Change	
				Incr/(Decr)	%
Shared Services					
Bus operations	38,194	46,235	50,020	3,785	8.2%
Access Transit	116	139	139	-	-
SkyTrain - Expo and Millennium Lines	9,431	14,805	15,062	257	1.7%
West Coast Express	246	423	369	(54)	(12.8%)
Transit Police	2,019	2,902	3,441	539	18.6%
Roads and bridges	3,751	25,216	7,435	(17,781)	(70.5%)
Corporate operations	(53,757)	(89,720)	(76,466)	13,254	14.8%
Total Shared Services allocated	-	-	-	-	-
Costs Administered by TransLink and allocated to operating companies					
Bus operations	20,766	28,109	33,365	5,256	18.7%
Access Transit	-	10	13	3	30.0%
SkyTrain - Expo and Millennium Lines	4,817	5,411	9,095	3,684	68.1%
SkyTrain - Canada Line	3,078	3,619	4,744	1,125	31.1%
West Coast Express	607	476	577	101	21.2%
Transit Police	2,763	2,708	3,602	894	33.0%
Total Costs Administered by TransLink allocated	32,031	40,333	51,396	11,063	27.4%
Bus operations	58,960	74,344	83,385	9,041	12.2%
Access Transit	116	149	152	3	2.0%
SkyTrain - Expo and Millennium Lines	14,248	20,216	24,157	3,941	19.5%
SkyTrain - Canada Line	3,078	3,619	4,744	1,125	31.1%
West Coast Express	853	899	946	47	5.2%
Transit Police	4,782	5,610	7,043	1,433	25.5%
Total costs allocated to operating companies from TransLink	82,037	104,837	120,427	15,590	14.9%

² 2022 figures restated to reflect the latest information available.