

2022-23 Metrolinx Business Plan

Table of Contents

Message from CEO.....	4
Executive Summary.....	5
1.0 Introduction.....	6
1.1 Legislative Mandate.....	6
1.2 Metrolinx Overview.....	6
1.3 Metrolinx Strategic Priorities	8
2.0 Business Context for 2022-23	10
2.1 COVID-19 and Preparing for an Expanded Regional Transportation Network.....	10
2.2 Government Mandate Letter and Key Organizational Initiatives for 2022-23	11
3.0 Financial and Resource Summary	13
3.1 Operating Budget Summary	13
3.2 Capital Budget Summary.....	14
4.0 Ridership and Revenue Strategy	16
4.1 Ridership and Revenue Strategy Highlights.....	16
4.2 Proactive Steps to Support Continued Ridership Growth Momentum.....	16
4.3 Supporting Ridership Recovery Through Fare Strategy and Enhanced Customer Experience.....	17
4.4 Delivering Non-Fare Revenue Initiatives to Maximize Revenue	18
5.0 Operations	20
5.1 Operations Highlights	20
5.2 Providing a Secure Journey to Customers	20
5.3 Enhancing Customer Service and Meeting Customer Needs	21
5.4 Improved Operational Safety Initiatives.....	22
5.5 Adjusting Service Levels to Better Serve the Region and Grow Ridership Base	23
5.6 Introducing Regional Express Bus Service	24
5.7 Building Operational Readiness for Rapid Transit Operations.....	25
6.0 PRESTO	27
6.1 PRESTO Highlights	27
6.2 PRESTO Modernization.....	27
6.3 PRESTO Customer Experience	28
6.4 Delivering for PRESTO Clients	29
7.0 Capital Projects.....	31
7.1 Capital Projects Highlights	31
7.2 GO Expansion	31
7.3 GO Extensions and SmartTrack Stations Program	33

7.4 State of Good Repair (SOGR)	33
7.5 Subway Projects	33
7.6 Rapid Transit Projects	34
7.7 Advancing Other Future Projects	35
8.0 Transit Oriented Communities Program	36
8.1 Transit Oriented Communities Program Highlights	36
8.2 Advancing Transit Oriented Communities Program	36
9.0 Regional Transportation Planning	37
9.1 Regional Transportation Planning Highlights	37
9.2 Advancing Implementation of 2041 RTP	37
9.3 Simplifying Fares and Integrating Service in the Region	38
9.4 Implementing the Metrolinx Sustainability Strategy	39
9.5 Improving Customer Access to Stations	40
10.0 Metrolinx Internal	42
10.1 Metrolinx Internal Highlights	42
10.2 Building a Strong, Capable and Inclusive Workforce	42
10.3 Advancing Information Systems and Technology Capability	43
10.4 Actively Engaging our Communities	44
10.5 Enhancing Commercial Capabilities and Controls	45
11.0 Multi-Year Corporate Performance	46
11.1 Operating Budget	46
11.2 Capital Investment	46
11.3 Performance Measures and Targets	47
11.4 Enterprise Risk Management	50

Message from CEO

The 2021-22 fiscal year presented unique challenges for many organizations. Around the world, businesses had to reset and rethink how they do business to mitigate and manage the impacts of COVID-19. At Metrolinx, the resilience of our employees and successful implementation of our business continuity and incident management strategies led us through what could have otherwise been a devastating year.

As we enter the 2022-23 business cycle, we are even more acutely aware of how much the transit landscape has changed. This business plan details the areas of focus which will guide us through the largest transit expansion program in North America. This once-in-a-lifetime opportunity to build transit will create endless possibilities in our region, economic and environmental benefits for generations to come, full of exciting new services for our customers, as well as being a catalyst for change in our communities. And it's all happening while GO Transit, UP Express and PRESTO take our customers everywhere they want to go including London, Peterborough, Barrie, Niagara Falls and many places in between.

Our ridership recovery efforts continue as the province adjusts its COVID-19 restrictions. As we plan and adjust services on our trains and buses, we are informed by best practices and provincial health guidelines. Safety is a critical pillar of our business and as we look ahead to the upcoming business year, it will continue to guide our policies, operations, and customer improvement strategies.

As we continue pursuing our strategic priorities, we are taking action to deliver on our objectives, while ensuring alignment across the organization. This includes continuing to focus on keeping everyone safe, engaging employees, maintaining, and improving our business partnerships as well as relations with stakeholders and communities and delivering an excellent customer experience.

By 2025, we will transform our organization into a sharper and more commercially focused entity. We are already keeping pace with this timeline and have implemented more business rigour in our planning, contract partnerships, asset management and decision-making. As well, we are focused on integrating Lean thinking into our organizational culture to drive process improvement, eliminate waste and be more effective in delivering value for the people of Ontario.

Our capital program continues to deliver on key milestones, taking us closer to realizing our vision of *"getting you there, better, faster and easier"* – a vision that gets very real with the expected substantial completion of the Eglinton Crosstown Light Rail Transit (LRT) in late 2022.

We are constructing the largest transit expansion program in North America and have been entrusted with a capital budget of \$7.7 billion for this year, reflective of an expanded mandate to deliver new subway and, light rail transit lines, and an expanded and improved GO rail network. Together, this will transform our existing service to a more convenient transit experience to help connect and move people throughout the region.

The coming business year holds much promise. We remain optimistic in our planning, and we are committed to driving the economic recovery of our region and creating a connected network for our communities.

Keep well.

Phil Verster

Executive Summary

Metrolinx's 2022-23 Business Plan outlines our strategic direction and priorities as we continue working with our partners to safely plan, build and operate an integrated transit network for an area stretching from London in the west to Newcastle and Peterborough in the east to Barrie and Beaverton in the north and to Niagara Falls in the south. In addition, Metrolinx continues to play an active role in supporting the Province's plan for growth, renewal, and economic recovery.

The 2022-23 Business Plan was developed in alignment with the plan endorsed by our Board of Directors and submitted to the Ministry of Transportation (MTO) as part of the provincial budget process, and in accordance with the requirements of the *Metrolinx Act, 2006* and the government's Agencies and Appointments Directive. The 2022-23 Business Plan also reflects the Government of Ontario's regional transit priorities as outlined in our Mandate Letter. While the COVID-19 pandemic has had significant impacts on our ridership and revenue, it has also presented a unique opportunity for leadership, transformation, and innovation in the public transit environment. Metrolinx continues to support government priorities by continuing to provide lifeline regional transit services to advance our mission to connect our communities, while always ensuring customer safety.

Metrolinx will continue to take a more commercial approach to its business and actively explore new opportunities and initiatives to grow back ridership and revenue. This will include taking proactive steps towards ridership recovery as the economy reopens and as public health measures ease, supporting recovery through our fare strategy, and enhancing our customer experience ([Section 4.0 Ridership and Revenue Strategy](#)). Metrolinx will also continue to focus on providing a safe and secure journey while introducing new services, ensuring operational readiness for future expanded services, enhancing customer service and adjusting its operations to meet shifting customer needs ([Section 5.0 Operations](#)).

Metrolinx continues on its journey to improve the PRESTO customer experience and re-build customer confidence through the implementation of new, modern open payment features, while improving PRESTO's long-term sustainability ([Section 6.0 PRESTO](#)). In addition, Metrolinx also continues to pursue fare and service integration to support ridership recovery and will advance ongoing work with municipalities to improve station access as well as implement other elements of the Regional Transportation Plan and Metrolinx's Sustainability Strategy ([Section 9.0 Regional Transportation Planning](#)).

For 2022-23, Metrolinx will also continue delivering its capital project commitments. This includes working together with Infrastructure Ontario (IO) in advancing enabling works and other critical procurements to support the GO Expansion program, advancing work on the Province's subway program, as well as making progress on rapid transit projects ([Section 7.0 Capital Projects](#)). In addition, Metrolinx will continue to explore and support the delivery of partnership opportunities as part of the Transit Oriented Communities (TOC) program at new and existing transit stations, which includes enabling Metrolinx to leverage benefits from third-party investments ([Section 8.0 Transit Oriented Communities](#)).

1.0 Introduction

1.1 Legislative Mandate

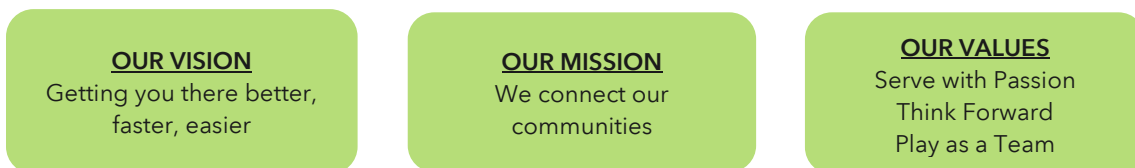
Metrolinx is an agency of the Government of Ontario, established under the *Metrolinx Act, 2006* (the “Act”). The Act mandates Metrolinx to provide leadership in the co-ordination, planning, financing, development, and implementation of an integrated transit network in the regional transportation area in alignment with applicable growth plans and provincial transportation policies and plans. Metrolinx is also responsible for the operation of the regional transit network. The Metrolinx Board is responsible for setting Metrolinx’s strategic direction, identifying, managing, and monitoring key risks, as well as providing oversight to operations. The Chair of the Board is accountable to the Minister of Transportation supported by a Memorandum of Understanding.

1.2 Metrolinx Overview

Metrolinx is undertaking the largest regional transit investment in Ontario’s history, with our frequent rapid transit network expected to grow from 110 kilometres in 2017 to over 1,800 kilometres by 2041. By working with federal, provincial, and municipal partners, Indigenous partners, the private sector and stakeholders, Metrolinx is creating an integrated regional transit network that will support a higher quality of life, a more prosperous economy, and a sustainable environment.

In alignment with the Frequent Rapid Transit Network vision outlined in the 2041 Regional Transportation Plan, Metrolinx’s infrastructure footprint is significantly increasing through the delivery of approximately 40 kilometres of new subway lines, 60 kilometres of new light rail transit lines, and new tracks and other infrastructure along hundreds of kilometres of existing and new GO railway corridors to transform our existing rush hour commuter service into a more convenient transit experience with frequent all-day and two-way train service on core segments. This expanded network with upwards of 100 new stations and stops will help people move seamlessly throughout the Greater Golden Horseshoe for all kinds of trips at all times of day.

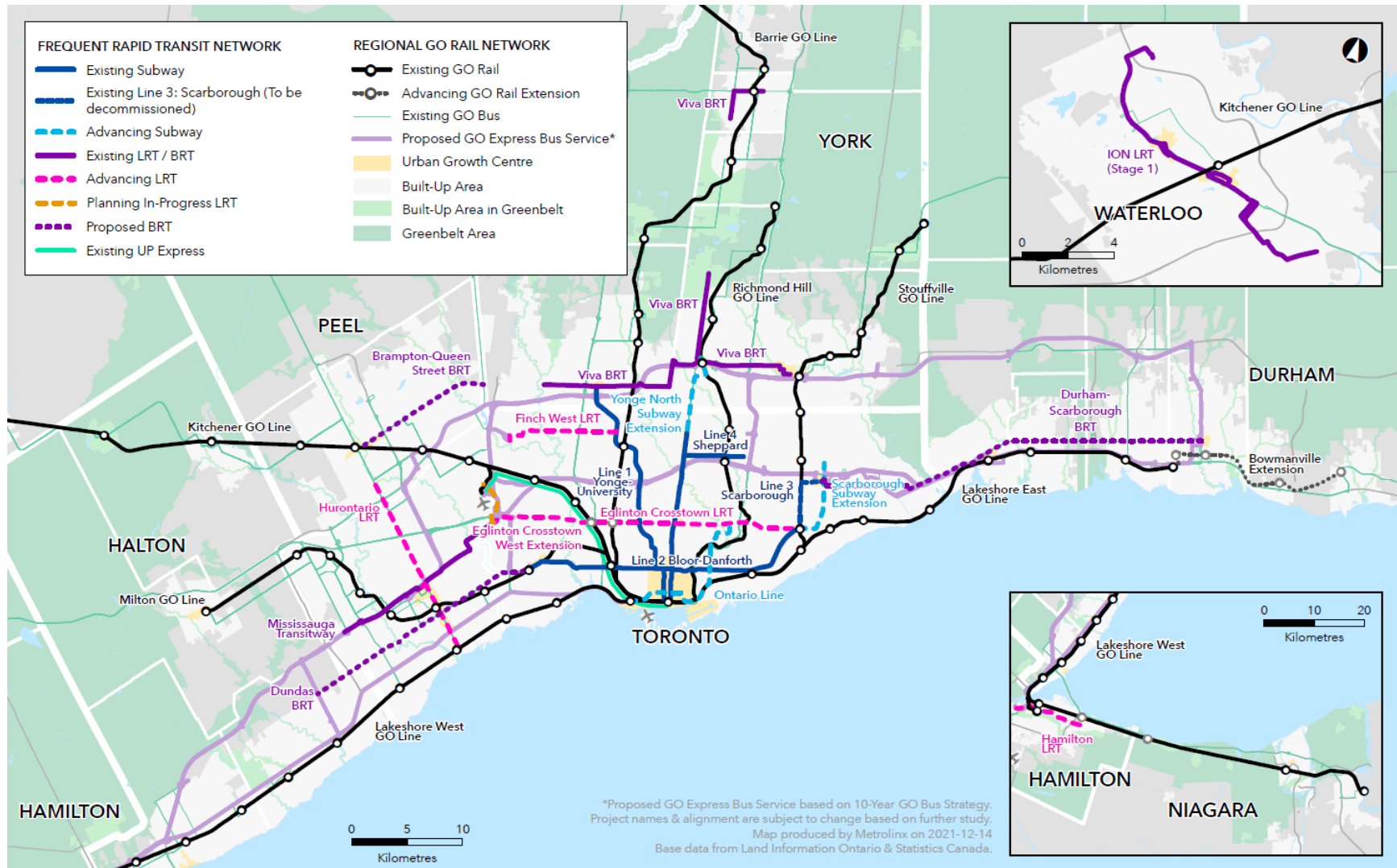
Exhibit 1: Metrolinx Vision, Mission and Values



Guided by an organizational mission to “Connect our communities” and a vision of “Getting you there better, faster, easier”, Metrolinx delivers regional public transit through its three operating services:

- GO Transit, which serves regional public transit passengers all across the region;
- UP Express, which provides service between Toronto Pearson International Airport and downtown Toronto; and,
- PRESTO electronic payment system, which is being used across 11 local transit services.

Exhibit 2: Regional Transit Network Map



Note: Eglinton Crosstown LRT is anticipated to come into service in 2022

Exhibit 3: Metrolinx Key Statistics as of December 31, 2021

Metrolinx Transit Services Key Statistics		Total
GO Train	Lines	7
	Stations	71
	Route kilometres	639
GO Bus	Route kilometers	2,887
	Stations served by buses	51
	Terminals served by buses	19
	Park & Ride / carpool served by buses	30
	Schools served by buses	13
UP Express	Stations	4
	Route kilometres	25
PRESTO	Transit Service Providers using PRESTO	11
	Number of devices (in '000s)	17+

Metrolinx places a high value on safety, customer service, sustainability, and innovation within its business practices, and strives to deliver high quality services to all clients and stakeholders. This includes providing access for municipalities in procuring transit goods and services efficiently through a joint procurement process, which saves municipalities millions of taxpayers dollars every year.

Metrolinx is also overseeing the largest transit capital expansion program in Canada, which includes investing approximately \$7.7 billion in 2022-23 to deliver key capital projects such as:

- GO Expansion program;
- Rapid transit projects; and,
- The provincial subway program.

