



South Coast British Columbia Transportation Authority

---

**2009 – 2018 Base Plan Report**  
to the  
**Regional Transportation Commissioner**

**July 2008**

---

## Table of Contents

<b>INTRODUCTION</b> .....	1
<b>PART 1: ORGANIZATIONAL OVERVIEW</b>	
1.0 Governance.....	1
2.0 Business Overview.....	2
3.0 Organization & Reporting Structure.....	3
<b>PART 2: OPERATIONAL OVERVIEW</b>	
4.0 Programs & Services .....	10
4.1 Public Transit .....	10
4.2 Roads & Bridges and Albion Ferry.....	11
4.3 Transportation Demand Management .....	11
4.4 Air Quality (AirCare).....	12
4.5 TransLink Police Service .....	12
5.0 Fare Structure .....	13
6.0 Major Assets Inventory.....	14
<b>PART 3: 2009-2018 BASE PLAN</b>	
7.0 Legislative Requirements.....	15
8.0 Financial Context .....	15
9.0 Guiding Principals for Development of 2009-2018 Base Plan.....	16
10.0 Challenges in Development of 2009-2018 Base Plan .....	17
11.0 2009-2011 Revenue & Expenditure Forecasts.....	18
11.1 Revenues.....	18
11.2 Expenditures .....	21
11.3 Debt Service Costs .....	21
12.0 Ten Year 2009-2018 Revenue & Expenditure Projections .....	22
13.0 2009 – 2018 Base Plan.....	22
14.0 Base Plan Inclusions and Exclusions .....	23
15.0 Base Plan Assumptions .....	24
16.0 Analysis of Key Assumptions.....	25
17.0 Base Plan Risks and Sensitivity Analysis .....	32
18.0 2009-2018 Capital Expenditures.....	33
19.0 Long Term Strategy .....	34
<b>APPENDICES</b>	
Appendix 1 South Coast British Columbia Transportation Act Requirements for Base Plan .....	35
Appendix 2A Ten Year Revenue & Expenditure Projections .....	36
Appendix 2B Breakdown of Ten Year Revenue & Expenditure Projections .....	37
Appendix 3A 2009-2018 Base Plan Revenue & Expenditure Projections .....	39
Appendix 3B Breakdown of 2009-2018 Base Plan Revenue & Expenditure Projections .....	40
Appendix 4 2009-2018 Base Plan Service Hours.....	42
Appendix 5 2009-2018 Projected Property Tax Rates .....	43
Appendix 6 2009-2018 Base Plan – Projected Fare Rates by Type & Year .....	44
Appendix 7 2009-2018 Base Plan – Projected Borrowing Compared to Limit .....	46
Appendix 8 2009-2018 Base Plan – Capital Cash Flows for Approved & Proposed Projects .....	47
Appendix 9 Projected Replacement Tax Rates .....	48
Appendix 10 Projected Parking Sales Tax, Hydro Levy and Toll Rates and Revenue .....	49

## INTRODUCTION

The South Coast British Columbia Transportation Authority (or “TransLink”) is pleased to submit to the Regional Transportation Commissioner (the “Commissioner”) a report on its 2009-2018 Base Plan Financial Projections (the “Base Plan”).

This report provides a detailed explanation of the Base Plan as well as background information that will enable the Commissioner to make a decision on the reasonableness and appropriateness of the projections and parameters included in the Base Plan.

## PART 1: ORGANIZATIONAL OVERVIEW

### 1.0 GOVERNANCE

The Greater Vancouver Transportation Authority Act (“GVTA Act”) was passed by the British Columbia legislature on July 30, 1998. On April 1, 1999, TransLink assumed responsibility for planning, funding, operating, building and marketing an integrated transportation system for the Metro Vancouver region. In November 2007, the provincial legislature passed Bill 43, titled the “Greater Vancouver Transportation Authority Amendment Act, 2007”. Bill 43 significantly amends the existing GVTA Act, changes the name of the GVTA Act to the South Coast British Columbia Transportation Authority Act (the “Act”), changes TransLink’s legal name from the “Greater Vancouver Transportation Authority” to the “South Coast British Columbia Transportation Authority”. Most of the provisions of Bill 43 were brought into force on November 30, 2007, with the balance of the provisions coming into force on by January 1, 2008 and January 1, 2009.

The Act establishes the governance structure for TransLink which includes the following: the Board of Directors, the Mayors’ Council on Regional Transportation (the “Mayors’ Council”) and the Regional Transportation Commissioner (see **Appendix 1**). In addition, a Screening Panel, established annually, is responsible for nominating candidates for appointment to the Board and setting Director compensation.

The Act requires TransLink to produce a Long Term Transportation Strategy (30+ years) that is updated every five years, a rolling 10-Year Base Plan that is updated annually, and annual Supplemental Plans as needed. The Base Plan, together with any approved Supplemental Plans, form TransLink’s 10 Year Strategic Plan. Generally, TransLink is required to consult with the public, government and stakeholders in the service region as these plans are created.

#### **Mayors’ Council**

The Mayors’ Council is composed of all of the mayors in the transportation service region. Currently, it is composed of the 21 mayors of municipalities within Metro Vancouver. The Mayors’ Council appoints the Board of Directors, the Regional Transportation Commissioner and up to two Deputy Commissioners, subject to processes stipulated in the Act. It approves or rejects any Supplemental Plans proposed by TransLink.

### **Regional Transportation Commissioner**

The Regional Transportation Commissioner is appointed by the Mayors' Council. The Commissioner advises TransLink and the Mayors' Council of: (a) the reasonableness of the parameters and assumptions included in the Base Plan and Supplemental Plans submitted by TransLink each year, and (b) whether the operations of TransLink and its Subsidiaries were in accord with strategic and operating plans. The Commissioner also approves new short term (up to 3 days) fares, short term fare increases above 2%, TransLink's annual customer satisfaction survey process, and TransLink's customer complaint process. The Commissioner oversees the disposition of major assets.

### **Screening Panel**

The Screening Panel is established annually and is composed of one eligible individual appointed by each of the following entities: the Minister of Transportation, the Mayors' Council, the Institute of Chartered Accountants of British Columbia, the Vancouver Board of Trade, and the Greater Vancouver Gateway Society. The Screening Panel nominates candidates for appointment to the Board and sets the level of compensation payable to the Board members.

### **Board of Directors**

The Board of Directors has responsibility for stewardship of TransLink by overseeing the conduct of business, supervising Management (which is responsible for the day-to-day conduct of the business), and endeavoring to ensure that all major issues affecting the business and affairs of TransLink are given proper consideration. The Board appoints the Chief Executive Officer (CEO). The CEO is responsible for the day-to-day leadership and management of TransLink.

## **2.0 BUSINESS OVERVIEW**

Under the Act, TransLink's mandate encompasses a transportation service region that currently covers the Metro Vancouver region. TransLink's mandate may be extended to include other areas (e.g. north to Pemberton and east to Hope). Our mandate includes the public transit system, custom transit for persons with disabilities, a 2,200 lane-kilometre network of major arterial roads, a vehicle emissions testing program and initiatives to encourage sustainable alternatives to travel by single-occupant vehicles. Our purpose includes the provision of a regional transportation system that supports provincial and regional environmental objectives, including greenhouse gas emission reduction objectives.

Our wholly-owned subsidiaries and contracted independent operators deliver our transit services, road services and travel alternative programs to manage the demand on the transportation system. We fund our operations, capital expenditures, and debt service payments with revenues from transit operations, taxation revenues, capital contributions from senior levels of government, and issuance of long term debt.

### 3.0 ORGANIZATION & REPORTING STRUCTURE

The TransLink organization consists of the TransLink Corporate office and eight Subsidiary companies (see **Figure 1**). TransLink Corporate is the organization’s head office and is comprised of the TransLink Chief Executive Office and eight functional divisions:

- Business & Technology Services
- Corporate & Public Affairs
- Human Resources & Public Safety
- Planning
- Capital Management & Engineering
- Finance & Corporate Services
- Major Construction Projects
- Real Estate

The SCBCTA Police Service is a unique business unit that reports to the SCBCTA Police Board. TransLink’s Human Resources and Public Safety Vice President is the management interface to our police and the liaison to the SCBCTA Police Board. Also unique is the TransLink 2010 Olympic Transportation Office which reports to the Chief Executive Officer and is dedicated to coordinating all aspects of TransLink’s involvement with the Vancouver 2010 Olympic and ParaOlympic Winter Games.

TransLink has eight subsidiary companies, of which five are wholly-owned operating companies that deliver services to the public. Each of the operating companies is governed by its own Board of Directors (see **Figure 2**) who are appointed by the TransLink Board. The rail operating companies are grouped into the Rail Rapid Transit Organization, under one leadership team. The bus transit services and the Albion Ferry service are grouped into the Bus Organization, under one leadership team. The other subsidiary companies also have their own board of directors, appointed through their respective processes. The only subsidiary that is not wholly-owned by TransLink is our captive insurance subsidiary company which is co-owned 90% by TransLink and 10% owned by BC Transit.