In addition, Metrolinx is committed to pursuing a more commercial approach to its business and is actively exploring opportunities and initiatives to generate additional benefits from the delivery of its capital projects. This includes a market-driven approach to support the delivery of higher density, mixed-use development around stations under the Transit Oriented Communities (TOC) program, and leverage third party investment to minimize provincial spend on transit infrastructure, in exchange for access to services and Metrolinx owned properties.

1.3 Metrolinx Strategic Priorities

Metrolinx has identified four strategic priorities: Everyone Safe, Engaged People, Trusted Business Partner and Satisfied Customer, which along with our vision, mission and values guides the work of our organization. The four strategic priorities are:

- **Everyone Safe** – At Metrolinx, safety is our top priority. Our focus, at all times, is the wellbeing of our employees, customers and the public;
- **Engaged People** – We are committed to engaging and developing our employees, and focusing on creating an inclusive work environment with greater gender balance;
- **Trusted Business Partner** – We will deliver on operational and capital budget goals, establish effective capital program management cost and schedule controls, keep on track for GO Rail Expansion as well as rapid transit projects across the region. We will continue to implement an enterprise-wide transformation plan that prepares us for the future state expanded service, and improve engagement with our communities and stakeholders; and,

- **Customer Focused** – We are 100 per cent committed to strengthening our relationship with our customers through improved customer experience and enhanced service offerings.

To ensure alignment with our four strategic priorities, Metrolinx has also introduced 10 key success factors, which articulate what Metrolinx must do to achieve the goals outlined in the strategic priorities.

Exhibit 4: Metrolinx Key Success Factors

Key Success Factors
Embed a strong safety culture with extensive safety behaviors, reducing Lost Time Injury Frequency Rate (LTIFR) to 0.6/200,000 hours by 2024-25 and rule violations to 0.4/million km by 2026-27.
Improve our operational excellence through Lean thinking and project management competencies both implemented to 75% maturity by 2023-24.
Develop and engage our employees, at top quartile scores every year, and attract and retain talented and dynamic individuals that make strong, diverse, and inclusive teams.
Shift all employees from operational behaviours to customer-centric behaviours and achieve Customer Satisfaction (CSAT) scores of 85% average by 2023-24.
Shift our marketing methods and communications to digitally-based, customer relationship management tools and techniques that recover ridership to pre- COVID-19 numbers by 2026-27.
Increase our operational efficiencies and revenue to achieve 70% revenue cover of full costs by 2028-29.
Increase our annual capital delivery capability to over \$6 billion by 2022-23 with a clear path to exceed \$8 billion by 2025-26.
Start early works for all four subway projects by 2022-23 and launch tunnel boring machines for the Scarborough subway and Eglinton West extensions by May 2022.
Implement a PRESTO open payments trial in 2021 and deliver the 2022 PRESTO Procurement Program so that the transition to a new system can start in late 2022.
Implement a rigorous operational and asset management method for GO, UP, PRESTO and Rapid Transit by 2021, both implemented to a 75% maturity by late 2023-24.

2.0 Business Context for 2022-23

2.1 COVID-19 and Preparing for an Expanded Regional Transportation Network

The COVID-19 pandemic has had, and continues to have, a significant impact on the public transit landscape in general, as well as all areas of Metrolinx's business. Since the pandemic began, Metrolinx has actively strengthened measures to keep customers and staff safe, including installment of seat partitions for passengers and protective shields for operators, implementing a mandatory mask policy on Metrolinx vehicles and stations, issuing medical grade masks for staff, as well as implementing active staff health screening and a mandatory vaccination policy for staff. Through these measures we hope to re-build the confidence of our customers as they adjust their travel patterns in response to COVID-19.

In addition to the changing public transit landscape, COVID-19 has also resulted in disruptions to commodity production and global supply chain, contributing to rising costs to deliver Metrolinx projects and programs. Furthermore, Metrolinx's mandate is also increasing with the expansion of the network to include new subway lines, light rail transit lines, and a transformed GO rail system. This future expanded regional transportation network will help people move throughout the Greater Toronto and Hamilton Area and beyond, providing existing transit users with faster and more comfortable journeys and making transit a more compelling option for underserved markets.

To adapt to this changing public transit landscape, rising costs, and increasing public transit commitment, Metrolinx is taking this opportunity to transform all areas of its business, including:

- **Transforming role and service delivery methods** as we bring the successful On-Corridor Works proponent on board to take over train operations and maintenance. At the same time, we are transforming the GO rail network from a rush hour commuter-oriented service to a more convenient transit experience with frequent all-day and two-way train service and three times the weekly train movements we currently have. To support this transformation, Metrolinx has also been improving its operational practices by fully adopting Lean principles and data-driven decision making;
- **Introducing Regional Express Bus Service** that will rapidly adjust the essential structure of the GO Bus operations to focus on higher frequency on fewer routes. This will serve as the foundation of how we transform GO Transit and UP Express service planning for the region;
- **Establishing a strong focus on asset management** for all of our long term, public-private partnerships, and operating and maintenance contracts, in line with the expected increase in our asset base to approximately \$60 billion by 2030 across GO Expansion, LRT, bus rapid transit (BRT), and Subway programs;
- **Transforming PRESTO from a single vendor-led project to a payments operation** that effectively integrates service across "lots"/multiple vendors. This new strategy will meet the needs of our transit agency partners and customers, allow flexibility in implementing future potential fare policies, and reduce the total cost of ownership of the payment platform;
- **Transitioning into an effective community relations and communications group** that is more closely linked to our project delivery, operations and business strategies with a strong "campaign" ethic to get the right messages at the right time to the right people in our communities. This approach will also help keep communities and stakeholders informed about the capital program by, among other things, providing meaningful mitigation options to local businesses and stakeholders impacted by transit builds;

- **Moving the organization towards a safety “compliance” maturity stage** with safety being thoroughly embedded in Metrolinx’s behaviours, operations, and culture;
- **Strengthening commercial capabilities across the organization** by growing expertise in commercial decision-making across Metrolinx to strengthen negotiation capabilities to ensure value for money in our contracts and procurement activity;
- **Evolving our property portfolio strategies** toward longer term revenue flows and more extensive development partnerships, including targeted dispositions, short-term leases, and future long-term redevelopment opportunities; and,
- **Maximizing Metrolinx’s outreach to individual customers** with personalized engagements, while also **advancing the organization’s analytical capabilities** on marketing effectiveness, ridership trends, journey purpose and customer experiences to support strategic decisions.

To deliver on this transformation effectively, Metrolinx will build on the progress of its key organizational initiatives, including implementation of business improvement plans which are designed to help transform our business to find efficiencies and achieve better outcomes at a lower cost base. The magnitude and scale of this transformation touches every aspect of our business and will fundamentally change the way we behave and operate in future years.

2.2 Government Mandate Letter and Key Organizational Initiatives for 2022-23

As required by the *Agencies and Appointments Directive*, the Minister of Transportation issues an annual Mandate Letter to Metrolinx that sets out the expectations for the upcoming fiscal year. The 2022-23 Mandate Letter, issued on November 17, 2021, outlines the government’s expectations for Metrolinx to ensure the delivery of high-quality services to Ontarians in alignment with its mandate and government priorities. While the COVID-19 pandemic has had a significant impact on our ridership and revenues, it has also presented a unique opportunity for leadership and innovation in the public transit environment. Metrolinx continues to support government priorities of ensuring customer safety during the pandemic and supporting short- and long-term economic recovery effort of the region, while continuing to provide lifeline regional transit services to help support frontline workers and advance our mission to connect our communities. In addition, Metrolinx continues to look for ways to attract customers through promotions, fare strategy and offering more frequent service.

More specifically, the Mandate Letter lists a number of key priorities, outlined below, which Metrolinx has incorporated into its key organizational initiatives for 2022-23. In line with the expectations outlined in the Mandate Letter, Metrolinx has been implementing business improvement plans as one of its key organizational initiatives, which are designed to help transform our business to find efficiencies and achieve better outcomes at a lower cost base. The Mandate Letter priorities along with our responsive business improvement plans and other key organizational initiatives include the following:

- **Supporting economic recovery including COVID-19 pandemic response efforts**, through recovering ridership and increasing service levels to meet customer demands, while maintaining high-safety standards. These are being delivered in the most cost-efficient way through the implementation of business improvement plans, to ensure value-for-money for taxpayer dollars;
- **Advancing Ontario’s new subway transit and continuing the delivery of priority rapid transit projects** by continuing to work with provincial and municipal partners to accelerate planning, design, and construction of the priority rapid transit projects. Metrolinx will also continue to implement strategies to support local businesses, residents, organizations, and Indigenous partners impacted by the delivery of Metrolinx transit projects;

- **Expanding and enhancing GO Transit service** through the transformation of the GO Transit rail network by enhancing existing service and pursuing new service opportunities in collaboration with municipalities and third parties. The GO Expansion program will deliver improved service across much of the GO train network, with 15-minute two-way all-day service on core segments. The end goal is to offer more service with faster trains, more stations, and seamless connections to a regional rapid transit network to transform the way people move;
- **Supporting government initiatives to optimize transit investments and regional transit planning**, including through fare and service integration in the Greater Golden Horseshoe (GGH), PRESTO improvements to implement new forms of payments to customers, and working with MTO to improve access and security outcomes for vulnerable transit users. Metrolinx will continue to work with the Ministry of Transportation to complete the multimodal Greater Golden Horseshoe Transportation Plan for 2051, advance towards implementation of 2041 Regional Transportation Plan (RTP) and other transportation studies;
- **Building a sustainable and future ready transportation system** including by developing innovative and accessible mobility solutions to allow users to plan and pay for trips through a single platform, as well as working towards more sustainable transit systems by exploring opportunities to reduce greenhouse gas emissions through train electrification and expansion of transit system;
- **Delivering partnership and non-fare revenue initiatives** through continued review of non-fare revenue opportunities including partnerships, commercial space rent, as well as optimizing digital and advertising revenue streams. Metrolinx will continue to support the work of the provincial Value Creation Task Force to identify and review innovative opportunities to generate non-fare revenues. In addition, Metrolinx will continue to work with Infrastructure Ontario and municipalities to advance TOC opportunities around GO stations and future Subway and LRT lines; and,
- **Ensuring safety**, including by continuing to enhance the safety of Metrolinx services, stations, and workplaces. Metrolinx will continue to work with the Ministry and Transport Canada on improved safety processes, as well as advance the Metrolinx Cybersecurity Risk Management Program. Metrolinx will also take into account the safety of Indigenous girls and women and take actions to address sexual exploitation and human trafficking in the planning, design, and delivery of safe and accessible transportation services.

Metrolinx is committed to fulfilling these government priorities for 2022-23 while also tackling the challenges posed by COVID-19 head-on. In addition, Metrolinx will continue to work closely with MTO to address recommendations from the 2020 Auditor General Annual Report. We will continue to provide an essential lifeline service and ensure a safe and reliable transit and transportation system, which will help support economy recovery for the region.

3.0 Financial and Resource Summary

3.1 Operating Budget Summary

With public health restrictions and return to work policies continuing to be in flux at the time of writing, the future financial impact of the pandemic remains uncertain. As such, Metrolinx's 2022-23 operating budget plan reflects our planned revenues and expenses as originally submitted to the government in fall 2021. Metrolinx's 2022-23 operating budget illustrates our continued commitment to keep safety as our number one organizational priority, while adapting and responding to a fluid COVID-19 public transit environment by transforming the way services are delivered and ensuring smart investments are made to build organizational agility and flexibility.

Metrolinx will use its 2022-23 operating budget as an opportunity to provide leadership and innovation in the public transit environment. In particular, we will support economic recovery and ensure customer safety; deliver on the province's subway and rapid transit projects; adjust and optimize GO Transit Service; modernize PRESTO services; invest in critical engineering and asset management capabilities; support government initiatives to optimize transit investments and regional transit planning; and deliver partnership and non-fare revenue initiatives. Along with continued implementation of strict expense controls and monthly expense reporting to identify efficiencies within its operating budget, Metrolinx will also continue to implement business improvement plans to transform our business and generate efficiencies and achieve better outcomes at a lower cost base, including through optimization of train sizes and bus services, Information & Information Technology (I&IT) automation, reduced reliance on contractors, and contractual efficiencies. The implementation of these cost savings is in alignment with the recommendations from the 2020 Annual Report of the Auditor General.

The 2022-23 operating budget below is presented by major operating account.

Exhibit 5: 2022-23 Operating Budget Plan

Revenue (\$M)	2022-23
Fare Revenue	436.6
PRESTO Non-Fare Revenue	105.8
Other Non-Fare Revenue	65.7
Total Revenue	608.1
Operating Expense (\$M)	2022-23
Operations	475.8
Operating Labour & Benefits	459.6
Facilities & Track	185.5
Equipment Maintenance	137.7
Supplies & Services	149.0
Total Expense	1,407.6
Net Operating Requirement	799.5
Bid Fees	47.9
Proceeds from Sale of Assets	50.1
Planned Subsidy Requirement	797.3

Note: Operating budget figures reflects our planned revenues and expenses as originally submitted to the government in fall 2021. Bid fees represent expenses associated with capital project procurement. Proceeds from sale of assets consist of proceeds from Transit Oriented Communities program

In 2022-23, Metrolinx is projecting fare revenues of \$436.6 million based on a ridership forecast of 58.9 million riders. Revenue collected from transit providers for the use of the PRESTO system is projected to be \$105.8 million. Other non-fare revenue for 2022-23 is projected at \$65.7 million, which is generated from activities such as advertising, track usage fees from corridor ownership, partnerships, interest on working capital, reserved parking, and commercial space rent. In addition to these more typical sources of revenue, proceeds from sale of assets to support the Transit Oriented Communities program is projected to be \$50.1 million for 2022-23.

Metrolinx's 2022-23 operating budget plan is allocated into five main expense categories. Operations expense is the largest allocation and accounts for 34 per cent of the total operating expense budget. This expense category includes items such as support train crew wages, train control dispatch, diesel fuel and PRESTO operations. Operating labour and benefits expense category accounts for 33 per cent of the total operating expense budget. As of December 31, 2021, Metrolinx's workforce consisted of 4,740 active unionized and non-unionized employees to support the delivery of key organizational initiatives across the organization. Facilities and tracks account for 13 per cent of the total operating expense budget and includes rent, property taxes, hydro, winter maintenance and other facility repairs. Equipment maintenance accounts for 10 per cent of the total operating expense budget, covering support services, inventory, inspections, and yard operations. Finally, supplies and services represent 11 per cent of the total operating expense budget, which includes all types of professional services, bank fees, staff development and advertising.

Diesel fuel is one of the key drivers of the non-labour budget and due to its nature as a petroleum-based commodity, diesel prices fluctuate with the supply and demand forces of the oil market. For 2022-23, Metrolinx is assuming a budgeted diesel volume of 83 million litres to support its transit operations. Metrolinx engages in some hedging to provide cost certainty against the budget and provide stable fuel price assumptions for annual planning.