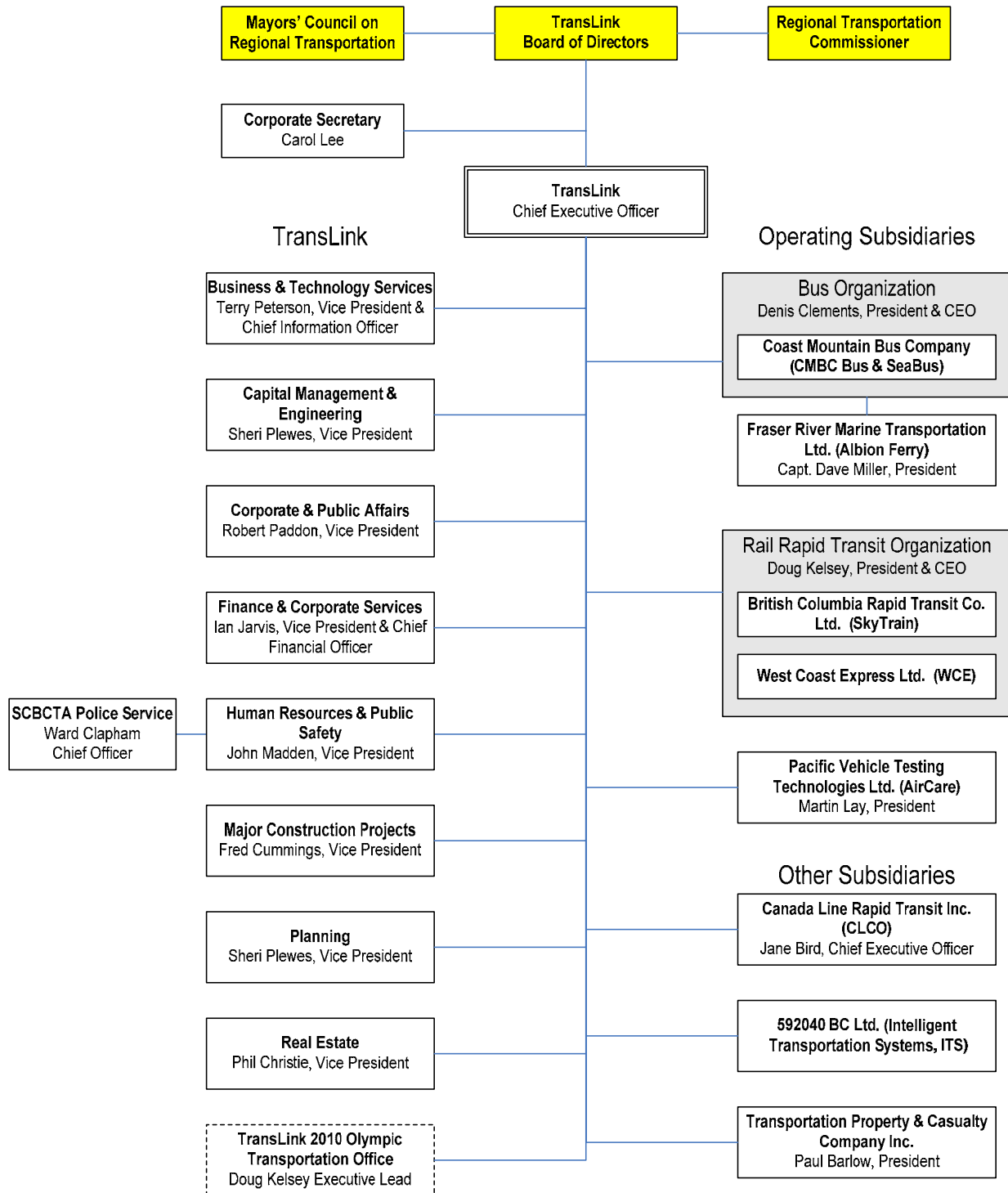
#### Operating Companies

- Bus Organization:
  - Coast Mountain Bus Company Ltd. (Bus & SeaBus)
  - Fraser River Marine Transportation Ltd. (Albion Ferry)
- Rail Rapid Transit Organization:
  - BC Rapid Transit Company Ltd. (SkyTrain)
  - West Coast Express Ltd. (WCE)
  - Canada Line Rapid Transit Inc.
- Pacific Vehicle Testing Technologies Ltd. (AirCare)

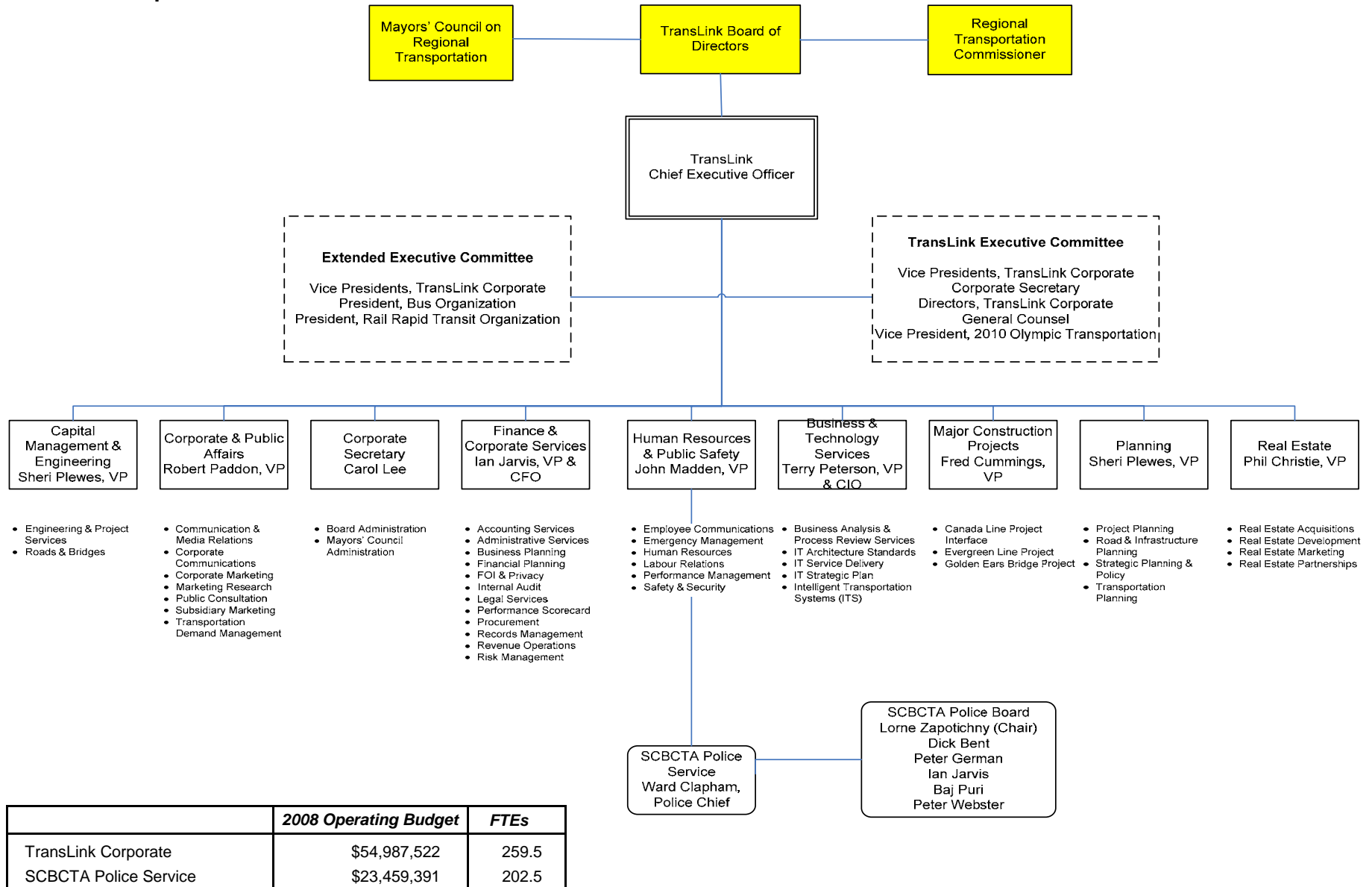
#### Other Subsidiary Companies

- 592040 B.C. Ltd. (Intelligent Transportation Systems Corp.)
- Transportation Property & Casualty Co. (captive insurance company)

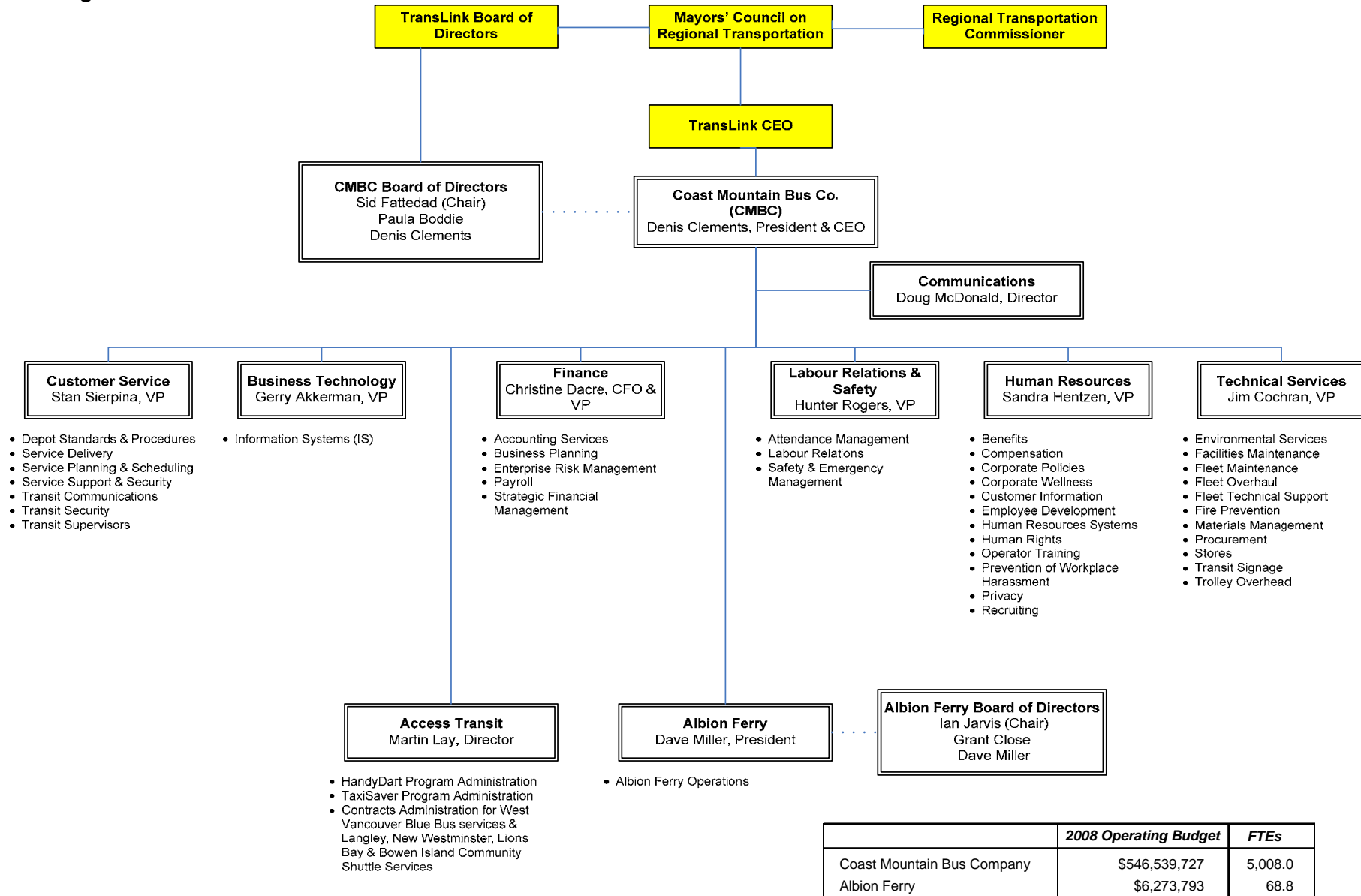
**Figure 1  
TransLink Organization & Reporting Structure**