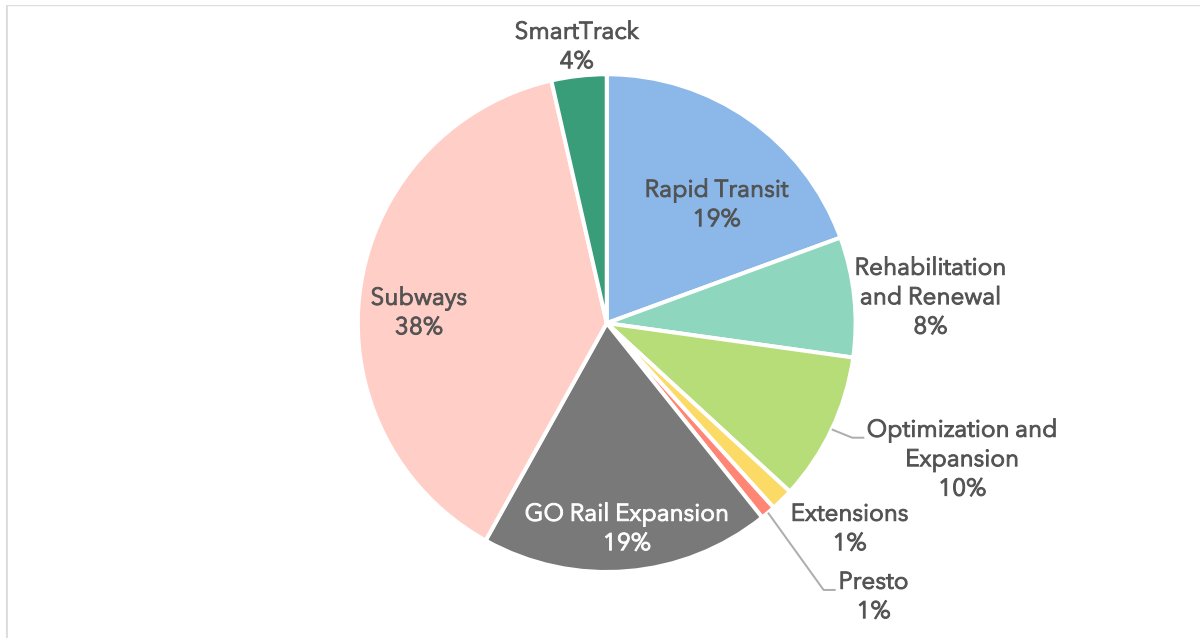
Changing customer needs resulting from the COVID-19 pandemic is expected to impact ridership and revenue in 2022-23, with total revenue forecasted at \$608.1 million and proceeds from sales of assets of \$50.1 million for 2022-23. Please refer to Section 4.0 Ridership and Revenue Strategy for further details on ridership and revenue assumptions, and Section 8.0 Transit Oriented Communities for further details on proceeds from sale of assets. Total expenses for 2022-23 are projected at \$1,407.6 million, as well as one-time capital infrastructure operating expense and bid fees at \$47.9 million. The total provincial operating subsidy requirement for 2022-23 is projected to be \$797.3 million. Metrolinx continues to manage its operating budget efficiently through the implementation of business improvement plans.

3.2 Capital Budget Summary

Metrolinx's capital plan reflects a focus on maximizing investments, optimizing design, leveraging commercial solutions and value engineering to avoid, where possible, the need for additional public investment, while still achieving the desired service outcomes and commitments.

Metrolinx has a capital budget in 2022-23 of approximately \$7.7 billion for the delivery of capital works across various categories, including: GO Expansion, Optimization and Expansion, Rehabilitation and Renewal, Subways and Rapid Transit. Exhibit 6 provides a breakdown of the types of investments in the capital plan by percent of total.

Exhibit 6: 2022-23 Metrolinx Capital Investments by Percent of Total Capital



4.0 Ridership and Revenue Strategy

4.1 Ridership and Revenue Strategy Highlights

Metrolinx's ridership and revenue are heavily influenced by the COVID-19 pandemic and related public health and safety measures. As the COVID-19 pandemic and return to work policies continue to evolve, the 2022-23 Metrolinx's Business Plan reflects our planned ridership and revenue strategy at the time of budget submission to the government in fall 2021.

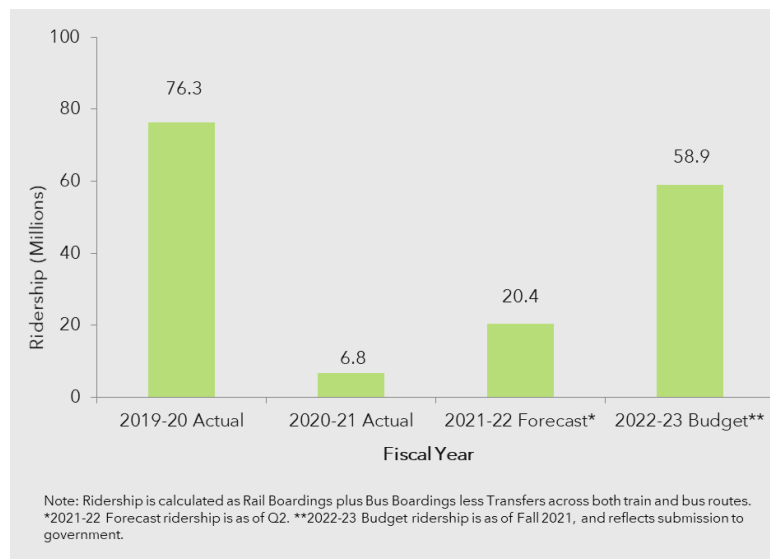
Metrolinx is continuing to promote ridership recovery and maximize revenue opportunities. In 2022-23 Metrolinx will be implementing a combination of:

- **Proactive steps to support continued ridership growth momentum** that will re-build customer confidence and attract customers back to public transit;
- Supporting ridership recovery through **fare strategy and enhanced customer experience**; and,
- Continuing to **deliver non-fare revenue initiatives** to maximize revenue.

4.2 Proactive Steps to Support Continued Ridership Growth Momentum

The pandemic has impacted Metrolinx ridership significantly with customers being predominantly inter-regional commuters with remote-work flexibility. At the onset of the COVID-19 pandemic, GO and UP ridership in 2020-21 dropped to 6.8 million, or nine per cent of the pre-pandemic 2019-20 levels. Throughout the pandemic, Metrolinx has demonstrated an unwavering commitment to safety. Metrolinx has implemented various health and safety actions to re-build customer confidence and attract customers back to public transit. As of Q2, GO and UP ridership for 2021-22 is forecasted to grow to 20.4 million, or almost three-fold of the 2020-21 ridership levels.

Exhibit 7: Metrolinx Ridership



Over the last year, Metrolinx has introduced various initiatives which has led to the start of ridership return, with continuous growth seen from mid-April 2021 until the rise of the Omicron variant in December 2021. These initiatives include:

- Growth supported with a **strategic Ready to Ride marketing plan** that was developed from data-driven ridership analysis and customer/industry research;
- **Demand-driven service changes implemented in the right places, at the right time**, with a focus on summer leisure/weekend travel, and welcoming commuters and students back in fall 2021; and,
- **E-tickets, with a Weekend Pass promotion**, were profiled to new and returning customers, presenting a convenient and compelling offer to encourage customers back to GO.

In 2022-23, Metrolinx will continue to focus on safety and support the ridership growth momentum through health and safety measures, events and promotions that drive ridership demand, as well as service frequency and destinations that meet customer post-pandemic needs. GO and UP ridership in 2022-23 is forecasted to rebound to 58.9 million, or 77 per cent of the 2019-20 levels.

In 2022-23, Metrolinx will be implementing targeted growth strategies to continue growing ridership and fare revenue in areas of greatest demand, including:

- Delivery of **marketing, service and pricing strategies based on data-driven insights**, research and analysis;
- Putting in place the **first customer life cycle marketing plan** to build loyalty and increase ridership retention and growth; and,
- **Implementing non-fare revenue opportunities** that create customer experience improvements (i.e., retail in stations), and additional revenue streams (i.e., billboards, naming rights).

4.3 Supporting Ridership Recovery Through Fare Strategy and Enhanced Customer Experience

Metrolinx is committed to supporting ridership recovery through fare strategy and enhanced customer experience, with a focus on customers based on research and data-driven insights to address evolving customer demand. Metrolinx's fare strategy focuses on building off-peak and discretionary travel, making transit more affordable, and supporting ridership and revenue recovery and growth. In addition, Metrolinx is building a customer digital transformation strategy that feeds into marketing and partnership tactics to deliver outstanding customer experience and support ridership and revenue recovery.

To date progress has been made on key programs and initiatives that aim to incentivize a return to ridership on GO Transit and build the technology foundation for exceptional customer communication and marketing experience. Some of these includes:

- **Delivering on the \$10/\$15 Weekend Pass** through GO Transit's e-ticketing channel, contributing to significant ridership gains on weekends from leisure travel and increased customer satisfaction by bringing affordable fare products to the forefront; and,
- **Delivering a modernized marketing and communication experience** through email and social media to support moving towards digitally biased Customer Relationship Management based Marketing and Communications.

In 2022-23, Metrolinx aims to optimize customer confidence in its pricing structure, fare revenue potential and to continue to deliver outstanding customer experience. The timing to introduce these changes will be established during the year to support ridership recovery. This includes:

- **Making transit more accessible and affordable by exploring fare and service integration initiatives** to support ridership recovery, enhance customer experience, and improve transit affordability;
- **Aligning the GO Transfer Credit to PRESTO lower base fare**, to better align fares to our by-laws, reduce call center activity and improve customer satisfaction;
- **Ensuring** fare consistency for GO Transit trips that are completed within the PRESTO three-hour travel window;
- **Delivering a consistent UP Express adult PRESTO discount for customers travelling between Union Station and Pearson Airport**, to align with that of Weston and Bloor;
- **Implementing the first customer life cycle marketing plan** to build loyalty and increase ridership retention and growth; and,
- Under the Customer Digital Transformation Strategy (CDTS) program, **consolidating Metrolinx websites** under a single and unified technology platform.

4.4 Delivering Non-Fare Revenue Initiatives to Maximize Revenue

Metrolinx continues to deliver non-fare revenue initiatives and is actively exploring innovative opportunities to maximize revenue, including Value Creation opportunities. The non-fare revenue plans prioritize high return advertising revenue and pursuit of partnerships that enhance added value for customers. Non-fare revenue includes advertising and partnership revenue, fees collected from transit providers for the use of the PRESTO system, track usage fees from corridor ownership, interest on working capital, reserved parking fees, and commercial space rent.

Over the past year, Metrolinx generated non-fare revenue through the implementation of various initiatives and programs, including:

- **Delivering the billboard expansion and digital advertising expansion** to modernize media assets resulting in incremental advertising revenue through Metrolinx assets;
- **Implementing an expanded retail strategy** to include property use to utilize parking lots through COVID-19 Recovery and drive additional revenue through new channels such as pop-up retail and outdoor festivals and community events;
- **Signing a new sponsorship agreement** for the Union Station Bus Terminal to drive non-fare revenue; as well as new partnerships such as Arterra Wines and activations for GO Transit riders with Clorox product sampling; and,
- **Launching additional value in kind partnerships** such as The Globe and Mail, Clean Slate that improve cost efficiency and support Metrolinx's business needs.

In 2022-23, Metrolinx is planning to deliver additional non-fare revenue by:

- **Delivering new GO Station naming rights partner agreements** to drive incremental non-fare revenue;
- **Implementing a corporate Return to Office program** delivered through e-tickets to drive business-to-business fare revenue and ridership through partnerships with corporations as they call their employees back to the office;

- **Completing the billboard expansion program** through municipal engagement strategies and expand Metrolinx assets for additional revenue opportunities;
- **Expanding the Transit Advertising Digital Network** by installing new digital advertising screens;
- Continuing to maximize non-fare revenue potential from **innovative PRESTO products and partnership opportunities**; and,
- **Expanding the retail network** to provide valuable customer amenities through a mobile retail and vending strategy.

5.0 Operations

5.1 Operations Highlights

Metrolinx provides public transit service for the regional transportation area through its train and bus services that serve a population of more than seven million across more than 11,000 square km stretching from Hamilton, Kitchener and London in the west to Newcastle and Peterborough in the east, and from Barrie and Beaverton in the north to Niagara Falls in the south.

The COVID-19 pandemic has significantly impacted Metrolinx's public transit operations, particularly through lower ridership and changing customer travel patterns. To support ridership and economic recovery in the regional transportation area in 2022-23 Metrolinx will:

- **Continue to ensure a safe and secure journey for customers**, as well as the **safety of Metrolinx employees**;
- **Adjust service levels** to better serve the Region and grow ridership base;
- **Introduce Regional Bus Express Service** to grow ridership, while increasing the cost-effectiveness for delivering GO bus services as part of the 10-year Bus Strategy;
- **Enhance customer service and meeting customer needs** with a focus on creating a valuable, safe, clean, and easy-to-use service to reassure, attract and retain customers; and,
- **Build operational readiness for rapid transit operations** by creating a strong and confident engineering capability.

5.2 Providing a Secure Journey to Customers

In addition to enhancing customer safety, Metrolinx is committed to providing a secure public transit experience for its customers across the network to drive a safe and positive customer experience. To meet this commitment, over the last year Metrolinx has collectively changed its approach to safety, security, and inclusivity including through:

- Building a plan to revamp Customer Protection Services to **transform the way Metrolinx protects and engages with customers and communities**;
- Launching a **community and customer engagement** survey in June 2021 to ensure a shared vision of safety and security for all.

Looking towards 2022-23 and maintaining current activities in the key areas of transit security, Metrolinx will be:

- **Attracting the right customer protection personnel** by improving the employee lifecycle from recruitment through career development, succession planning clearly established evaluation checkpoints to measure performance;
- **Inspiring inclusion by investing in training and coaching**, for all customer protection personnel, to bring awareness on Unconscious Bias and foster the right behaviours that promote inclusivity and equality;
- **Accounting for gender-based violence and sexual exploitation** by training front line employees, updating reporting policies and raising public awareness on human trafficking and addressing the

calls to justice outlined in the National Inquiry into Missing and Murdered Indigenous Women and Girls and Ontario's Anti-Human Trafficking Strategy;

- **Consulting the community** by establishing and maintaining relationships with supporting agencies and the community to understand current and emerging needs and risks to the customer journey;
- **Refreshing customer protection standards** by ensuring policies, practices and operations meet the highest ethical and equity standards, internally and externally; and,
- **Using data to indicate areas of customer protection improvement** by establishing, tracking, and monitoring the right measures of success to confirm we are moving in the right direction and to identify areas for improvement.

As Metrolinx increases its service levels to meet customer demand and support the region's economic recovery, transit security will continue to play an integral role to drive a safe and positive customer experience across the network.

5.3 Enhancing Customer Service and Meeting Customer Needs

Metrolinx is committed to supporting ridership recovery through enhanced customer service, while providing a seamless, easy-to-use, comfortable customer journey that is relevant to customer needs and meets customer expectations. To meet this commitment, Metrolinx is focusing on increasing customer confidence and improving customer experience as they return to taking public transit.

Over the last year, a number of customer service milestones have been achieved, most notably:

- **Opening of Bloomington GO Station** in June 2021 and **re-opening of Union Station's Bay Concourse** in July 2021. Both facilities will provide a seamless customer experience and more transit options for customers to connect throughout the region;
- In October 2021, Metrolinx **expanded the list of types of delays that are eligible for a refund** through the Service Guarantee program to include all regularly scheduled trips delayed by 15 minutes or more – regardless if the delay is caused by GO Transit; and,
- **Continued extensive cleaning at stations and conducted a pilot study of environmental sampling** which found no virus on tested transit surfaces and air samples.