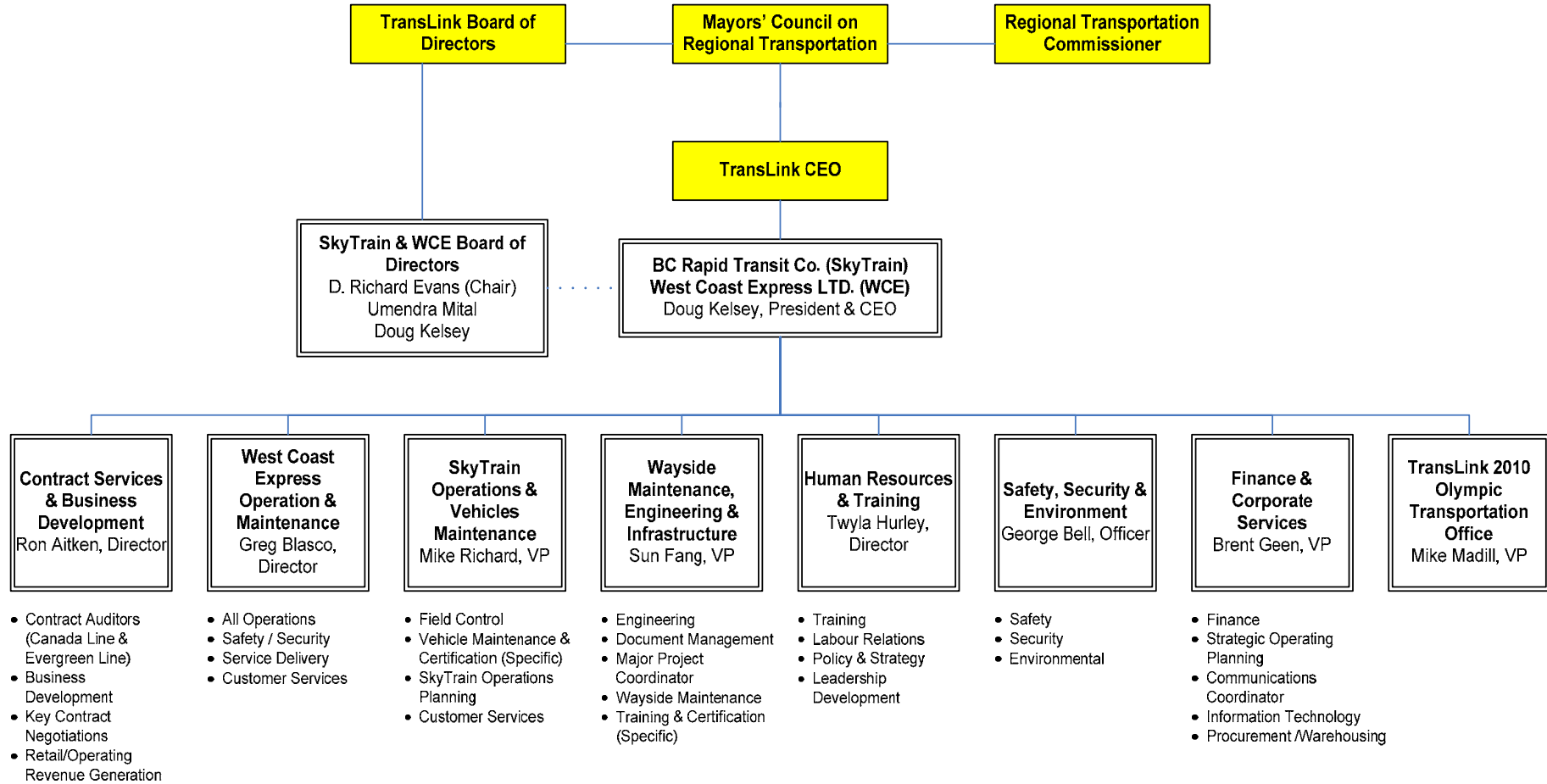
**Figure 2  
TransLink Corporate Office**



**Figure 2  
Bus Organization**

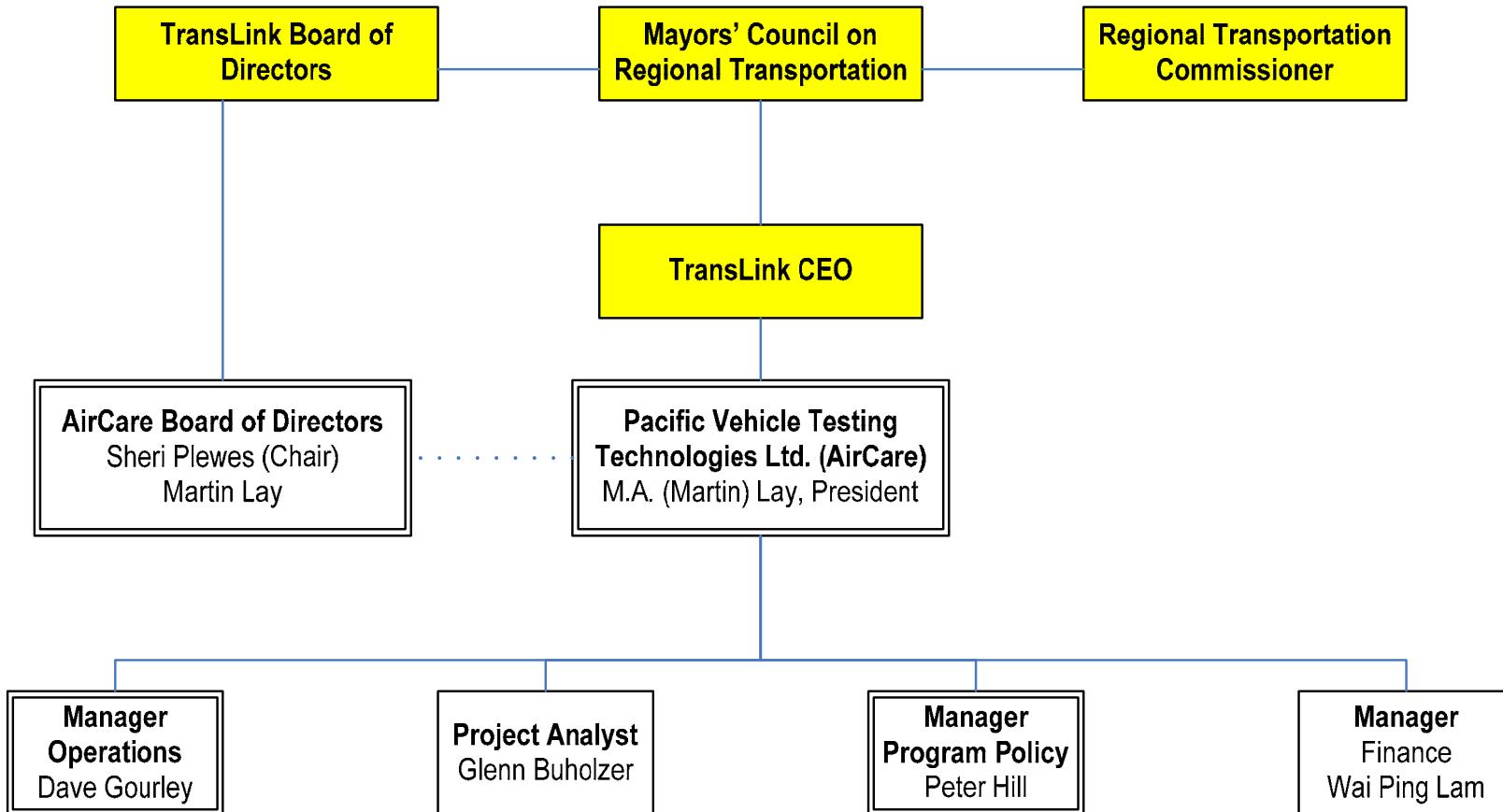


**Figure 2**  
**Rail Rapid Transit Organization**



	<b>2008 Operating Budget</b>	<b>FTEs</b>
BC Rapid Transit Co. (SkyTrain)	\$82,784,337	537.0
West Coast Express	\$25,502,802	12.7

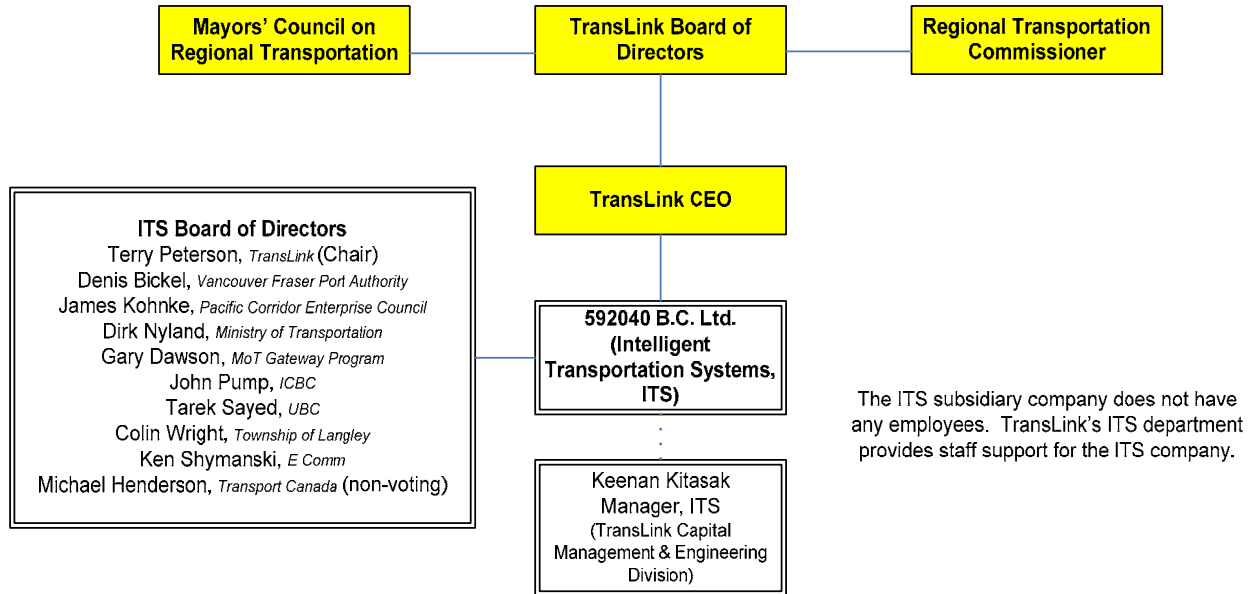
**Figure 2**  
**Pacific Vehicle Testing Technologies Ltd.**  
**(AirCare)**



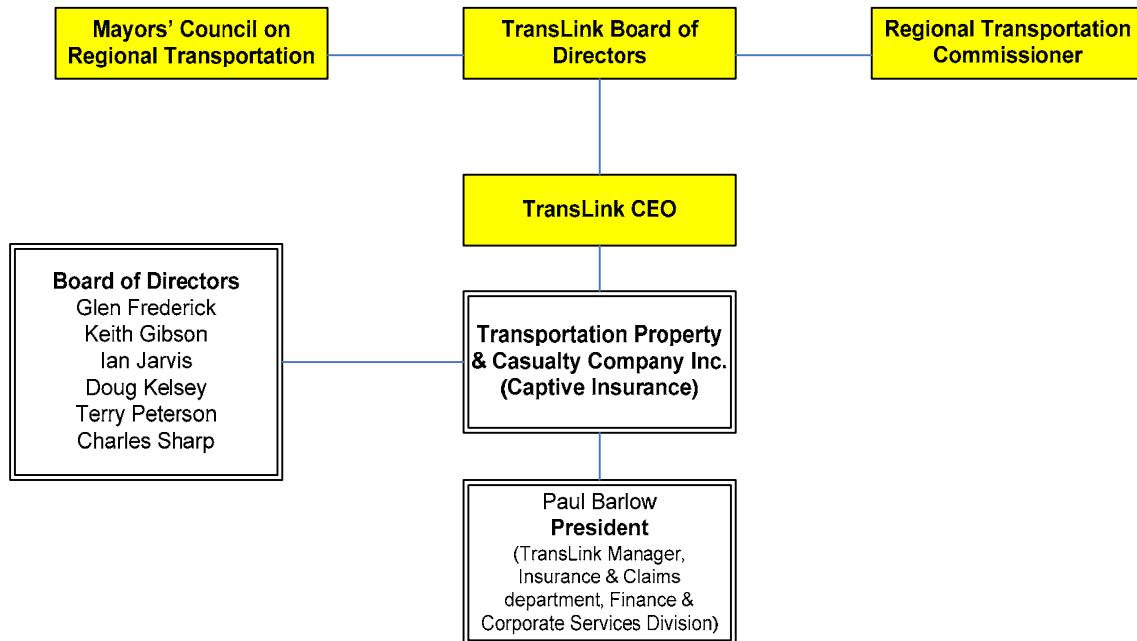
	<i>2008 Operating Budget</i>	<i>FTEs</i>
AirCare		13.0
Envirotest Canada	\$18,630,269	105.0

Figure 2

**592040 BC Ltd.  
(Intelligent Transportation Systems)**



**Transportation Property & Casualty Company Inc.  
(Captive Insurance Company)**



## PART 2: OPERATIONAL OVERVIEW

### 4.0 PROGRAMS & SERVICES

TransLink provides five major programs and services.

#### 4.1 Public Transit

TransLink is responsible for the operation of the public transit system in the Metro Vancouver region, which is currently composed of 21 municipalities situated on 2,800 square kilometres of British Columbia's southwestern mainland. Our transit services are delivered primarily through three wholly-owned subsidiaries, utilizing a fleet of 1319 buses, 2 passenger ferries, 210 light rail cars, and 5 commuter rail trains with 37 passenger cars.

##### Services Operated By TransLink Subsidiaries Companies

- **Coast Mountain Bus Company Ltd.**, our largest subsidiary, operates 96% of the bus service which includes electric trolley buses, three B-Line rapid bus services, highway Express coach bus services, Community Shuttle minibuses, and SeaBus passenger ferries across Burrard Inlet.
- **British Columbia Rapid Transit Company Ltd.** operates the Expo and Millennium SkyTrain lines, the world's longest automated light rapid transit system, connecting downtown Vancouver with the cities of Burnaby, New Westminster and Surrey.
- **West Coast Express Ltd.** runs five commuter trains each weekday morning from Mission City in the Fraser Valley to downtown Vancouver with return trips each afternoon. It also operates the TrainBus coach bus service, which supplements the commuter train service.

##### Contracted Services

TransLink contracts with independent operators for delivery of the following services, and supplies the 369 vehicles utilized by the contractors.

- **HandyDART** is a shared-ride transit service for customers with physical or cognitive disabilities who cannot use conventional bus services. The service is currently operated by eight independent contractors, utilizing a fleet of 309 HandyDART vehicles provided by TransLink. The supplementary TaxiSaver Program, for which TransLink has an agreement with taxi companies to accept coupons sold to eligible users, allows customers to make trips by taxi with substantial savings.
- **Community shuttle** minibus services in Langley, New Westminster, Bowen Island and West Vancouver is operated by independent contractors, utilizing a fleet of 25 minibuses.
- The West Vancouver "**Blue Bus**" transit service is operated by the District of West Vancouver, utilizing a fleet of 39 buses.

##### Rapid Transit Projects

Our wholly-owned subsidiary, **Canada Line Rapid Transit Inc.**, was created to oversee the procurement, design, construction and implementation of the Canada Line automated rapid transit line which will link Vancouver, Richmond and the Vancouver International airport. The Federal and Provincial Governments, TransLink, the Vancouver International Airport Authority and the City of Vancouver are each investing in this project. Under a private-public partnership agreement, InTransit BC Ltd. was awarded the contract to design, build, construct, operate, maintain and partially finance the Canada Line under a 35 year concession agreement. The Canada Line is scheduled to commence operations in November 2009.

The **Evergreen Rapid Transit Line** project is an automated rapid transit line that is planned for completion in 2014, and will connect Burnaby with Coquitlam through Port Moody. The Evergreen Line is an estimated \$1.4 billion project funded by TransLink, the BC Government and the Government of Canada. Through its recent Transit Plan, the BC Government has committed to investing \$410 million in the project, and TransLink has committed \$400 million to date. Through the Public Transit Capital Trust 2008, the Government of Canada has provided \$67 million to the Province for public transit infrastructure, and these funds will be dedicated to the Evergreen Line. The Evergreen Line will use advanced light rapid transit (ALRT) technology, and is currently in the project development and engineering phase of the project.

#### Access Transit Plan

The Access Transit Plan contains recommendations to ensure that the regional transit system will have improved access for people who have physical, cognitive or other difficulties in accessing or using the transit system. The Access Transit Plan has been established as TransLink policy and all TransLink companies are required to be in compliance. TransLink Corporate is responsible for policy development and implementation of customer engagement programs for the Access Transit Plan. Coast Mountain Bus Company Ltd. is leading the service implementation of the Plan.

## 4.2 Roads & Bridges and Albion Ferry

In partnership with the municipalities, TransLink manages the **Major Road Network ("MRN")**, which consists of a series of arterial roads throughout Metro Vancouver. Ownership of, and operational responsibility for, the MRN (other than inter-municipal bridges) generally remains with the respective municipalities. TransLink provides funding on a quarterly basis to the municipalities for the operation, maintenance and rehabilitation of the MRN, and shares in the cost of eligible capital improvements through our MRN Minor Capital Program. Oversight of MRN programs is by the Major Roads and Transportation Advisory Committee (MRTAC) composed of senior engineers and senior staff from each municipality in the region. TransLink staff provides administrative and technical support to MRTAC.