Building on strong customer satisfaction from the previous year, in 2022-23 Metrolinx will:

- **Implement French Service Language Service Plan at Union Station**, beginning with a refresh of job descriptions for all customer facing roles to include French Language as an asset, as well as a staffing plan to ensure French Language Service is available during each day, by 2024;
- **Commission transformed GO stations at Rutherford and Milliken** that make it easier for customers to access our services through improvements such as the new parking garage at Rutherford, improved passenger pick-up and drop-off areas and new pedestrian bridges or tunnels to second platforms, as well as offering customers enhanced amenities in new, larger station buildings;
- **Implement customized customer communications**, including On-The-GO Customer alert system upgraded with the ability to use real-time data to provide automated and customized messages based on customer preferences;
- **Continue to implement more customer enhancements** including launching a virtual and live webchat system for GO and UP Express customers, as well as 24/7 Interactive Voice Response system that will allow customers to get the information they need through a self-serve channel; and,

- **Implement new operational improvements for customers**, including new customer communications functionality that can automate trip status to enable timely information for customers, as well as speech analytics improvements to analyze customer calls and improve future customer interactions.

Through these initiatives, Metrolinx is focusing on creating a valuable, safe, clean, and easy-to-use service that is responsive and relevant to customers' needs to reassure, attract, and retain customers.

5.4 Improved Operational Safety Initiatives

The scale and scope of the Metrolinx Safety program continues to grow in line with increased investment in infrastructure and as we continue on a safety transformation journey to provide the safest services, stations, and workplaces for our employees, customers, contractors, and communities. Progress has been made to advance safety initiatives and improve safety performance, and to develop industry-leading safety standards for Metrolinx. Over the past year, Metrolinx has achieved the following:

- **COVID-19 response and prevention** - Metrolinx maintained very low rates of infection in our workplaces and zero outbreaks on our train or bus services or in our stations over the course of the pandemic and as a result was the recipient of two national industry awards from the Railway Association of Canada (RAC) and The American Public Transportation Association (APTA);
- **Canada's Safest Public Transportation Employer Award** - Metrolinx was named Canada's Safest Public Transportation Employer in October 2021, demonstrating industry leadership and strong safety performance;
- **System safety assurance** - Further advances to Metrolinx's rail safety program during the year included two industry firsts:
 - Metrolinx worked with the Canadian Standards Association (CSA) to develop the Canadian method for risk evaluation and assessment for railway systems (CMREA). The CMREA introduces best practices established and widely implemented in Europe for making any change to a railway system that is technical, operational, or organizational in nature;
 - In parallel with the development of the CMREA, Metrolinx partnered with the Standards Council of Canada (SCC) to create the Independent Safety Assessor (ISA) for Railway Systems Accreditation Program. Through the Independent Safety Assessor for Railway Systems Accreditation Program, ISAs who have earned accreditation by SCC play a vital role not only for ensuring safety during the design, build and commissioning phases of a project, but also for on-going inspection once a project is in operation;
- **Safety culture** - Metrolinx has been named to Canadian Occupational Safety's 5-Star Safety Cultures list for its efforts to promote a positive safety culture across the organization through various new policies, programs, and initiatives, including:
 - MySafety, Metrolinx's new Safety Management Information System (SMIS), an online platform for the management of safety data to enable more efficient and effective reporting of safety events and investigations, root cause analysis and risk assessments by all staff;
 - A Safety Engagement Tour Program requiring a minimum of one safety tour every month by Directors and above to drive safety culture and performance; and,
 - Demonstrated leadership commitment with active engagement and participation of our employees by achieving a 400 per cent increase in Joint Health and Safety Committees and established a Safety Leadership Council.

For 2022-23, Metrolinx will continue working towards a “beyond compliance” maturity stage, with safety being thoroughly embedded in Metrolinx’s behaviours, operations, and culture. Key areas of focus for 2022-23 include:

- **Integration of an enhanced Enterprise Safety Management System (ESMS)** including the Rail & the Environmental Management Systems to create and achieve compliance with an independently certified ISO 45001 Standard;
- **Creation of a Metrolinx Commuter Operating Manual** that fits the needs of provincial commuter transit operations and replaces freight-based operating rule books with a combination of Transport Canada and Metrolinx Rules and Instructions;
- The launch of a **new Occupational Health, Safety & Environment (OHSE) Program** to standardize safety performance standards across the organization and facilitate the systematic identification, assessment, and control of health and safety risks to employees, contractors, and the public; and,
- **Enhancing operational safety and risk management** through the development of business unit specific safety plans.

These initiatives are to be implemented in all of Metrolinx’s operations and projects, accompanied by a Safety Culture Transformation Plan that focuses on individual and personal safety accountabilities of all employees and contractors.

5.5 Adjusting Service Levels to Better Serve the Region and Grow Ridership Base

Metrolinx provides regional rail service through its GO Transit network corridors: Lakeshore West, Lakeshore East, Milton, Kitchener, Barrie, Richmond Hill, and Stouffville, as well as airport service through UP Express. At the onset of the COVID-19 pandemic, transit ridership was significantly impacted and Metrolinx transit service level were adjusted to align with lower ridership.

As the province continues to adjust COVID-19 restrictions, Metrolinx has provided customers more options to get around through:

- **The adjustment of GO Train service in response to COVID-19**, including weekday express rail trips on the Kitchener and Lakeshore lines, 30-minute weekend service on the Lakeshore East and Lakeshore West lines, and 30-minute UP Express service;
- **The introduction of new train service enhancements**, including to Hamilton in August 2021 and expansion beyond the Kitchener GO Line to St. Marys, Stratford, and London in October 2021; and,
- **Continued progress on the planning studies, optimization, and service plans** in support of 15-minute, two-way, all-day electrified GO train service that will extend past Aurora GO Station to Bradford GO station in the future.

To better serve the GTA and grow our ridership base, Metrolinx will also continue adding new service beyond the pre-pandemic levels when appropriate. This includes:

- **Targeting ‘frequent shorter trains’** instead of the classic long-train am/pm based on customer insights and recent experience that frequency of service is key to retaining and growing ridership;
- **Exploring new weekend and weekday services** aimed at creating confidence that reliable frequent transit will be there when customers need it most;

- **Leveraging work with freight and rail partners**, such as CP and CN to advance implementation of the long-term strategy to expand GO train services to Kitchener and Niagara, as well as working with VIA Rail to enhance passenger rail train speeds and service levels on existing railway corridors;
- **Transforming role and service delivery methods** as the organization brings the On-Corridor Works proponent on board to take over the train operations and maintenance; and,
- **Continue building a new GO regional railway through the GO Expansion program**, with three times the train trips every week compared to our pre-COVID-19 timetable, and progressing on a transformation to improve operational practices by fully adopting Lean and data-driven decision making.

Through these initiatives Metrolinx will deliver improved service across the GO train network, with 15-minute two-way all-day service on core segments. The end goal is more than just being a rush hour commuter service and is to offer more service with faster trains, more stations, reduced congestion, regional development, and seamless connections to the regional rapid transit network. Metrolinx will continue to refine the service offerings based on the most recent COVID-19 development.

5.6 Introducing Regional Express Bus Service

GO Bus provides a critical network of routes that cover the region, connecting regions and municipalities. Through transit connections at 1100+ stops, 28 terminals and 30 park and ride sites, GO Bus customers are able to connect with other transit modes and providers to meet their travel needs.

Through the GO Bus Strategy, Metrolinx has established a new direction for GO bus service in the next 10 years with the primary goal to grow ridership, while increasing the cost-effectiveness of delivering bus services. One of the key directions of the GO Bus Strategy is to redeploy resources from previously train-supporting services towards higher-demand corridors, and create a high-frequency (15 minute or better) Regional Express Bus Network, linking major employment and education centres with direct service, connecting to and expanding the broader regional rapid transit network.

To meet regional growth, adapt to customer needs and continue advancing the implementation of Regional Express Bus service, Metrolinx has achieved the following progress over the last year, including:

- **Developed a 10-year bus strategy** which focuses on delivering connections to major centres in the region, simple connectivity to transit partners, as well as extended reach across the region and Ontario through coordination with transportation providers; and,
- **Leveraging recent accomplishments, including the new Union Station Bus Terminal (USBT)** that is now serviced by GO Transit and private-sector providers, including some providers offering intercommunity service, to effectively support the implementation of the bus strategy.

In 2022-23, Metrolinx will continue work to implement Regional Express Bus service, which:

- **Transforms GO Bus Service to focus on targeted service** that maximizes reach and connectivity, and introduces a "show up and go" approach for customers with 15-minute service;
- **Provides seamless network integration with local transit networks** to deliver connectivity and introduces coordination with private carriers to extend customer reach between communities; and,
- **Supports provincial investment in rail, subways, LRTs, and BRTs** by offering East/West connections linking all local/radial higher order services and providing system resiliency.

In addition to implementing the Regional Express Bus service, Metrolinx will continue to work with the provincial government to explore potential partnerships for intercommunity bus service delivery, as a way to

enhance province-wide intercommunity bus service. The implementation of these initiatives will connect GO Transit with major centres in the region, provide direct connections to destinations with simple connectivity to transit partners, and extend the reach of passenger transportation services across the region and Ontario through coordination with public and private-sector transportation providers.

5.7 Building Operational Readiness for Rapid Transit Operations

Metrolinx currently manages approximately \$25 billion in its asset base which includes: 747 track kilometres, 470 bridges, 794 culverts, 49 tunnels, 144 crossings, over 13,800 signalling assets, over 31,000 radio and communication assets, 69 GO/UP facilities, 30 park and rides, 14 bus terminals, four Station Maintenance Facilities and 10 administrative sites. The Metrolinx rail fleet asset base is comprised of 979 bi-level passenger coaches, 91 locomotives, 18 diesel multiple units, two rail maintenance facilities and 15 layovers to provide the required maintenance. In relation to the Metrolinx Bus fleet asset base there are 555 buses, nine bus maintenance facilities, and over 300 on-road bus stops.

Metrolinx also partners with municipalities with respect to regional transit, and through those partnership Metrolinx-owned assets related to VivaNext include 36 lane kilometres of pavement, six bridge structures, three stations facilities (MiWay), as well as 68 lane kilometres of pavement and 76 station facilities (VivaNext). To service our customers effectively, these systems rely heavily on I&IT which comprises countless applications and infrastructure and safety support assets, including CCTV, and over 20,000 fare devices across the network (including PRESTO).

With expected increase in Metrolinx's asset base to approximately \$60 billion by 2030 across GO Expansion, LRT, BRT, and Subway programs, Metrolinx is establishing a strong focus on asset and commercial management for all our long term, public-private-partnership (P3), and maintenance contracts. This includes the growth of the Metrolinx asset base around the LRT portfolio to support the anticipated infrastructure required to deliver the Rapid Transit Program.

Exhibit 8: Projected Increase in Metrolinx Asset Base

	Right of Way	Bridges & Structures	Facilities	Fleet
Rapid Transit Program				
ECLRT	• 19km	• 10km tunnels	• 25 stations and at-grade stops • 1 maintenance and storage facility	• 76 LRT cars (2 and 3-car train sets)*
ECWE	• 9.2km	• 6km tunnels	• 7 station facilities	
FWLRT	• 11km		• 18 station facilities • 1 maintenance facility	• 18 LRT cars (1-car train set)
HuLRT	• 18km		• 1 stop integrated with Port Credit Station • 18 stops • 1 maintenance and storage facility	• 28 LRT cars (1-car train set)
HaLRT	• 14km		• 17 station facilities • 1 maintenance facility	• Approximately 20 LRT vehicles
Ontario Line - Subway	• 15.6km	• 6km tunnels	• 15 station facilities • 1 maintenance and storage facility	• 32 to 40 4-car train sets
Scarborough Subway	• 7.8km	• 7.8km tunnels	• 3 station facilities	• 7 6-car train sets
Yonge North Subway Extension	• 8 km	• 6.25km tunnels	• 4 station facilities • 1 train storage facility	• 8 6-car train sets

Notes: Infrastructure not included in the above are: signals and communications, PRESTO devices, I&IT systems, electrification, public art. *Rail fleet strategy for ECWE is still being determined.

For 2022-23 Metrolinx is continuing to build a strong and confident engineering capabilities to improve operational and maintenance excellence, and deliver programs that will assure:

- Operators are able to **effectively deliver the operations contracts** for Rapid Transit projects underway to achieve the service required;
- **Maintenance work is delivered according to the agreed industry standards to meet our customer expectations;** and,
- Metrolinx achieves world class maintenance of the Metrolinx assets in a state of good repair through **optimized asset lifecycle management** based on quantitative data such as asset health (i.e. condition), performance (i.e. reliability) and risk (i.e. safety).

Through these investments, Metrolinx is ensuring best in-class day-to-day and lifecycle maintenance and performance monitoring for all Metrolinx assets to avoid premature asset deterioration.

6.0 PRESTO

6.1 PRESTO Highlights

PRESTO is Metrolinx's regional fare payment system, currently utilized by 11 transit agencies across the Greater Toronto and Hamilton Area and in Ottawa.

In 2021-22, Metrolinx was focused on furthering its PRESTO customer strategy to support ridership recovery, building a stronger client engagement model, and striving for long-term financial sustainability. In 2022-23, Metrolinx will continue to build on progress made through the PRESTO Modernization program and an intense focus on our customers and clients. Key priorities for 2022-23 include:

- **Advancing the PRESTO Modernization program** through continued rollout of new ways to pay transit fares and the 2022 PRESTO Procurement Program;
- **Continuous improvement of the customer experience**, building on the success of the past year and leveraging customer insights to deliver further enhancements that solve pain points in the PRESTO customer journey; and,
- **Delivering for PRESTO customers** by working closely with municipal transit agencies to continue to strengthen relationships, complete committed items, and to identify opportunities to improve the overall service offering and accelerate the delivery of new products and features for customers.

6.2 PRESTO Modernization

Metrolinx has embarked on a Modernization Program to transform the PRESTO system, fare media products and supplier landscape. PRESTO's modernization is composed of two parallel components, including the delivery of new payment methods to better serve PRESTO's four million customers, and the re-procurement of the entire PRESTO system with an accompanying evolution to a new operating model.

Significant progress was made on each of these components in 2021-22, including:

- **Became the first transit organization in Canada to launch contactless Interac debit fare payments** for UP Express in October. This builds on the successful launch of contactless credit card fare payment for UP Express in the spring, which has seen almost 9,800 boardings using credit payment from 58 different countries worldwide, and the recent completion of a closed pilot for GO Transit;
- **Launched E-tickets for Oakville Transit**, previously available only on Durham Region Transit and Hamilton Street Railway, and readiness across the remaining 905 transit agencies for rollout in the next fiscal year; and,
- **Achieved key milestones in the 2022 PRESTO Procurement Program** in anticipation of the expiry of the current agreement with Accenture for the operation of the PRESTO system. A Request for Information (RFI) was completed in early 2021 followed by government approval to proceed to market, through Request for Supplier Qualifications (RFSQs) and Request for Proposals (RFPs), to execute on a transformative procurement strategy. Metrolinx has issued and completed the RFSQs for key lots including the Automated Fare Collection System lot and System Integration Services lot.

Looking forward, Metrolinx will focus on advancing the PRESTO Modernization program, continuing to rollout new ways to pay transit fares, and executing the 2022 PRESTO Procurement Program. The delivery of new and contactless payment options will improve customer satisfaction and experience, address contractual obligations to all nine municipal transit agencies (including the TTC) and allow for safer payment options in response to COVID. Simultaneously, the 2022 PRESTO Procurement Program will move Metrolinx away from reliance on a single vendor to an open architecture with a more diverse supplier base delivering integrated fare payment services for customers and clients, as well as reduced total cost of ownership.