Included in the Major Road Network is the Albion Ferry service that connects Langley to Maple Ridge and Pitt Meadows across the Fraser River. Our wholly-owned subsidiary, Fraser River Marine Transportation Company Ltd., operates the **Albion Ferry** service utilizing two 24-vehicle ferries.

TransLink owns and operates the following inter-municipal bridges and structures – Knight Street Bridge South, Knight Street Bridge North, Marine Drive Overpass at Knight Street, Pattullo Bridge, Westham Island Bridge and the Albion Ferry docks.

We are currently constructing the **Golden Ears Bridge**, a new six-lane bridge across the Fraser River in the 200th Street corridor. Once the bridge is operational in 2009, it will replace the Albion Ferry service. Golden Crossing General Partnership has been contracted to design, build, finance, operate, maintain and rehabilitate the bridge and its associated road network.

## 4.3 Transportation Demand Management (TDM)

Transportation Demand Management is a public policy lever intended to encourage change in the amount of travel, model of travel and time of travel in order to make better use of transportation services.

**OnBoard program** - Launched in 2002, the OnBoard program has assisted over 250 Metro Vancouver employers in identifying and implementing commuting options for their employees. Options explored through the OnBoard program include an employer pass program, ride matching, car and van pooling, car

sharing, cycling and walking, parking management strategies, teleworking, and shuttle buses.

**Employer Pass program** – This program provides a 15% discount on annual transit passes to organizations enrolling with 25 or more employees. Purchase of the transit passes by the employees is facilitated through the convenience of payroll deduction. The pass provides unlimited access to all bus (except HandyDART), SkyTrain and SeaBus services. Passes for the West Coast Express service are also available.

**U-Pass program** – This is an award-winning program that provides all students at participating publicly funded post-secondary institutions with unlimited access to transit services at a substantially reduced cost. The U-Pass price is based on replacing current transit fare revenue from students at each school, based on transit trips per student and fare payment method. Launched in September of 2003 in partnership with Simon Fraser University (SFU) and the University of British Columbia and sponsored by VanCity, the U-Pass program resulted in transit use increases of 39% and 53%, respectively, in the first year. TransLink is currently working with the administrations and student societies at seven other post-secondary institutions to examine possible new U-Pass programs.

**Community Pass program** – TransLink and the SFU Community Trust launched the first community pass program in Canada in February of 2006. The program allows residents of the UniverCity residential community at SFU to purchase an annual pass at a substantially discounted rate for unlimited three-zone travel on buses, SkyTrain and the SeaBus. The program was made possible by the Trust, which has agreed to guarantee an annual payment to TransLink equal to the estimated revenue which would have been received through TransLink's fare boxes and monthly passes.

Other TDM Measures – TransLink provides funding for the administration of the Jack Bell Ride Share program that supports car/vanpools in the region. Other important TDM measures include giving priority to buses and high occupancy vehicles (HOVs) through dedicated lanes, signaling and preferential parking for car/vanpools. TransLink funds transit and HOV road priority measures through its **Transit Related Road Infrastructure Program (TRRIP)**.

#### 4.4 Air Quality (AirCare)

Under the provisions of the Act, TransLink must develop and administer programs for certifying motor vehicle compliance with regulations under the Motor Vehicle Act with respect to exhaust emission standards. Our wholly-owned subsidiary, Pacific Vehicle Testing Technologies Ltd., manages the AirCare program which is a mandatory vehicle emissions testing program in the Metro Vancouver region. The inspection contractor for the AirCare program is Envirotest Canada, which operates the ten inspection centers. Testing fees are set on a cost recovery basis over the lifetime of the program.

#### 4.5 TransLink (SCBCTA) Police Service

The South Coast British Columbia Transportation Authority Police service was established by the Province in 2005 as the first dedicated transit police service in Canada. The SCBCTA Police Service maintains order, safety and security on transit facilities and adjacent areas, and are authorized to enforce laws and carry firearms. The SCBCTA Police Board oversees the transit police and is responsible for determining the priorities, goals and objectives of the policing unit in consultation with TransLink and the provincial Solicitor General. The Board also sets standards, guidelines and administration policies consistent with the Police Act. Members of the SCBCTA Police Board are appointed by the Solicitor General. Complaints may be made to the BC Police Complaint Commissioner.

## 5.0 FARE STRUCTURE

TransLink provides up to 90 minutes of travel for each cash fare or FareSaver ticket. Tickets and passes can be purchased for one, two or three zone travel by bus, SeaBus and SkyTrain. West Coast Express fares are purchased separately.

### Concession Fares

Children 5 to 13 years, secondary students 14 to 19 years with a valid GoCard, seniors 65+ with proof of age, and HandyCard holders (available to residents who have a permanent physical or cognitive disability that prevents them from using the public transit system without assistance) are eligible to travel at Concession fares.

Cash Fares	Zone	Adult	Concession
<b>Regular Fares</b> Weekdays from start of service to 6:30 pm	1 Zone	\$2.50	\$1.75
	2 Zone	\$3.75	\$2.50
	3 Zone	\$5.00	\$3.50
<b>Discount Fares</b> Weekdays after 6:30 pm and all day SatSun/Hol	All Zones	\$2.50	\$1.75

Faresaver Tickets Book of 10 tickets	Zone	Adult	Concession
<b>Regular Fares</b> Weekdays from start of service to 6:30 pm	1 Zone	\$19.00	\$16.00
	2 Zone	\$28.50	N/A
	3 Zone	\$38.00	N/A

DayPasses	Zone	Adult	Concession
7 days a week	All Zones	\$9.00	\$7.00

Monthly FareCards	Adult	Concession
1 Zone	\$73	\$42
2 Zone	\$99	
3 Zone	\$136	

Monthly FareCards provide unlimited travel within the selected zone(s) on weekdays and across all zones on weekends, statutory holidays, and after 6:30 pm on weekday evenings.

WestCoast Express Fares	Port Moody	Coquitlam Central	Port Coquitlam	Pitt Meadows	Maple Meadows	Port Haney	Mission City
From Waterfront:							
One Way	\$6.75	\$6.75	\$6.75	\$8.25	\$8.25	\$8.25	\$11.25
Return	\$12.50	\$12.50	\$12.50	\$15.50	\$15.50	\$15.50	\$21.00
Weekly	\$52.50	\$52.50	\$52.50	\$63.50	\$63.50	\$63.50	\$87.75
28 day pass	\$161.00	\$161.00	\$161.00	\$195.50	\$195.50	\$195.50	\$269.00

Lower fares are in effect for travel in-between the Waterfront and Mission City terminus stations. Further information about these fares and Concession fare pricing is available at <http://www.westcoastexpress.com/Fares.htm>.

## 6.0 MAJOR ASSETS INVENTORY

### VEHICLES (as of April 30/08)

#### Buses

Diesel Buses	917
Trolley Buses	227
Natural Gas Buses	69
Hybrid Buses	2
Albion Ferries	2
Community Shuttle Vehicles	165
SeaBus	2
SkyTrain Cars	210
West Coast Express Cars	37
HandyDART vehicles	337
Total Vehicles	<u>1,968</u>

### REAL ESTATE

#### SkyTrain Station Bus Loops

29th Avenue Station  
 Nanaimo Station  
 22nd Street Station

#### West Coast Stations & Bus Loops

Maple Meadows Station  
 Pitt Meadows Station Bus Loop  
 Port Coquitlam Station Bus Loop

#### Park & Ride

Barnet	2920 Barnet Hwy, Coq
King Edward	1100 Wooldridge Street, Coq
Richmond	3440 Sexsmith, Rich

#### SkyTrain Stations

Rupert Station  
 Stadium Station  
 Scott Road

#### Land

False Creek (Lot 1 & 5)	95 / 99 East 1st Avenue, Van
NE Corner Lougheed Hwy & Boundary Road	
718 King George Highway	

#### Bus Loops

63rd & Granville  
 Kootney & Hastings  
 Lougheed & Boundary  
 Marpole  
 Victoria Drive  
 Newton  
 North Vancouver Phibbs

7907 Granville Street, Van
3500 E. Hastings Street, Van
3665 Lougheed Hwy, Van
1250 SW Marine Drive, Van
7030 Victoria Drive, Van
13736 72nd Avenue, Surrey
151 West Esplanade, N Van

#### Rectifier Stations

Oakridge Rectifier Station

Adjacent to Oakridge  
 Travel Centre

#### Facilities

Oakridge Transit Centre	949 W. 41st Avenue, Van
Vancouver Transit Centre	9149 Hudson Street, Van
Burnaby Transit Centre - South	3750 Kitchener Street, Bby
Burnaby Transit Centre - North	3855 Kitchener Street, Bby
North Vancouver Transit Centre	502 - 536 E. 3rd Street, N Van
Port Coquitlam Transit Centre	2061 Kingsway Avenue, Port Coq
Richmond Transit Centre	11133 Coppersmith Way, Rich
SeaBus North Terminal	2 Chesterfield Place, N Van
Surrey Transit Centre	7740 - 132nd Street, Surrey
Surrey Maintenance Garage	7678 & 13321 - 76 Avenue, Surrey
West Vancouver Transit Centre	225 Lloyd Avenue
TransLink Security Office	307 Columbia Street, New West.
SkyTrain Operations & Maintenance Centre	Burnaby

#### Bridges

Knight Street Bridge South  
 Knight Street Bridge North  
 Marine Drive Overpass at Knight Street  
 Pattullo Bridge  
 Westham Island Bridge  
 Albion Ferry docks

## PART 3: 2009-2018 BASE PLAN

### 7.0 LEGISLATIVE REQUIREMENTS

The South Coast British Columbia Transportation Authority Act requires TransLink to prepare a Ten Year Strategic Plan, identifying the transportation services to be provided, the transportation demand measures being undertaken, major capital projects planned and estimated funding requirements. The Strategic Plan must include a financial Base Plan and may include Supplements. The Strategic Plan must be consistent with the strategic goals set out in TransLink's 30-Year Strategy ("Transport 2040") as well as support the objectives of the Provincial Transit Plan.

Mayors' Council approval is required for the Supplements. The Commissioner is required to determine whether the Strategic Plan parameters and assumptions, including the expenditure and revenue estimates set out in the Base Plan and related Supplements, are reasonable.

Under the Act, the Base Plan can only utilize established funding sources and projected borrowings cannot exceed the current borrowing limit. Established funding sources include:

- Fuel tax revenue at existing rates;
- Property tax revenue – inflated by 3% annually;
- Fare revenues – short term (i.e. cash and faresaver tickets) fare rates inflated by 2% annually;
- Replacement tax at a maximum of \$18 million; and
- Other estimated revenues, including parking sales tax at the current 7% rate, advertising, real estate and non-short term fares.

Specific legislative requirements regarding the calculation of the financial projections in the Base Plan is provided in Sections 194 to 199 of the Act, a summary of which is provided in **Appendix 1**.

The Act also requires that TransLink "carry out all of its activities and services in a manner that is consistent with its strategic transportation plan". Accordingly, the Base Plan must reflect key activities, and major commitments and expenditures anticipated during the Plan period, such as TransLink's contribution to the Evergreen Rapid Transit Line project and exercising of purchase options for SkyTrain vehicles to take advantage of favourable pricing.

### 8.0 FINANCIAL CONTEXT

Since 2004, TransLink has been on a path of expansion which assumed that additional sustained revenues would be approved by the time the full financial impact is realized from a forty percent increase in bus service, completion of our major road projects, and completion of the Canada Line in 2010.

#### 2005-2007 (Three Year) Financial Plan

TransLink's previous 10-Year Outlook from 2004 to 2013 established a three year financial plan for 2005 to 2007 based on a number of key assumptions, including:

- The three year financial plan would fund specific initiatives that would take place from 2005 to 2007, only using revenue increases derived from those available under the previous GVTA Act.
- TransLink would accumulate surpluses to fund potential future deficits, allowing time for the development of a long-term financial strategy and to reduce borrowing.

- By 2008, TransLink would have a sustainable revenue stream in the order of \$100 million annually, in the form of a 5 cents/litre transfer of the federal excise tax on gas.

In reality, the federal funding program commenced earlier than anticipated in the 10-Year Outlook. A federal program of capital funding over five years was implemented beginning in 2005. There was a regional consensus that all of the federal funding designated for the Lower Mainland would come to TransLink to pay for transit investments. The caveats are that the federal funding program is time limited and can only fund capital expenditures.

The funding challenge beyond 2007 was anticipated in the 10-Year Outlook. In the event that *sustainable* federal funding was not forthcoming, TransLink was to develop a new financial strategy by mid-2006 and consult on a plan to fund the balance of the 10-Year Outlook plan to 2013.

However with the provincial government's review of TransLink's mandate, governance and funding underway from 2006 to 2007, there could be no significant discussions regarding new revenue sources or government transfers to fund road and transit expansion.

At the end of the 2007, TransLink delivered on its commitments in the Three Year (2005-07) Plan, plus more. Our major projects – Canada Line, Golden Ears Bridge, the new Vancouver Transit Centre, bus replacement and expansion, and major road projects – are being delivered on time and on budget. With the benefit of the federal capital funding, stronger ridership, higher taxation revenues and lower capital spending, TransLink ended 2007 in a strong near-term financial position with an accumulated surplus of \$409 million.

### **2008 Financial Plan**

The 2008 Transportation and Financial Plan was approved as a bridge between the conclusion of the 2005-2007 Strategic Transportation and Financial Plan and the commencement of the new Ten Year (2009-2018) Strategic Plan.

The 2008 Financial Plan included a fare increase that was implemented as of January 1, 2008, and the parking site tax was eliminated and replaced with \$18 million of non-residential property tax ("Replacement Tax") in accordance with the provisions of the Act. The TransLink Board subsequently decided that only fifty percent (\$9 million) of the legislated maximum Replacement Tax would be collected in 2008. The current financial forecast for 2008 also includes \$3 million higher parking sales tax revenues from a renegotiated contract with the Province, and the \$2 million additional cost of the new carbon tax which is anticipated to be offset by \$2 million higher fuel tax revenues.

Projections to 2013 were provided in the 2008 Financial Plan document that indicated that without a new sustained revenue source, annual deficits would commence in 2009 at \$28 million, growing to \$124 million by 2013.

## **9.0 GUIDING PRINCIPALS FOR DEVELOPMENT OF 2009-2018 BASE PLAN**

Given the significant time required to consult and obtain consensus on supplemental revenues, it has been determined that the 2009-2018 Strategic Plan will be a Base Plan only. The following principals guided the development of the 2009-2018 Base Plan.

- Provide for the costs of maintaining the system in a state of good repair (i.e. replace assets as required).
- Include existing programs, projects and commitments anticipated in the 2009-2010 plan period.
- Short term fares grow at 2% and property tax revenues grow at 3% per year as allowed in the legislation.
- Utilize the accumulated surplus to fund annual deficits in the first three years of the plan.

## **10.0 CHALLENGES IN DEVELOPMENT OF 2009-2018 BASE PLAN**

There are significant challenges in preparing a year-by-year ten year financial projection that meets the parameters of the Act. While TransLink has been relatively successful in forecasting operating expenditures for one year hence (actual results have been within 0.5 to 2 percent of budget), there have been larger variations in the results for revenues and debt service costs. Fuel revenues, in particular, have been difficult to forecast and capital spending has lagged behind what had been forecast in project budgets.

Building a ten year financial plan in the current economic climate is particularly challenging. We have experienced unprecedented increases in oil prices, which is a triple threat to our operations. Higher energy costs drive operational cost increases, have a dampening effect on our revenue base, and increase the demand for our services. The impact of escalating energy costs during the early years of the ten year horizon is significant, especially since growth and inflation factors are applied to extrapolate these costs to future years.

In the early stages of Base Plan development, the forecasted revenues were sufficient to fund the 2009 service expansion, and maintain that service level throughout the Plan period. However, the on-going increase in energy costs, continuing construction cost escalation, financial market indications of interest rate increases, as well as additional information regarding operational costs to support the delivery of transit service expansion underway, demanded a re-visit of key financial assumptions. The resulting revised financial projections generate a funding gap, with the accumulated surplus depleted by 2011.

In developing the Base Plan, the most critical decision has been determining the level of 2009 transit bus service expansion. The approved 2008 capital program included funding for over 150 vehicles for service expansion in 2009, and those vehicles are now on order. Implementing the full level of transit expansion (approximately 400,000 service hours) will continue the path of expansion established in 2005-2007 Three Year Plan and Ten Year Outlook, is consistent with prior year commitments made to the public, stakeholders and government, and will be fully utilized by current estimated demands. It also represents the foundation step toward achieving the region's and Provincial Transit Plan's long-term objectives. Given these considerations, the Base Plan assumes that the previously planned level of 2009 service expansion will be implemented.

The accumulated surplus will fund existing operations plus 2009 expansion through to 2011, which should provide sufficient time to build a consensus on new funding sources. However, in order to meet the legislative parameters of a fully funded base plan, a significant service reduction must be assumed in 2012. This clearly highlights the long-recognized need for new sustained revenues.

It must be recognized that the 2009-2018 Base Plan is a transitional plan with an intended one-year life. It is intended that the 2010-2019 Plan include the Supplements necessary to maintain 2009 service levels

as well as implement significant improvements. However, if the consultation process indicates strong resistance to new revenue measures, TransLink will begin implementation of cost reductions that would impact all program areas, rather than solely transit operations.

## 11.0 2009-2011 REVENUE AND EXPENDITURE FORECASTS

TransLink has been successful in implementing three year plans (within the context of a longer term outlook) that have had a “bottom-up” development approach. The past two sets of three-year plans have provided a service and funding envelope with a reasonable contingency plan that can be managed by operations while meeting plan objectives. Time and resources did not allow for this more detailed and inclusive planning process, which will be re-initiated for the next planning cycle. Consequently, the financial projections for the first three years (2009-2011) of the Base Plan is deliberately conservative in its assumptions on inflation and growth.

The 2009-2011 forecast has been developed by applying individual inflation and growth assumptions to the appropriate revenue and expenditure categories. These assumptions have been developed through research and tested with TransLink’s operating subsidiaries. Beyond 2011, revenues and expenditures increase with more general growth and inflation factors.

The forecast for the 2009-2011 period reflect the initiatives and activities as set out in the 2009 transportation plan. As discussed previously, the forecast also reflects assumptions on future economic conditions, based on a consensus of opinions from a variety of sources. The following **Figure 3** shows the 2009-2011 forecast for revenues by type and expenditures by program. A key point to note is that the cumulative surplus declines from \$332 million to \$39 million over the three year period. An overview of the major factors and assumptions that drive the forecast follows.

### 11.1 Revenues

In 2009, revenues will surpass \$1 billion for the first time in TransLink’s history. The increases to revenues up to 2011 reflect inflation and natural growth, with the exception of the Replacement Tax adjusting to the maximum allowed under the Act.

#### Transit Revenues

##### Fares

Fare revenues is projected to grow by the 2% annual increase factor allowed by the Act, plus the impact of increased ridership from the 2009 service expansion as well as background growth. **Appendix 5** shows that a 6.1% fare increase is projected for 2011, representing the compounded impact of the allowed 2% annual increase factor. A 6.1% fare increase is also projected for 2014 and 2017. The following table shows the composition of fare revenues between short-term and other fares over the Base Plan period.

Background ridership growth is forecasted to be 2.3% based on recent trends. Fare revenues from the Canada Line is included, starting in 2009. The revenue projections are from the current business case forecasts and represent incremental revenues from this new rapid transit line.