In 2022-23, Metrolinx is planning to advance on key initiatives in these areas that include:

- **Continued rollout and enhancements of the E-Ticket platform** across the remaining 905 transit agencies and Ottawa, including electronic activation and transfers that will enable customers to tap the E-Ticket on their phone directly to a PRESTO reader when they board and transfer. Additionally, PRESTO will expand E-Ticketing validation for 905 Para Transit and pilot a new integrated plan-book-pay integration with Transit App;
- **Continued rollout of PRESTO contactless debit and credit payments**, beginning with credit card payment full launch on GO Transit and phased rollout across 905 transit agencies. Expanded rollout of Interac debit on GO Transit and 905 transit agencies to follow credit card launch; and,
- **Advancing the 2022 PRESTO Procurement Program** by releasing to market the RFQ/RFPs for various components of the PRESTO system as well as the awarding of select contracts that will transition the system to a new supplier base.

6.3 PRESTO Customer Experience

Metrolinx is committed to ensuring an excellent PRESTO customer experience and has continued to invest in customer product and service improvements to enable transit ridership recovery impacted by COVID-19.

Over the last year, Metrolinx has achieved major milestones in this area, including:

- **Achieved an average PRESTO Customer Satisfaction (CSAT) score** of 81 per cent through focusing on continuous improvement of the customer experience;
- **Expanded the distribution network to make PRESTO cards more accessible to transit customers**, including at 27 additional locations in Toronto this summer and fall, helping to improve coverage and close geographical gaps across the network. There are now over 400 retail locations where PRESTO cards can be purchased and loaded; and,
- **Delivered significant enhancements across the PRESTO customer journey**, including a refreshed PRESTO homepage, new explainer videos on the website (e.g. how to set up a default trip), as well as TTC device interface updates to include more information when a customer taps, such as fare paid, balance, and transfer window.

In 2022-23, in addition to the continued rollout of new fare media products as part of the PRESTO Modernization Program, Metrolinx will also continue to improve the customer experience, building on the success of the past year and leveraging customer insights to deliver further enhancements that solve pain points in the PRESTO customer journey, including:

- **Focusing on continuous improvements in our customer-facing physical and digital channels** including online self-serve portal (website), mobile app and payment/vending devices, by leveraging multiple sources of customer insight, including CSAT surveys, contact centre data and user testing;

- **Concentrating efforts on Lean and continuous improvements to support the PRESTO contact centre**, including enhancements to increase self-serve across all channels. Our Contact Centre is focused on first contact resolution by empowering our agents as we welcome back customers to transit, while also continuing to identify opportunities to increase customer satisfaction, improve communications, and reduce operational costs and inefficiencies; and,
- **Improving usability of PRESTO devices**, including PRESTO device display screen enhancements to vending machines and the rollout of next generation Ticket Vending Machines (TVMs) across GO Transit and UP Express. The devices will have enhanced functionality, such as touch screen navigation, live customer service agent chat button, and improved accessibility features, while still maintaining the option for customers to purchase a paper ticket.

6.4 Delivering for PRESTO Clients

Metrolinx continues to work together with municipal transit agencies and partners to implement customer and client centric initiatives that will deliver value across the region. Metrolinx has now moved to a true client focus, most notably through the reinvigoration of our TTC relationship, a modified governance structure, and enhanced collaboration and communication with all PRESTO clients.

In 2021-22, Metrolinx made significant progress against its agenda to deliver for PRESTO clients, including:

- **Key structural changes to our governance model** with our client transit agencies, including establishing a dedicated stream to support TTC governance, to improve our relationship and client satisfaction;
- **Continuously exceeding our network-wide PRESTO payment equipment availability rate targets** with Payment Reader and Load Machine Availability Rate average scores of 99.77 per cent for both metrics;
- **Completing the final phase of the 905 transit agency device refresh program** in May with the delivery of nearly 200 new and improved fare payment inspection devices across GO Transit, York Region Transit, MiWay, and UP Express that can detect payment with a PRESTO card or with contactless credit/debit payment; and,
- **Improving accessible transit for customers with disabilities** through continued expansion of the Mobile Fare Payment App (MFPA) on paratransit services. Following the rollout on TTC paratransit vehicles and third-party sedan taxis in 2020, the MFPA has now been expanded to paratransit and specialized services in Hamilton and Oakville, with Durham to follow soon.

In 2022-23, Metrolinx will build on last year's achievements and focus on delivering for clients, working closely together with municipal transit agencies to complete committed contractual items and to identify and execute on opportunities to improve the overall service offering and accelerate the delivery of new products and features for customers. Key initiatives for the new year include:

- **Delivering improved client satisfaction by focusing on the fundamentals** including three identified focus areas: (1) Delivering Against Contractual Obligations, (2) Delivering Against Current Service Level Agreements, and (3) Building Client Trust;
- **Delivering and maintaining a reliable PRESTO service for clients and customers** through continuous improvements to network-wide Payment Reader and Load Machine Device Availability rates and maintaining a Central System Availability rate of 100 per cent;
- **Continuing to replace end of life equipment** with updated modern fare payment devices that are ready to accept the next generation of PRESTO fare media products;

- **Increasing customer access and equity** by continued expansion of fare payment options for universities, school boards and social services, further expansion of the distribution network, and enabling customers to pay using PRESTO regardless of the vehicle type – conventional, specialized, contracted taxis;
- **Supporting clients in ridership recovery** by working collaboratively on complimentary PRESTO messaging to prepare customers to get ready to ride transit; and,
- **Delivering contactless credit/debit** to the TTC and all our agency partners starting late next year.

7.0 Capital Projects

7.1 Capital Projects Highlights

Metrolinx continues to advance the largest transit expansion program in Canadian history, which will transform the way the region moves. The three major flagship programs are:

- **GO Expansion**, which will bring two-way, all-day, service to the core segments of the GO rail network through various packages of Early Works, Off-Corridor and On-Corridor Works;
- **Subway projects**, which will provide reliable and seamless options connecting to the existing subway and TTC system and providing rapid transit access to previously underserved neighbourhoods through the building of the Scarborough Subway Extension, Ontario Line, Yonge North Subway Extension and Eglinton Crosstown West Extension; and,
- **Rapid Transit projects**, including Light Rail Transit (LRT) projects which are well under construction, like the Eglinton Crosstown LRT expected to enter into revenue service in 2022, and potential future Bus Rapid Transit (BRT) projects being planned for the Greater Toronto Area.

Further details of each program are described in their respective sections.

7.2 GO Expansion

Metrolinx is committed to transforming the existing GO Transit rail system to offer a frequent all-day, two-way electrified service on core segments of the network through the GO Expansion program. Capital costs associated with the GO Expansion program are estimated to be \$26.8 billion (\$ Year of Expenditure), which includes investments for State of Good Repair (SOGR) and Optimization and Expansion for existing assets and expansion of the rail network and passenger facilities.

In the 2022-23 fiscal year, Metrolinx will be investing approximately \$2.3 billion in the GO Expansion program which includes investments in SOGR and Optimization and Expansion to advance numerous projects. The implementation of the GO Expansion Program is divided into different packages of work, based on when and how the infrastructure is required.

Early Works

Early Works is a \$10.5 billion suite of projects that will prepare the rail network for the implementation of the subsequent Off-Corridor and On-Corridor packages. These works include utility relocations, grade separations, track work and modifications, grading, retaining structures, noise mitigation measures, and upgrades to bridges, stations, and signaling and communications infrastructure. Work will continue in 2022-23 to deliver this program through both public-private partnership contracts and traditional procurement methods:

- **Public-private partnership contracts:** Metrolinx will continue to make progress in delivering a number of the GO Expansion Early Works projects using this approach, working with Infrastructure Ontario as the procurement advisor through an integrated team model. As of early 2022, three projects—Cooksville GO Station, Highway 401/409 Tunnel, and Kipling Station Bus Terminal—have reached substantial completion and are delivering benefits to customers. Three more—Davenport Diamond Rail Grade Separation, Stouffville Stations and Grade Separations, and Rutherford Station and Grade Separation—are in advanced construction. The final two—Lakeshore West Infrastructure

Improvements and Lakeshore East Central Corridor Expansion and Grade Separations—are in the late stages of procurement.

- **Traditional procurement methods:** Metrolinx will continue to deliver other early works through Design-Build (DB) and Design-Bid-Build (DBB) contracts, including but not limited to: Stouffville Second Track and Signals, Lakeshore East Corridor Expansion (Western segment), Barrie Corridor Expansion, Old Elm Station Replacement, Bloor Station TTC Connection and the new Caledonia Station on the Barrie corridor. Ongoing work will also incorporate routine annual maintenance investments of fixed assets, like surface parking, stations, and operating facilities.

In 2022-23, Metrolinx will also continue advancing Union Station Rail Corridor and Signaling Enabling Works which form an important part of the \$10.5 billion Early Works package. The majority of the projects within this category are being delivered through traditional contracts. However, the Union Station Enhancement Project, which includes a new platform and concourse, will be the first major public-sector transportation project in Canada to be delivered using the Alliance procurement model. Following a successful Development Phase, in which Metrolinx worked closely with the selected private partners to refine the design and budget, the project agreement with the Alliance's non-owner participants was successfully executed in early 2022 and construction is well underway. The agreement will be the basis for an innovative partnership between Metrolinx and its contractors.

Off-Corridor Works

Throughout 2021-22, procurement planning of the Off-Corridor Works Program continued for renovations at existing stations on the GO network, including upgrades to station buildings, platforms, signage, bus loops, parking, accessibility, and passenger pick-up and drop-off facilities. 2022-23 is expected to include significant detailed design activity. These projects are anticipated to enter construction as the variety of station improvements in the Early Works package wind down.

On-Corridor Works

A key component of the delivery of the GO Expansion Program are the On-Corridor Works required to deliver the enhanced service levels outlined in the Full Business Case for GO Expansion. On-Corridor Works are being planned to be primarily delivered through an innovative Progressive Design-Build-Operate-Maintain contract. This procurement approach was carefully developed and refined based on a qualitative analysis, considering feedback from the market, capacity, program interfaces, project size, flexibility for future change and experience on local and international projects.

The On-Corridor package includes the following scope:

- Operation of train services;
- Timetable planning, train control and dispatch for all operators across the GO-owned network;
- Servicing and cleaning, refurbishment, maintenance, and lifecycle renewals of all rolling stock and procurement of new rolling stock;
- Design, build, integration, and maintenance of the railway corridor (civil infrastructure, tracks, electrification, signalling);
- Construction of new maintenance and train storage and/or layover facilities;
- Reconstruction of Union Station track and platforms; and,
- Compliance with Metrolinx safety, security, and emergency management policies.

Procurement of On-Corridor Works was initiated in spring 2018 through the release of a Request for Qualifications (RFQ) followed by the release of a Request for Proposals (RFP) in spring 2019. Two competing consortia, each bringing together international firms with extensive experience building and running frequent

electric regional rail networks outside North America with local partners, submitted their proposals on November 30, 2021. As of early 2022, evaluation is underway with a winning bidder anticipated to be selected at the end of the 2021-22 fiscal year. In 2022-23, Metrolinx expects to continue working with Infrastructure Ontario to enter into a Development Phase with the winning bidder, which will include the start of construction on some initial works concurrent with collaboration to refine designs, budgets, and schedules.

7.3 GO Extensions and SmartTrack Stations Program

In 2022-23, investments of approximately \$433 million are planned towards GO Transit improvements beyond the core GO Expansion Program that will bring greater access to regional rail services to new markets. Metrolinx plans to finalize agreements with key freight rail partners to enable expansion of service over corridors under their ownership. In addition, Metrolinx has initiated the procurements for four stations within the City of Toronto's SmartTrack Stations Program that will see infill stations added to inner portions of the GO rail network, leveraging the frequency and capacity improvements of GO Expansion to bring new transit options to more communities. In 2022-23, Metrolinx expects to move these projects into execution with their respective winning bidders.

7.4 State of Good Repair (SOGR)

To ensure GO Transit assets remain in a safe and reliable condition, Metrolinx continues to invest in infrastructure rehabilitation. Approximately \$598 million of the capital plan for 2022-23 will be dedicated to SOGR projects, including GO Transit and enterprise IT initiatives.

In 2022-23, Metrolinx is aiming to deliver its SOGR Program within five per cent of its approved capital budget for the year, as part of achieving the organization's strategic priorities. In 2022-23 Metrolinx will be focusing on projects such as:

- Maintenance and rehabilitation work to GO owned structures, track and signals;
- Maintenance and rehabilitation work on GO stations;
- Train Control System Program – Union Station Rail Corridor;
- Fare systems program;
- Bi-level passenger coach refurbishment; and,
- Customer Digital Transformation and other enterprise I&IT work

7.5 Subway Projects

In 2022-23, Metrolinx, in partnership with Infrastructure Ontario and in collaboration with municipalities, will continue to advance the delivery of its subway program. Approximately \$2.9 billion of the capital plan for 2022-23 will be dedicated to advancing the following four projects:

- **Ontario Line** – A Preliminary Design Business Case has been completed for this new subway line running 15.6 km from Ontario Science Centre to Exhibition/Ontario Place, and Requests for Proposals (RFPs) were issued to prequalified bidders for the first two P3 contracts in December 2020. In 2022-23, the South Civils and Rolling Stock, Systems, Operating and Maintenance P3 contracts will continue through the in-market phase and culminate in contract award for both. The procurement process for the third P3 contract, the North Civils contract will also be initiated;

- **Yonge North Subway Extension** – Work underway in 2022-23 for this extension of the TTC’s Line 1 Yonge-University Subway Line from Finch Station to the City of Richmond Hill includes further planning and design refinement and initiation of procurement for Early Works at Finch Station, an Advance Tunnel contract and the Stations, Rail and Systems contract (subject to future government approvals);
- **Eglinton Crosstown West Extension** – The advance tunnel contract for 6 km of tunnelling between Renforth and Scarlett reached financial close in 2021-22 and construction on the tunnel will continue to progress throughout 2022-23. This is a significant milestone for this 9.2 km extension of the Eglinton Crosstown LRT from the future Mount Dennis Station to Renforth Drive. In 2021-22, procurement also commenced for contracts to construct a shorter 500m tunnel segment between Jane and the future Mount Dennis Station, and an approximately 1.5km elevated guideway between Scarlett Road and Jane Street; both contracts are also expected to proceed towards execution in 2022-23; and,
- **Scarborough Subway Extension** – This 7.8 km long extension will be a three-stop addition to the TTC’s Bloor Danforth Line 2 from the existing terminal at Kennedy Station. An advance tunnel contract reached financial close in 2021-22, and construction of the tunnel will continue throughout 2022-23. Procurement of the stations and rail systems Progressive-Design-Build contract commenced mid 2021-22 and will continue to advance in 2022-23.

These four projects are among those prescribed as priority transit projects under the *Building Transit Faster Act, 2020* (BTFA). Metrolinx will continue to implement the applicable BTFA measures to streamline project delivery and support the accelerated completion of the prescribed projects.

7.6 Rapid Transit Projects

The Eglinton Crosstown LRT project is being delivered through a Design-Build-Finance-Maintain (DBFM) contract, which was awarded to Crosslinx Transit Solutions (CTS) in July 2015. Construction by CTS has been underway since March 2016 and throughout 2021-22 the underground station work shifted from heavy civil construction to the installation of finishes and equipment. As 2022-23 begins, CTS will continue final installation and integration of systems, while testing and commissioning activities will continue across the alignment. A negotiated settlement reached with CTS in late 2021 included a revised contractual date for substantial completion of the project of September 2022.

The Finch West LRT project is being delivered through a DBFM contract, which was awarded to Mosaic Transit Group in May 2018. In 2022- 23, LRVs will continue to be delivered to the Maintenance and Storage Facility (MSF) and will go through the process of completing 600 km of “burn-in” testing along a completed section of the line. At the two most complex below-grade stations, Finch West station and the Humber College terminus, construction will continue to advance on key structures including platforms and portals, as well as the important connection to the TTC’s Line 1 subway.

The Hurontario LRT project is being delivered through a Design-Build-Finance-Operate-Maintain (DBFOM) contract, which was awarded to Mobilinx in October 2019. The project’s construction progress will become progressively more visible across the alignment in 2022-23. Construction of the project’s sole below-grade station at Port Credit is set to begin within a “push box” slated to be installed under the GO Lakeshore West line in early 2022. A second push box, under the Queen Elizabeth Way, will also commence construction. Tracks will begin to appear along the 18 km alignment, while the final tracks will be installed at the Operations, Maintenance and Storage Facility (OMSF).

The Hamilton LRT is also in progress. In May 2021, the Government of Ontario along with the federal government announced a commitment of up to \$3.4 billion towards the capital construction of a 14 km LRT in the City of Hamilton, extending from McMaster University to Eastgate Square. In September 2021, a memorandum of understanding (MOU) was formally signed by the City of Hamilton, Metrolinx, and the Ministry of Transportation. Further, a regulation came into force on September 28, 2021 to prescribe the Hamilton LRT as a priority transit project under the BTFA to streamline project delivery and support accelerated completion of the Hamilton LRT. While most of the work in 2022-23 will be focused on procurement, utility relocations are planned along the corridor in anticipation of future LRT construction. Property acquisition and building demolition will also continue throughout 2022-23.

7.7 Advancing Other Future Projects

In addition to the rapid transit projects already underway, in 2022-23 Metrolinx will continue to partner with municipalities, municipal transit agencies, and Indigenous partners in advancing the planning and preliminary design work of several other potential future projects, including:

- **Durham-Scarborough Bus Rapid Transit** - Transit Project Assessment Process (TPAP) and Preliminary Design Business Case for 36km of Bus Rapid Transit linking Scarborough Centre with Pickering, Whitby, Ajax, and Downtown Oshawa will be complete in 2022-23;
- **Dundas Street Bus Rapid Transit and Priority Bus** - TPAP and Preliminary Design Business Case for the Mississauga East portion of a 45km of enhanced bus infrastructure linking Toronto, Mississauga, Oakville, Burlington, and Hamilton underway in 2022-23;
- **Brampton Queen Street/Highway 7 West Extension Bus Rapid Transit** - TPAP and Preliminary Design Business Case for 20km of Bus Rapid Transit linking Downtown Brampton and Vaughan Metropolitan Centre will commence in 2022-23;
- **Zero Emissions Bus Program** - business case underway in 2022-23 to explore alternative propulsion technologies for the GO bus fleet that reduces greenhouse gas emissions, reduces operating and energy consumption costs;
- **Milton GO Service Expansion - Milton GO Service Expansion** - Initial Business Case to be completed in 2022-23 for expansion of service along the Milton corridor to better serve passengers with off-peak and counter-peak rail service; and,
- **Northeastern Passenger Rail Service** - In collaboration with the Ontario Northland Transportation Commission, the Updated Business Case (UBC) underway supports the next stage of feasibility work for the reintroduction of passenger rail service between Toronto, North Bay and Timmins. The UBC is targeted to be completed in 2022.

8.0 Transit Oriented Communities Program

8.1 Transit Oriented Communities Program Highlights

In delivering major capital infrastructure projects, including Ontario's new Subway Transit Plan for the GTA, Metrolinx is working together with the Ministry of Transportation (MTO), Ministry of Infrastructure (MOI), Infrastructure Ontario (IO) and third parties to deliver high density, mixed-use, integrated development at stations through the Transit Oriented Communities (TOC) program. Metrolinx supports TOCs and other partnership opportunities under the following work streams:

- **Market Driven** - Third party designs, funds, and constructs transit infrastructure;
- **Joint Development** - Market offering to enable development that includes transit infrastructure;
- **Dispositions** - Market offering to enable development; and,
- **Entrance Connections** - Development connecting directly into transit infrastructure at, above or below grade.

This approach enables Metrolinx to leverage benefits from third-party investments to reduce public funding for transit expansion, offer new opportunities to deliver more transit services faster and at a lower cost to taxpayers, while also encouraging transit ridership, access to housing and jobs, catalyze complete communities based on good planning principles and stimulate the economy through major projects for years after pandemic.

8.2 Advancing Transit Oriented Communities Program

Over the past year, Metrolinx has made progress in delivering the components of the TOC program, namely:

- **Successfully executed agreements to partner with private sector** on development opportunities;
- **Accelerated property demolition work and site remediations** to avoid cost, reduce risks and enable potential future revenue possibilities, while successfully relocating tenants to allow for planned construction and development opportunities; and,
- **Secured more than \$100 million in revenue** from sale of assets, leases, licenses, and easements.

Metrolinx will build on these achievements, work with partners, and continue to support the overall TOC program goals, through the following planned initiatives in 2022-23:

- **Advancing a plan to evolve property portfolio strategies** towards sustainable, long-term revenue opportunities;
- **Optimizing opportunities and partnerships** along existing and future GO Transit and LRT lines; and,
- **Pursuing more targeted property dispositions** by continuing to optimize the portfolio for potential TOC opportunities and revenue sources from underutilized assets.

The TOC program and other partnership opportunities provide possibilities to work with the private sector to generate value resulting from private investment in transit. By achieving the TOC program goals, Metrolinx is pursuing a more market-oriented approach to deliver the broader Metrolinx mandate. Metrolinx and IO have put in place processes and systems that can enable more responsiveness and have demonstrated capability to be a trusted business partner with the development industry.

9.0 Regional Transportation Planning

9.1 Regional Transportation Planning Highlights

Metrolinx is mandated to provide leadership in the coordination, planning, financing, development, and implementation of an integrated transit network in the regional transportation area. The transit related components of the 2041 RTP, which was published in March 2018, serves as Metrolinx's guiding document and blueprint to meeting this wide-reaching regional mandate. Using the 2041 RTP and the soon to be finalized Ministry of Transportation's multimodal GGH Transportation Plan as guiding documents, Metrolinx will be:

- Advancing implementation of 2041 RTP key transit goals;
- Simplifying fares and integrating service in the region;
- Implementing the Sustainability Strategy; and,
- Improving Customer Access to Stations.

Through the implementation of the 2041 RTP, Metrolinx is committed to improving the quality of life, environment, and economy of the GGH by providing even more people with easier access to fast, frequent, and reliable transit.

9.2 Advancing Implementation of 2041 RTP

Over the last year, Metrolinx has achieved a number of milestones towards key 2041 RTP goals, including:

- **Working with our municipal stakeholders, Indigenous communities and partners at the Ministry of Transportation** through our regional collaboration forums, the continued implementation of the Frequent Rapid Transit Network (FRTN) Prioritization Framework and Annual Review, and supporting the transit components of the multimodal Greater Golden Horseshoe Transportation Plan for 2051;
- **Researching, collecting data, and developing an understanding of the COVID-19 impact** on travel behaviour that may affect transit in the longer-term (2031 and beyond). This work has considered long-term changes in telework, auto ownership, and firm and residential location decisions. Metrolinx works closely with MTO and municipalities to ensure that findings are shared and inform travel demand forecasting tools/models and planning analysis across the region;
- **Developing a better understanding of transit options and needs in the region**, including through the completion of the Airport Area Transportation Study Update in partnership with the Greater Toronto Airports Authority (GTAA), as well as the analysis of economic cost and benefits of transit priority measures on three potential priority bus corridors, and the analysis of late-night transit service gaps and opportunities; and,
- **Advancing key rapid transit network expansion projects through the project lifecycle**, including funded projects like the Ontario Line, Yonge North Subway Extension, Scarborough Subway Extension and Eglinton Crosstown West Extension, as well as unfunded projects including the Dundas Street BRT, Durham-Scarborough BRT, and the Brampton Queen Street/Highway 7 West Extension BRT. Detailed work will continue including analysis of route, stations and stops, and ridership as well as developing business cases for each stage of the project lifecycle to inform decision making.

In 2022-23, Metrolinx will continue to move forward to achieve the transit goals of the 2041 RTP, while also expanding our transit planning work within the GGH. Key actions related to advancing the RTP in 2022-23 includes:

- **Working with the Ministry of Transportation to bring the Regional Transportation Plan into alignment with the Greater Golden Horseshoe Transportation Plan for 2051.** This includes reviewing priority actions and preparing projects for Metrolinx's annual review of the frequent rapid transit network;
- **Proceeding with the Annual Review phase of Metrolinx Prioritization Framework,** which is expected to include additional projects in the expanded GGH mandate area and the GGH Transportation Plan;
- **Monitoring and analyzing the emerging and evolving “new normal” for transit** as more workers and students return to in-person settings and as COVID restrictions are adjusted to allow for more activities;
- **Delivering robust and rigorous evidence-based business cases for major public transit infrastructure investments** that meet industry best practices to support decision-making;
- **Advancing micro-transit and on-demand transit across the region** by supporting MTO in determining opportunities, building local transit agency capacity and knowledge, and evaluating pilot programs;
- Working with MTO, municipalities, transportation agencies and other partners to **investigate opportunities for the development and effective implementation of Mobility as a Service (MaaS),** using data, information and technology to bring transportation options to users so they can plan, book and pay for trips across multiple services and modes of travel through a single online platform;
- **Identifying and evaluating first-mile / last-mile solutions** with MTO, municipalities and other partners to provide additional transit opportunities and connections to and from GO facilities;
- **Providing technical analysis support for municipal investigation and implementation of Priority Bus** including an investigation of local opportunities and barriers for expanded all-door-boarding; and,
- **Identifying planning strategies to improve transit access, equity, and security for vulnerable users,** and improving outcomes for Black, Indigenous and People of Colour.

In addition to the above key initiatives being implemented in the region, Metrolinx is also working in partnership with ONTC to analyze the business case for improved connectivity between Northern and Southern Ontario. This includes supporting the analysis to advance and update the business case for passenger rail service to Northeastern Ontario in coordination with ONTC and the province. In conducting these works, Metrolinx will continue to collaborate with MTO, Indigenous partners, municipal planning, and municipal transit stakeholders across the region.

9.3 Simplifying Fares and Integrating Service in the Region

The 2041 RTP focuses on providing a seamless transit experience for travellers through integrated fares, payments, services, and schedules. In collaboration with municipal transit agencies and MTO, Metrolinx is undertaking work to support improved fare and service integration in the GGH both individually and as part of regional working groups.

Fare and Service Integration continue to be an important part of the Metrolinx mandate and are vital to the creation of a seamless regional transit network. In the post COVID-19 context, Metrolinx recognizes the potential that fare and service integration offers for ridership recovery and the opportunity for structural change. Metrolinx will work with MTO and local transit agencies to support fare and service integration goals, identify opportunities for improved integration across the region, and share information to create a better understanding of transit in the GGH.

Fare and service integration initiatives being implemented in the immediate term include:

- **Working with local transit agencies to identify integration gaps** and pilot improved approaches to cross boundary service operation;
- **Supporting local transit agencies across GGH with harmonizing concession** definitions and concession setting policies, with a goal of creating a consistent concession experience for customers across the region;
- **Working with local transit agencies and MTO to develop a set of recommended approaches for a long-term regional fare integration structure.** A robust analysis of the current opportunities for integration and system efficiencies is in process and options to advance positive opportunities are being modelled;
- **Working with local transit agencies to coordinate service planning processes**, for example through better alignment of service change board periods; and,
- **Making choosing transit more affordable** by exploring fare and service integration options to support ridership recovery, enhance customer experience, and improve transit affordability.

In alignment with recommendations from the 2020 Auditor General Annual Report, Metrolinx will continue working in partnership with MTO, municipalities and transit agencies through public transit and regional forums to raise critical and strategic issues and work at the staff level to coordinate and implement policy and operational changes.

9.4 Implementing the Metrolinx Sustainability Strategy

Sustainability is one of Metrolinx's key organizational priorities and is embedded throughout our core functions. Our sustainability efforts put people first, and our approach is to consider all stakeholders, and Indigenous partners, including future generations, in our business decisions. By putting people first, we ensure our long-term viability as a business and as an organization by reducing our environmental footprint, strengthening our economic bottom-line and enhancing our responsibility to our customers, employees, and communities.

Over the last year, Metrolinx has made progress towards ensuring sustainability, including:

- Developed **sustainable design standards**, which provide metrics and reporting requirements through design, and construction on a variety of topics, including water and energy use, GHG emissions and waste diversion, in support of corporate reporting and the development of future sustainability requirements;
- Developed the **2021-2026 Sustainability Plan**; and,
- Achieved an award for one of **Canada's Greenest Employers**, for the fifth year in a row.

Throughout 2022-23, work to implement Metrolinx Sustainability Strategy will be further progressed by:

- **Continuing to work with our partners to help keep the community green**, including partnership with Toronto and Region Conservation Authority to plant trees along the route of the Eglinton Crosstown West Extension, as well as other similar opportunities for the other subway projects, such as the Ontario Line, and the GO Expansion program;
- **Initiating the implementation of a 2021-2026 Sustainability Plan.** This plan outlines Metrolinx's priorities in meeting economic, social, and environmental objectives. The plan includes a vision for sustainability at Metrolinx in 2026, specific goals, targets, and benefits, as well as a roadmap with specific actions the organization will undertake over the next five years to achieve these goals;

- Publishing a **five-year sustainability performance report**, to enhance transparency and reaffirm our commitment to sustainable objectives; and,
- Continuing to implement the newly initiated **Sustainable and Diverse Supplier Procurement Program** to create an economically viable and sustainable base of diverse suppliers participating in Metrolinx procurement opportunities. The implementation of this initiative includes outreach to diverse supplier groups, updates to procurement policies and vendor code of conduct, as well as reducing barriers for diverse suppliers to participate in the procurement process.

Metrolinx has always championed a responsible and inclusive approach for connecting and engaging to achieve a sustainable transportation system for the region. Metrolinx recognizes the importance of working together and is committed to making connections and integrating sustainability into how we plan, build, and operate a world-class public transportation system.

9.5 Improving Customer Access to Stations

As part of the 2041 RTP's focus to plan for the first and last mile solution for transit riders, Metrolinx is committed to providing multimodal options for the first and last mile of every passenger trip. The 2016 GO Rail Station Access Plan was developed with a focus on improving access to public transit by providing options for customers to get to GO stations, such as by walking, using local transit, cycling, passenger pick-up and drop-off (PUDO) and carpooling, and to reduce dependency on single-occupancy vehicles.

Over the last year, significant progress has been made towards improving customer access to stations, including:

- To date, just over half of the **on-site infrastructure improvements** identified in the 2016 Station Access Plan are now either completed, in delivery, or in plan;
- **Reopening of Bay Street Pedestrian Walkway at Union Station** to provide an important connection to the Union Station Bus Terminal and CIBC square and **completion of Kipling Transit Hub** that provides seamless customer connection with three transit providers – GO Transit, MiWay and TTC; and,
- **Implementing a suite of small but impactful, rapid station access improvements** at five pilot stations with a focus on walking, cycling and wayfinding. Insights and lessons learned from the pilots may inform future station improvements across the network.