Figure 3

## TransLink 2009-2011 Revenue and Expenditure Summary

(\$000's)	2009	2010	2011
<b><u>Revenues</u></b>			
Transit	408,861	460,020	501,836
Tolls	13,430	39,441	53,104
Taxation			
Fuel	269,595	269,595	269,595
Property	263,165	271,060	279,191
Replacement Tax	18,000	18,000	18,000
Parking Sales Tax	14,935	15,234	15,539
Hydro Levy/Mission subsidy	18,381	18,666	18,948
Total Taxation	<u>584,076</u>	<u>592,555</u>	<u>601,273</u>
<b>Surplus Drawdown</b>	<b>81,876</b>	<b>144,439</b>	<b>149,303</b>
<b>Total Revenues</b>	<b><u>1,088,243</u></b>	<b><u>1,236,455</u></b>	<b><u>1,305,516</u></b>
<b><u>Expenditures</u></b>			
Transit Operations	760,770	844,461	879,818
Roads & Bridges	43,222	76,568	96,435
TransLink Programs	46,413	47,539	48,489
Police Services	29,570	32,568	33,558
Other Programs	16,500	12,100	5,000
<b>Total Program Costs</b>	<b><u>896,475</u></b>	<b><u>1,013,236</u></b>	<b><u>1,063,300</u></b>
Debt Service Costs	191,768	223,219	242,216
<b>Total Expenditures</b>	<b><u>1,088,243</u></b>	<b><u>1,236,455</u></b>	<b><u>1,305,516</u></b>
<b>Cumulative Surplus</b>	<b>332,497</b>	<b>188,058</b>	<b>38,755</b>

### Real Estate

The new real estate initiative is projected to contribute \$21 million per year over the 2009 to 2011 period. This revenue amount is a conservative estimate of potential revenues as our Strategic Real Estate program is limited by legislation to only purchasing property that is reasonably believed will be required for future transportation needs. Given that transit expansion in the Base Plan is constrained, the potential of this revenue stream is likewise constrained.

### Other Revenues

The major contributor to other transit revenues is advertising. In addition to the regular, contracted revenues from advertising on transit vehicles and facilities, an additional \$12 million dollars from new contracts for LCD displays and Olympic advertising is forecast.

### **Toll Revenues**

TransLink will be receiving net toll revenues from the new Golden Ears Bridge, scheduled to open to traffic in summer of 2009. The toll revenues will be used to pay for the project over 32 years. TransLink will be receiving net toll revenues from the new Golden Ears Bridge, scheduled to open to traffic in summer of 2009. The toll revenues will be used to pay for the project over the next 32 years. (Toll revenue has been projected using the original business case estimates of \$2.80 for a car, \$4.20 for a light truck and \$5.65 for a heavy truck and growing with inflation. These rate assumptions are more conservative compared to the by-law rates, but not to a significant degree.)

### **Fuel Tax Revenues**

Growth is forecast at zero percent per year for gasoline and diesel sales in total. This reflects the current status of declining gasoline sales offset by strong diesel sales growth. The local economy, in particular the construction industry, is projected to remain strong through major projects such as the Olympics, Gateway Project and Port Mann Bridge Twinning. Gasoline sales are anticipated to continue its slight decline as new technology and consumer choice of more fuel efficient vehicles will lower gasoline purchase levels. However given the limited transit expansion in the Base Plan, modal shift to transit use due to higher fuel prices will be constrained by lack of transit system capacity. Therefore the potential for negative growth of gasoline sales is not as strong as it would otherwise be.

### **Property Tax Revenues**

Property tax revenues increase by three percent per year, which complies with the annual increases allowed under legislation for a Base Plan. The three percent increase represents two percent inflation and one percent growth from property development and improvements. The rates necessary to generate the targeted increases will be determined through our annual budget processes. For 2009, given continued increases to property values, it is anticipated that rates will decline.

### **Replacement Tax, Parking Sales Tax, Hydro Levy and Mission Subsidy**

The Replacement Tax is forecast to increase to its legislated maximum of \$18 million per year in 2009, and held at that level for the balance of the Base Plan period. It is anticipated that the tax will be collected from all allowable classes. Parking Sales Tax revenues are forecasted at the current rate of

7%, with growth applied to reflect general inflation on parking rates. The Hydro Levy is assumed to increase with general population growth. The Mission Subsidy is per the current contract with a general inflation growth factor applied.

## 11.2 Expenditures

### Operating Expenditures

Operating expenditures in the 2009-2018 Base Plan are projected from the current financial forecast for the 2008 fiscal year. The full year costs for the 2008 initiatives are included, as well as increased costs from the 2008 and 2009 service expansion. Labour rates are based on the current contracts, which are in place through to early 2010. Labour costs are assumed to increase at two percent per year (general inflation rate) thereafter. A three percent increase to non-labour costs is assumed for 2009, based on concerns about near-term inflationary pressures. Also in 2009, provisions have been made for increased support costs and for a new transit depot due to current facility shortages.

Also included in the operating expenditures are the business case estimates of costs and contractual payments for the Canada Line and Golden Ears Bridge, both of which will be in service in 2009. No corporate contingency has been included in this Base Plan. A \$10 million per year cost reduction target has been set, starting in 2011. This target reflects past success in achieving sustainable cost reductions at this level.

### Fuel Costs

Fuel costs is one of the most variable expenditure items. Although our current diesel expenditures of \$50 million per year represents 4% of total expenditures, diesel costs have the capacity to double or triple their current level by the year 2018.

The Base Plan projects fuel costs starting from the 2008 forward contract rate of \$1.24 per litre held by Coast Mountain Bus Company. For 2009, a 22% increase is assumed bringing the price to \$1.50/litre. After 2009, fuel prices are assumed to grow by 2% per year. Additional allowance has been made for the new provincial carbon tax.

The assumed fuel prices could be viewed as optimistic, however, our analysis indicates that there a number of factors that influence price and these factors may offset each other. Management analysis of fuel prices is provided in Section 15.0 of this report. For the Base Plan, only factors that have known status (i.e. current contract prices) or high probability (i.e. market price growing at general inflation levels, usage at current technology levels) have been reflected in the fuel cost projections.

## 11.3 Debt Service Costs

Annual debt service costs are projected to increase by \$100 million by 2011 from the 2008 budget level of \$142 million. This is net of the effect of contributions from the Federal gas tax program, which are estimated to result in \$66 million annual debt cost savings by 2011. Capital spending for the 2009 to 2011 period is projected at \$1.18 billion. The long-term borrowing rate is assumed to be 5.25% for 2009, increasing to 5.5% by 2009-2010. **Appendix 6** shows our projected borrowings compared to our established borrowing limit over the Base Plan period.

## 12.0 TEN YEAR (2009-2018) REVENUE & EXPENDITURE PROJECTIONS

**Appendix 2A** provides a summary of the financial projections for the ten year (2009-2018) period and highlights the funding gap. A breakdown of the revenues and expenditures is provided in **Appendix 2B**. The key points are:

- The full 2009 service expansion level is assumed to be implemented and maintained through to 2018. Note that it will be 2011 before the total impact of the 2009 service expansion will be realized due to the timing of delivery of new buses and annualization of service hours.
- No service expansion is assumed to occur after 2011.
- Revenues increase from \$1 billion to \$1.4 billion and expenditures increase from \$1.1 billion to \$1.5 billion by 2018.
- The annual deficit ranges from \$82 million in 2009 to a peak of \$178 million in 2015. These deficits can be funded from the cumulative surplus through to 2011.
- New and/or increased revenues in the range of \$150 million per year are required to sustain the 2011 service levels.

## 13.0 2009-2018 BASE PLAN

For the 2009-2018 Base Plan to be fully funded in compliance with the Act, a significant reduction in expenditures is required in 2012. This is assumed to be achieved through service reductions. A variety of options to achieve the necessary savings will be explored, if approvals for the necessary supplemental revenues are not received.

**Appendix 3A** shows the revenue and expenditure projections for the 2009-2018 Base Plan, and highlights the order of magnitude of service reduction required in 2012 to balance the annual budgets thereafter. **Appendix 3B** provides a breakdown of the revenues and expenditure projections.

The key points are:

- The full 2009 service expansion level is assumed to be implemented.
- Bus service is reduced by 2.6 million hours in 2012, reducing direct costs by over \$200 million.
- As a result of the service reduction, indirect costs are reduced by \$43 million the following year.
- Cost reductions of \$10 million per year from general efficiencies will be implemented starting in 2011.

**Appendix 4** provides further details about the reduction in bus service hours that will be required in 2012 in order to meet our legislative requirements for a Base Plan.

## 14.0 BASE PLAN INCLUSIONS AND EXCLUSIONS

The strategic projects and initiatives that are included or excluded from the financial projections in the Base Plan are identified as follows.

### Inclusions in Base Plan

The following projects and initiatives were included in the Base Plan because they are programs and projects already underway, and/or commitments towards these projects are anticipated during the 10 year plan period.

#### Transit Vehicles

- Bus fleet replacement
- Bus fleet expansion in 2009 (157 vehicles)
- Third SeaBus
- SkyTrain fleet refurbishment
- SkyTrain fleet expansion (72 vehicles)

#### Bicycle Infrastructure

- Canada Line bicycle bridge

#### Transit Infrastructure

- #99 and new #95 Hastings/SFU B-Line Infrastructure
- Canada Rapid Transit Line
- Evergreen Rapid Transit Line
- SkyTrain operations & maintenance centre expansion
- SkyTrain Station upgrades (Main & Broadway)
- New bus depot and new Maintenance Trades & Training Centre
- Transit infrastructure maintained in good order

#### Roads & Bridges

- Golden Ears Bridge
- Fraser Highway widening
- Main Street widening
- Coast Meridian overpass
- Roberts Bank rail corridor grade separation
- Murray-Clarke Connector

### Exclusions from Base Plan

The following projects and initiatives were excluded from the Base Plan because they could be deferred until the next 10 year plan period.