In 2022-23 Metrolinx will also continue evolving the Station Access Plan by:

- **Updating the Station Access Plan** to 2041, to reflect new customer behaviours post-pandemic and better support intensification and TOC at stations. The Plan will outline an implementation framework and identify required access infrastructure for investment;
- **Station access upgrades are projected to be completed** at nine GO Stations, including new walkways and plazas, new bus loops, bike, and car parking, and new PUDO locations;
- **Evaluating first-mile/last-mile technologies and solutions:** Based on the outputs of our New Mobility Testing Program (where Metrolinx is partnered with a number of local transit agencies to understand whether on-demand services can encourage customers to take transit to GO rail stations), Metrolinx will develop analysis to support future decision making on expansion of these services – for both Metrolinx and transit agencies;
- Continue supporting MTO to **develop strategies to improve access, equity, and security outcomes of vulnerable transit users** within the Metrolinx transit network related to broad government priorities such as accessibility, addressing Anti-Black Racism, and improving outcomes for Indigenous peoples;

- Providing new **parking options for a safe return** of customers with a new type of temporary parking deck being piloted at Whitby GO and completing installation and programming of **new secure bike parking structures** at 14 GO stations;
- **Installing consistent and accessible signage**, building off the signage pilots implemented at York and Bay Concourses, as well as Union Station Bus Terminal, and continuing work with the City of Toronto to rollout consistent signage at Union Station; and,
- **Leveraging the new Way to GO carpooling tool** as part of ridership recovery strategy to attract new and existing GO customers to carpooling to their station as COVID restrictions adjust.

Through the implementation of these initiatives, Metrolinx continues to prioritize improving multi-modal access to stations to reduce dependency on single occupancy vehicles to get to GO stations.

10.0 Metrolinx Internal

10.1 Metrolinx Internal Highlights

Over the last year, Metrolinx internal support functions have driven efficiencies and organizational improvements that is supporting the transformation that Metrolinx is undertaking in order to deliver a world-class transportation network connecting community across the regional transportation area. In 2022-23, these initiatives include:

- **Building a strong and capable and inclusive workforce** to deliver the organization's vision, mission and strategic priorities;
- **Advancing information systems and technology capability** to effectively support the delivery of transit services to its customers;
- **Implementing an effective communication plan** that supports all teams across Metrolinx in maintaining and improving Metrolinx's reputation as a trusted business and community partner; and,
- **Enhancing commercial capabilities and control** to support a growing public transit mandate in the most efficient manner.

10.2 Building a Strong, Capable and Inclusive Workforce

Metrolinx is ensuring that the capacity and capability of our workforce is consistent with the organization's vision, mission, and strategic priorities.

Over the last year, the following workforce improvements have been achieved:

- **Leveraged implementation of technology and process review** to improve hiring practices as part of business improvement plans;
- **Established a Lean Centre of Excellence (CoE).** Through Lean CoE, the organization has been developing Lean fundamental competencies that enable and empower employees to identify and remove inefficiencies, as well as to provide expertise, training coaching, tools, and best practice; and,
- **Continued to support employees during the pandemic** and achieved high engagement scores throughout, while utilizing digital tools that enhance collaboration and enable mobility to support the return of employees to work under a hybrid workplace model.

In 2022-23, Metrolinx will implement initiatives and programs to support Metrolinx's overall strategic priorities, including:

- **Developing and engaging our employees,** as well as attracting and retaining talent and building strong, diverse, and inclusive teams. This work has been strengthened through the creation of Chief Inclusion Officer position to further foster diversity and inclusion within the organization;
- **Supporting our employees through increased well-being offerings.** This includes the rollout of a Mental Health Strategy that aligns with strategic priorities of engaging employees and keeping everyone safe;
- **Expanding employee project management training** to be tailored for specific project management processes and procedures to improve project management maturity within the organization; and,

- **Continuously improving all parts of the organization through Lean thinking** competencies that enable and empower employees to identify and remove waste.

As of December 31, 2021, total headcount of active unionized and non-unionized employees on the payroll was 4,740; consisting of 4,434 regular full-time ("FT"), 187 regular part-time ("RPT"), 64 long-term contract ("CLT") and 55 short-term contract ("CST") employees. In addition, there are 338 employees on leaves of absence (including medical, parental, maternity, Workplace Safety & Insurance Board "WSIB" and other leaves) and 16 students (comprised of co-op students, summer students, interns, research fellows and articling students).

Metrolinx respects the role of bargaining agents as representatives of its employees and meets frequently with its officers to share information and proactively resolve potential disputes. Collective agreements have been negotiated freely and without any history of work stoppages and with a view to ensuring that employees are compensated fairly. At time of writing, preparations are underway to commence negotiations with Amalgamated Transit Union ("ATU") prior to the expiration of the collective agreement in June 2022.

Informal benchmarking surveys are conducted regularly on specific benefit elements and recent results indicate Metrolinx is competitive among the participating comparator groups. Our salary range structure is reviewed on an annual basis against our approved comparator group and compensation philosophy, which is at the 50th percentile. The approved comparator group is a total of 36 organizations. This group of comparators reflects the comparable broader public sector organizations (including more commercially oriented public sector enterprises) and ensures we have all referenced jobs covered by our comparator group of organizations. This comparator group is used to review Metrolinx's position to market and inform any changes to the salary structure and compensation programs.

Metrolinx is actively committed to supporting its people while navigating a continually evolving work environment and will continue working towards building an inclusive and respectful workplace.

10.3 Advancing Information Systems and Technology Capability

Metrolinx utilizes advanced information systems and technology to deliver transit services to its customers. Many different types of projects - small, medium, and large - are deployed to deliver value-added service for internal groups of the organization in support of the commuters who use Metrolinx services as part of their daily lives.

Metrolinx uses advanced design and delivery techniques to deliver new business solutions, products, and services while operating customer facing IT solutions and field equipment. This includes managing 450 applications and services across over 164 offices and three data centres while using advanced technology delivery capability to effectively align with priority business needs, keeping pace with technological breakthroughs (e.g. cloud computing, automation) to reap benefits of industry capability and opportunities.

Over the last year, Metrolinx has been undergoing a digital transformation building a robust, secure, and resilient infrastructure while creating a strong, skilled and experienced team to guide the organization towards success. Metrolinx has been focused on advancing technology initiatives related to cybersecurity, infrastructure modernization, Disaster Recovery and Failover while evolving enterprise resource planning, portfolio management, and program and project management.

Achievements from the past year include:

- **Lowered cost of ownership**, improved quality and accelerated delivery by implementing a Lean Agile approach to project delivery;

- **Reduced reliance on contractors** and shifted positions and accountability to permanent employees supported by third parties; and,
- **Unlocking business value and opportunities by connecting data sources** to provide insights that enable more informed decision making.

Building on the progress achieved over the last year, Metrolinx is pursuing a number of key business technology deliverables in 2022-23, including:

- **Strengthening cybersecurity** with a focus on disaster recovery, increasing resilience, lowering risk, future-proofing security risks and addressing related Ontario Auditor General recommendations;
- **Supporting the delivery of Metrolinx's IT infrastructure upgrade** to support both existing assets, which are used internally and by transit riders, as well as in support of the disaster recovery strategy; and,
- **Developing applications and solutions** to support transformations and improvements across the organization, including those for transit operations and safety.

These key initiatives will continue to be a focus for Metrolinx to ensure the continued security and delivery of transit assets in the future.

10.4 Actively Engaging our Communities

Metrolinx is transitioning into an effective community relations and communications group that are more closely linked to our project delivery, operations and business strategies with a strong “campaign” ethic to get the right messages at the right time to the right people in our communities. The aim is to elevate and extend reach and messaging to all communities that we serve on the whole range of Metrolinx activities, issues, daily events, services, stories, and successes.

Over the past year, Metrolinx continued to build collaborative partnerships with our internal and external stakeholders/partners and communities, including:

- **Rolled out the ‘We are here for you’ campaign to consistently engage with our customer-residents**, through 89 virtual public meetings, 1,068 virtual stakeholder briefings, conducted 7,767 interactions related capital projects, sent 119,146 eblasts, and 708,092 direct-to-home communications;
- **Met our objective to communicate transparently with our various stakeholders/partners**, with the media relations team responding to more than 2,295 media calls (compared to 1,800 calls in the previous year); and,
- **Continued the administration of the Community Benefits/Community Supports program** including the Community Benefit Agreements for Eglinton Crosstown, Finch West and Hurontario LRT projects.

As the demands of our capital projects across the region increase, investment in integrated communications and community-focused programming is required to continue to:

- **Mobilize our community engagement and community supports strategy** to keep communities and stakeholders informed about the capital program, communicating its benefits, and providing meaningful mitigation options to local businesses and stakeholders impacted by transit builds.
- Continue to implement an enhanced, cross-functional **Indigenous engagement and consultation program** to meet Metrolinx's legal obligations and corporate commitments to Indigenous partners.
- **Launch a quarterly quantitative market research** to gauge community sentiment on a recurring basis, identify concerns, and respond to them to achieve a target of 66 per cent positive impression score;

- **Support the organization in adopting a digital-first approach to content and storytelling** to deliver on the digital transformation strategy through: website enhancements supporting targeted and campaign style communications across the capital projects; launching a new public meeting tool to improve public participation; enhancing geo-tracking of communications across the regions; and implementing user journey improvements for metrolinx.com and MX Engage; and,
- **Foster diversity and inclusion** by adopting a robust engagement process to ensure all voices are heard to inform policies and decision-making.

These communication activities are aimed at providing meaningful, responsive, and consistent community engagement, manage local community concerns, build trust and support for our capital program, thereby managing our corporate reputation.

10.5 Enhancing Commercial Capabilities and Controls

Metrolinx is expanding service and building capacity across the network at a rate never seen in Ontario. This type of expansion requires well managed and efficient business processes to maximize value for money for taxpayers' dollars, as well as strong governance and controls to ensure that all programs and systems align with best practices and comply with regulatory frameworks.

Over the past year, Metrolinx has achieved significant milestone in the area of commercial capability by:

- Leveraging on the success of existing partnership with municipalities through the **Transit Procurement Initiative (TPI)** as the program marked the delivery of its 2,000 bus, for transit agencies across Ontario. Since the inception, the program has generated a total of \$36 million in overall program savings for 54 transit agencies across Ontario.

In 2022-23, Metrolinx will continue to explore other areas for improvements across the organization to enhance its commercial capabilities and controls, including:

- **Strengthening commercial capabilities across the organization**, in particular negotiation capabilities, enhancement to procurement and contract processes, achieve successful claims management and resolution, and ensure value for money in business practices;
- **TPI is building on its commercial success** by continuing partnership growth with transit agencies across Ontario. With increased pressures for emission reduction by municipalities, TPI is supporting transit agencies to electrify their fleet operations with planning studies, to battery electric bus and infrastructure joint procurements. TPI program's cost recovery model continues to be implemented across new initiatives while maximizing program value and benefits to participating transit agencies;
- **Establishing a new Rail Safety Regulatory Oversight regime** that includes the development of a rail safety regulatory oversight office to conduct independent safety assessments and inspections to ensure compliance to applicable/relevant rail safety regulations and compliance to organizational safety management systems and safety processes; and,
- **Developing new I&IT Audit Capabilities** that provides assurance to the Board and management on the effectiveness of the IT system implementation, cyber controls, operational technology, and PRESTO financial and technology processes, as well as, assisting in addressing Auditor General recommendations.

As the expansion continues and business environment evolves it is key that Metrolinx's process continue to adapt to meet the needs of the business.

11.0 Multi-Year Corporate Performance

11.1 Operating Budget

Metrolinx's 2022-23 operating budget submitted to the government in fall 2021 includes a planned operating subsidy requirement of \$797.3 million, which includes projected total expense of \$1,407.6 million, one-time capital infrastructure operating expense and bid fees of \$47.9 million, total revenue of \$608.1 million and proceeds from sales of assets of \$50.1 million.

For 2023-24 and 2024-25, Metrolinx is projecting a lower operating subsidy requirement of \$692.2 million and \$726.0 million respectively, mainly driven by forecasted improvement to ridership and the corresponding fare revenue. Total revenue is forecasted to increase to \$707.4 million in 2023-24 and \$771.7 million in 2024-25, representing year-over-year increases of 16.3 per cent and 9.1 per cent respectively. Ridership is anticipated to strengthen in the outer years and recover to 2019-20 levels by 2025-26. Proceeds from sales of assets is estimated at \$40 million in 2023-24 and \$31.5 million in 2024-25. The COVID-19 pandemic situations continue to evolve at the time of writing, and these projected fare revenue and non-fare revenue figures reflect Metrolinx's operating budget submission to the government in fall 2021.

Metrolinx is projected to maintain low growth in operating expenditures over the outlook period, primarily as a result of continued implementation of business improvement plans across the organization. Total operating expense is projected at \$1,433.4 million and \$1,529.2 million respectively in 2023-24 and 2024-25, mainly to support adjustment of rail and bus services to meet customer demand, as well critical investment in engineering and asset management capabilities. Bid fees is estimated at \$6.2 million in 2023-24.

Exhibit 9: Multi-Year Operating Budget Plan and Outlook

(\$M)	2022-23 Plan	2023-24 Outlook	2024-25
Total Revenue	608.1	707.4	771.7
Total Expense	1,407.6	1,433.4	1,529.2
Net Operating Requirement	799.5	726.0	757.5
Bid Fees	47.9	6.2	0.0
Proceeds from Sale of Assets	50.1	40.0	31.5
Planned Subsidy Requirement	797.3	692.2	726.0

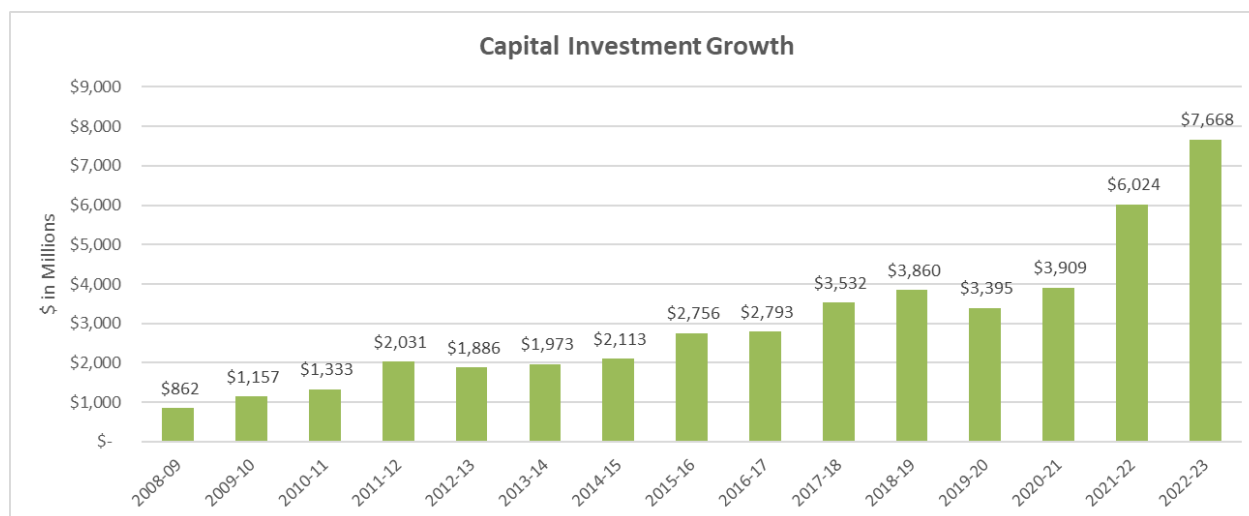
Note: Operating budget figures reflects our planned revenues and expenses as originally submitted to the government in fall 2021

11.2 Capital Investment

Metrolinx has a capital budget in 2022-23 of approximately \$7.7 billion, with the majority of the required funding provided by the Province of Ontario. Other funding sources include contributions from the federal government. With the Province's investment in the GO Expansion and Subway's Program, growth in the capital plan has been significant in recent years. The capital budget has grown from less than \$1 billion in 2008-09 to approximately \$7.7 billion in 2022-23. Exhibit 10 shows the growth in capital investment since 2008-09, in alignment with organizational key success factor of increasing annual capital delivery capability.

Much of the 2022-23 capital budget relates to subway and LRT projects and the advancement of the GO Expansion Program being undertaken by Metrolinx's Capital Projects Group (CPG).

Exhibit 10: Capital Investment Growth



Note: Amounts prior to 2021-22 represent actual incurred costs. 2021-22 figures are interim actuals (Q2) and 2022-23 are budget outlook.

Exhibit 11 provides a five-year rolling capital plan.

Exhibit 11: Metrolinx Five-Year Capital Plan

(\$ IN MILLIONS)	2022-23	2023-24	2024-25	2025-26	2026-27
Total	\$7,668	\$7,853	\$8,076	\$6,664	\$5,380

11.3 Performance Measures and Targets

Our corporate key performance indicators (KPIs) measure and report the organization's performance to the public and MTO. These corporate KPIs are reported against targets which are a product of the annual business planning process. A more detailed set of KPIs are used internally to manage day-to-day business operations. The corporate KPIs measure both our operations performance in delivering service and our capital infrastructure build performance. The corporate KPIs are developed in alignment with the budget endorsed by our Board of Directors and submitted to MTO as part of the provincial budgeting process.

Capital Infrastructure

New Rapid Transit Corridors

New rapid transit corridors KPI measures the number of kilometres of rapid transit corridors that are under construction, built and in-service. Metrolinx has built and placed in service 21.5 km of rapid transit since 2013-14. Metrolinx has begun construction on 64.8 km of rapid transit corridor as of 2021-22. This includes 18 kms on the Hurontario corridor, 19 km on the Eglinton corridor, and 11 km on the Finch corridor. In 2021-22, the priority subway projects advanced through the design phase into procurement and construction. Construction on components of both the Scarborough Subway Extension (~7.8 kilometres) and the Eglinton

Crosstown West Extension (~9 kilometres) projects began in May 2021. Future planned subways projects (~23 kilometres) are planned to begin in 2022-2023 and 2023-2024.

Exhibit 12: New Rapid Transit Corridors (Kms)



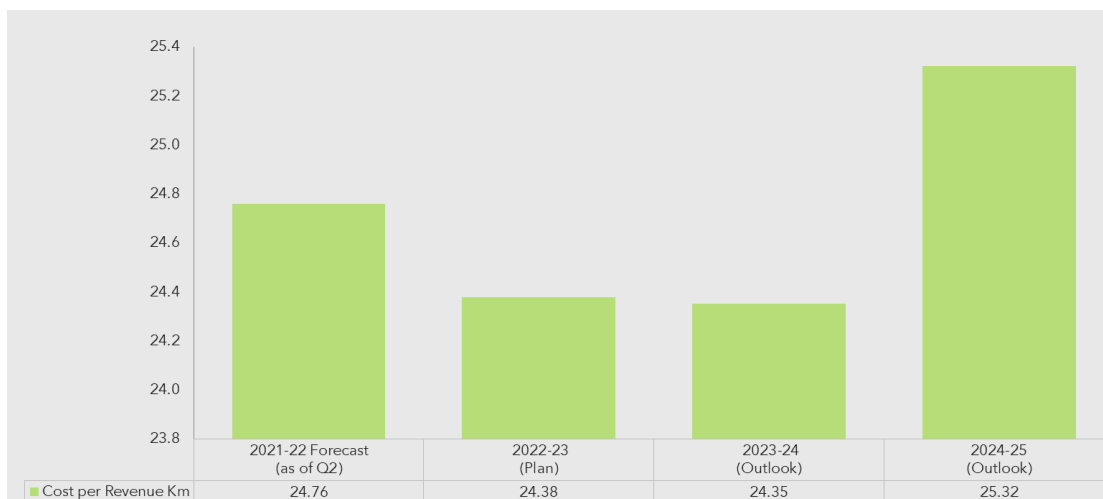
Note: New Rapid Transit Corridors (Kms) excludes Hamilton LRT as the project milestones continue to be finalized

Operations Delivery

Cost Per Revenue Kilometer

For fiscal year 2022-23, cost per revenue kilometer for operations is predicated on reinstated services across all services (GO Rail, GO Bus and UP Express). Bus is expected to increase to 80 per cent pre-COVID service levels, UP Express is expected to operate at pre-COVID frequencies while Rail is expected to reinstate to 100 per cent of pre-COVID service along with additional new services (e.g. London service). The outlook on this metric for future years is based on service increase assumptions, as well as the on-going business improvement plans to increase operational efficiencies. The COVID-19 pandemic situations continue to evolve at the time of writing, and these projected cost figures reflect Metrolinx's operating budget submission to the government in fall 2021.

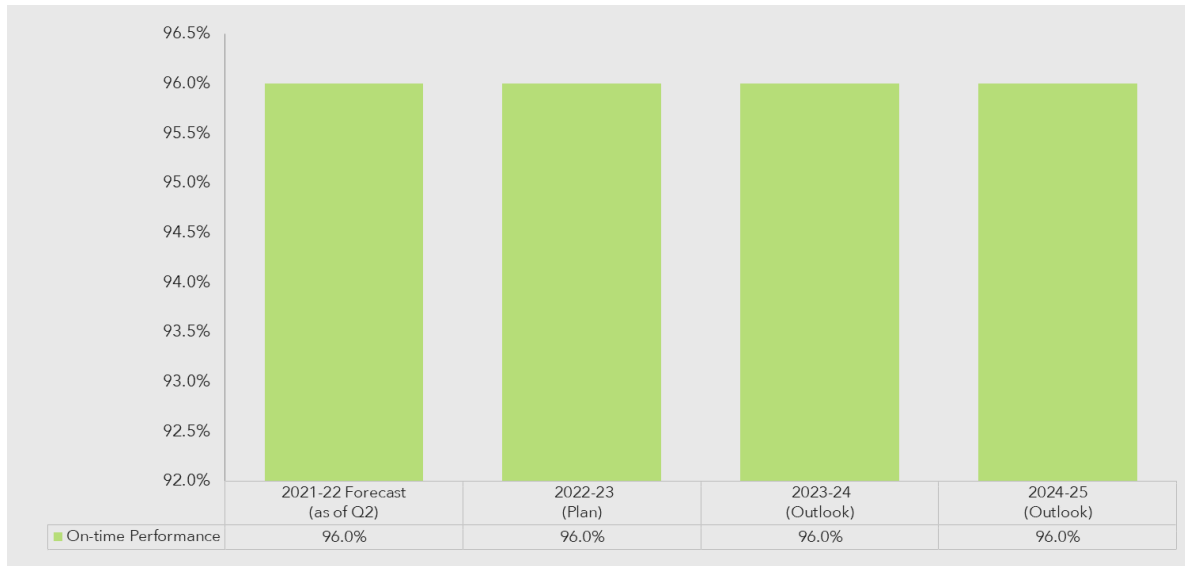
Exhibit 13: Cost Per Revenue KM



On-Time Performance

The On-Time Performance (OTP) KPI measures the schedule adherence of GO Rail, Bus and UP Express services. The OTP measure for GO rail is defined as within five minutes of scheduled arrival time and for GO Bus as being within 15 minutes of scheduled arrival time. The OTP measure for UP Express is defined as within five minutes of targeted journey time. The 2022-23 blended target for all services is established at 96 per cent based on Metrolinx's consistent performance in prior years. Increasing construction and infrastructure development and potential crew shortages are major risks impacting the service performance. Metrolinx is implementing strategies to mitigate these emerging risks. For future years, the outlook is to meet or exceed the individual targets for each of the services and continue to meet the blended OTP target.

Exhibit 14: On-Time Performance



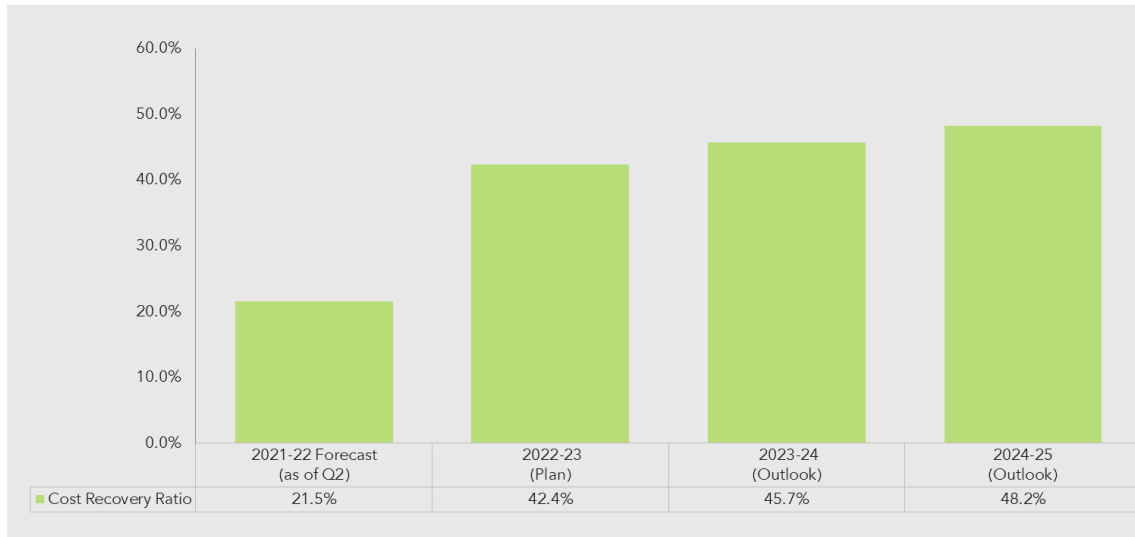
Financial Stewardship and Accountability

Cost Recovery Ratio

The cost recovery ratio (CRR), measured as the ratio of total revenues to total operating costs (excluding capital adjustments and procurement bid fees due to accounting policy changes), represents the extent to which the organization's operations are self-funded.

For fiscal year 2022-23, Metrolinx is budgeting for a cost recovery ratio of 42.4 per cent reflecting ridership recovery projection as of fall 2021. COVID-19 has impacted fiscal year 2021-22 CRR and will significantly impact budgeted numbers moving forward. Revenue forecasts continue to be fine-tuned to reflect the government informed COVID-19 staged recovery, anticipated customer behaviour changes and planned operational health and safety measures. Operating expenses are being scrutinized to maximize cost efficiency during this pandemic time period. The improvements in operational efficiencies and revenue are in alignment with organizational key success factor of improving cost recovery ratio within the three-year timeframe and beyond. These KPI figures reflect the operating budget submitted to the government in fall 2021.

Exhibit 15: Cost Recovery Ratio



Notes: The chart above excludes expenses such as long-term interest expense for capital projects, write-offs, pension adjustment and bid fees associated with capital project procurement. Revenue excludes proceeds from sale of assets from Transit Oriented Communities program.

11.4 Enterprise Risk Management

Metrolinx continues to enhance its Enterprise Risk Management (ERM) program to support risk-informed decision-making, assess opportunities and ensure that the organization complies with the Government of Ontario Enterprise Risk Management Directive for all provincial agencies to use a risk-informed approach in managing their business. The identification, assessment, management, monitoring and reporting of risks is vital to the successful ongoing achievement of the organization's strategic priorities.

The COVID-19 pandemic has challenged organizations in unprecedented ways. In response, Metrolinx has adapted its business to address the evolving demands COVID-19 has brought in 2020. Agile, focused mitigation of risks at both strategic and tactical levels have continued through 2021 and will continue in outlying years. Metrolinx has reviewed risks at the enterprise, program, and project level, considering the new environment of the pandemic including but not limited to safety measures, new legislation, and changes to the workplace. Metrolinx has also refined risk appetite statements that guide the decision-making and strategic planning processes and worked with senior leaders to better imbed them in decision-making.

In 2022-23 Metrolinx will continue to review all appropriate risks monthly and actively manage risks by ensuring that appropriate mitigation plans are developed and in place. The mitigating strategies to address those risks have been reflected throughout the business plan's strategic priorities and key organizational initiatives. Risks reported fell within the following risk categories:

- **Safety** which includes risks related to employee fit for duty, climate resiliency, rail crossings, bus station pedestrian areas, business continuity and pandemic planning. Metrolinx has mobilized an Enterprise Safety Systems Program along with the development of policies, standards and procedures, as well as initiated a robust accident and incident investigation program to support the mitigation of safety risks to enable improved operational safety, customer safety and employee

safety. For organizational initiatives associated with this risk, please see Sections 5.4 Improved Operational Safety and 5.2 Providing a Secure Journey to Customers;

- **Customer Experience** which includes risks related to PRESTO customer experience. Mitigation strategies for such risks begins with awareness. Awareness is developed through various activities to assess customer sentiment, including CSAT surveys, assessments of interaction data, and in-field observation projects. This customer experience information is then leveraged to enhance PRESTO's existing line of products and services, and ultimately feed into the planning, designing, testing, and execution stages of new system features and functionalities. For organizational initiatives associated with this risk, please see Section 6.3 PRESTO Customer Experience;
- **Financial** which includes risks related to ridership and revenue impact resulting from the most recent COVID-19 pandemic development and return to work policies. In response to this risk, Metrolinx will continue to implement proactive measures including business improvement plans, pursuing additional revenue opportunities as well as closely monitoring most recent COVID-19 development and its associated financial impact. For organizational initiatives associated with this risk, please see Section 4.0 Ridership and Revenue Strategy;
- **Operations** which includes risks related to on-time performance, service delivery and managing our customer experience. For 2022-23 Metrolinx will continue to plan for our train crew needs, ensure that train and bus services match the ridership levels, manage our customers as they return to transit in order to protect OTP and CSAT and managing our train operations and customers as level of construction increases. For organizational initiatives associated with this risk, please see Section 5.0 Operations;
- **Technology** which are related to Cybersecurity and Disaster Recovery/Business Continuity. There are current initiatives in progress to mitigate these two risks. These are a) IT security strategy to mitigate risk has been decided and actions are taking place to implement the strategy including sourcing services from third parties specialized in cyber services, and b) Disaster Recovery strategy developed and action plan currently being executed. For organizational initiatives associated with this risk, please see Section 10.3 Advancing Information Systems and Technology Capability; and,
- **Projects** which include risks related to the delivery of capital projects and the required market capacity. Mitigating actions will vary according to the specifics of the risk but will typically address a risk through changes to process and systems, engagement with stakeholders or deployment of specialist / dedicated resources (people). The foundation of mitigating actions are achievable in a reasonable timeframe and measurable, as such all mitigating actions have an identifiable owner and usually a life of no more three months and, as appropriate, build on one another to reduce the risk to an acceptable/tolerable level. For organizational initiatives associated with this risk, please see Section 7.0 Capital Projects.

Metrolinx is currently undergoing an ERM maturity assessment which will be followed by a plan for enhancement of the ERM program. The assessment will center on identifying the effective and resilient areas of the ERM program, as well as highlighting opportunities for enhancement. This assessment is expected for internal approval with a multi-year phased implementation plan to follow, in support of achieving an increased maturity across the organization. The risk reporting tool will further be upgraded to improve key reporting functions and enable better reporting across the enterprise. The integration between business units, program and project risks will continue to be an area of focus. The ERM function will continue to identify, assess, and report on current and emerging risks and ensure ongoing discussion of risks at all levels of the organization.