#### Transit Vehicles & Services

- Bus fleet expansion after 2009
- Projects identified in South of Fraser Area Transit Plan, other than those proposed for 2009
- Projects identified by the Access Transit Plan, beyond the 10% increase proposed for 2009

#### Bicycle Infrastructure

- Post-2009 bicycle infrastructure program

#### Strategic Business Initiatives

- Smart Card implementation

#### Transit Infrastructure

- King George Busway in Surrey
- Detailed design and construction of the new rapid transit lines identified in the Provincial Transit Plan
- Controlled access implementation.

#### Roads & Bridges

- Post-2009 MRN minor capital program (\$20 million per year)
- Future MRN major capital program (\$35 million per year)

## 15.0 BASE PLAN ASSUMPTIONS

The following financial and economic assumptions underlie the financial projections in the Base Plan. Detailed analyses of the key assumptions are provided in the following Section 15.0.

### Revenues

- Transit short-term fares increase at legislated limits.
- Transit revenues grow with increased ridership.
- Replacement Tax is at a constant \$18 million and assumed to be applied to all allowable classes.
- Property Tax rate is adjusted to derive three percent revenue increase per year (two percent for inflation, one percent for growth).
- No growth in annual fuel sales and the fuel tax rate is maintained at 12 cents/litre.

### Expenditures

- Labour costs increase at 3 - 3.5% per year for current contracts, then 2% per year thereafter.
- Inflation on non-labour costs is approximately two percent per year (with the exception of 2009 at 3%).
- The incremental cost of providing additional transit service during the 2010 Olympics period will be fully recovered through additional fare and advertising revenues, and reimbursement from VANOC.
- Operation, maintenance and rehabilitation funding for the roads network is maintained, with the rate per lane kilometer increasing by 2% per year.
- 5.5% long-term interest rate (5.25% interest rate is assumed for 2009).

### Senior Government Funding

- Continuation of the federal gas tax funding program at the 2009/10 level of \$122 million/year, with all of the funds directed to TransLink.
- 48.5% provincial funding for new rapid transit fleet and infrastructure (38 SkyTrain vehicles and improvements to the Main and Broadway stations).

## 16.0 ANALYSIS OF KEY ASSUMPTIONS

<b>Assumption: General Inflation Rate</b>
---

<i>Worst Case</i>	<i>Recommendation</i>	<i>Best Case</i>
2009 = 3.5% 2010 & Beyond = 2.5%	2009 = 3.0% 2010 & Beyond = 2.0%	2009 to 2018 = 1.5%

### References

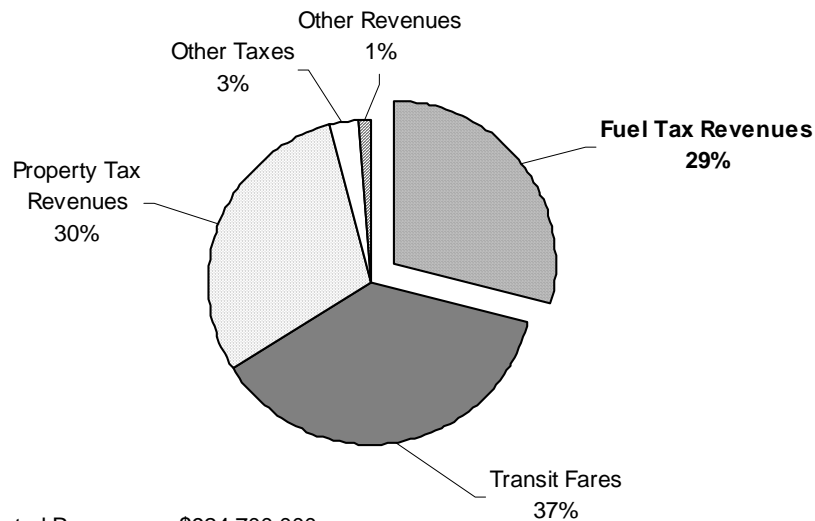
1. Provincial Government Budget
  - 1.8% for 2008; 2% thereafter to 2012.
2. TD Economics, Monetary Policy Monitor, 17-April-2008
  - Lower inflation in Canada in 2008 is artificial due to GST cut and appreciation of Canadian dollar which impacted food imports and competitive cross border price pressures.
  - Inflation not expected to pick-up as excess demand is dissipating and labour shortages are decreasing.
  - Expect core inflation not to return to 2% until 2009 (2008=1.2% and 2009=1.7%).
3. CIBC World Markets, 27-May-2008
  - Run-up on Canadian dollar has kept inflation in check along with grocery store price war – will not continue; expect to see inflation increase over next six quarters to 3.5% by the end of 2009.
4. Bank of Canada, 10-June-2008
  - If current energy prices persist, CPI to rise above 3% later this year; not to get back to 2% until 2010.
5. RBC Financial Markets Monthly, May-2008
  - February decline in core inflation signals cooling off.
  - 2008 inflation 1.4% and 1.9% in 2009 for Canada (BC = 1.1% and 1.6% forecast in April).

## 16.0 ANALYSIS OF KEY ASSUMPTIONS

<b>Assumption:</b> Fuel Sales – Tax Revenues
--

### Scale of Impact

#### 2008 Budgeted Revenues



Total 2008 Budgeted Revenues = \$924,700,000

<b><i>Worst Case</i></b>	<b><i>Recommendation</i></b>	<b><i>Best Case</i></b>
-1.0% net average growth for gasoline & diesel sales to 2018	0.0% net average growth for gasoline & diesel sales to 2018	2.0% net average growth for gasoline & diesel sales to 2018

### References

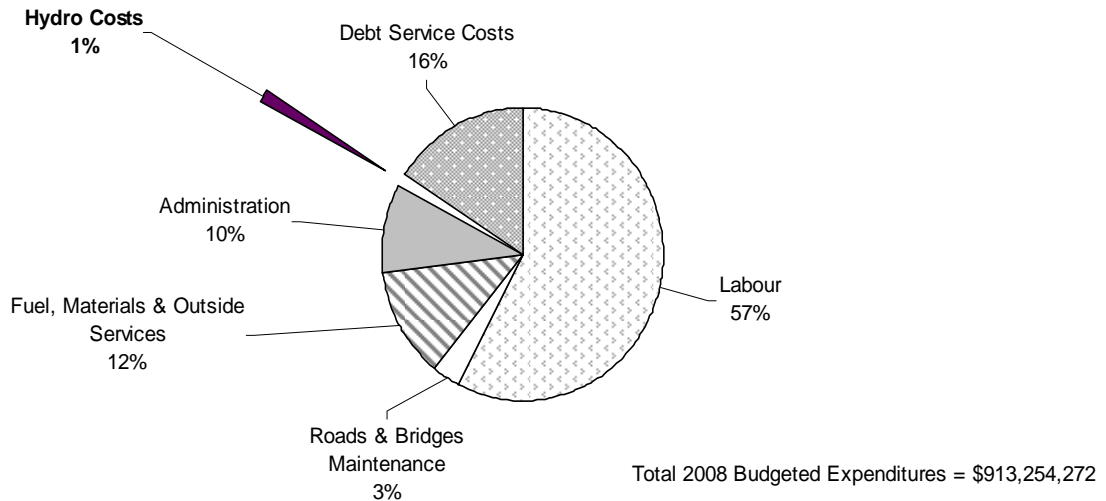
- Provincial Government Budget
  - Gasoline and diesel volume forecast at 2% for next 3 years (through March 2011).
  - No further update from the Province.
- Historical Data
  - Gasoline sales approximately 5 times larger than diesel.
  - Annual growth for 2002-2007 was flat for gasoline and 4.7% for diesel (combined was 0.5%).
  - In 2007, gasoline sales grew by 0.6% and diesel sales grew by 11.3%.
- Transport Canada, "Transportation in Canada 2007"
  - Road energy consumption from 2005-2006 grew 1.5%.

## 16.0 ANALYSIS OF KEY ASSUMPTIONS

**Assumption: Hydro Costs**

### Scale of Impact

#### 2008 Budgeted Expenditures



<i>Worst Case</i>	<i>Recommendation</i>	<i>Best Case</i>
7.5% for entire period	2009/10 = 7.5% 2011 = 6.0% 2012 = 5.0% 2013 = 4.0% 2014 = 3.0% 2015 to 2018 = 2.0%	2009/2010 = 7.5% 2011 to 2018 = 2.0%

### References

1. BC Hydro Web Site, "Business Rates"

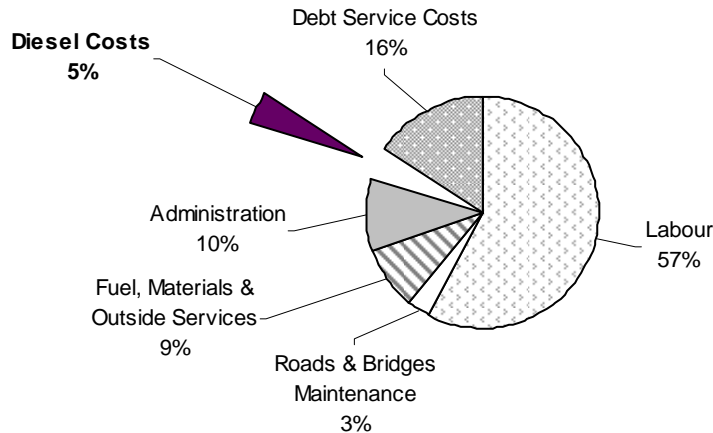
- Re-investment needed in generating assets and transmission system, and need to acquire additional clean energy.
- Continuing need to invest in assets may have longer term implications. We will need 45% more electricity in two decades.
- Rate application calls for 6.56% in 2008/09, and 8.25% in following year.
- BC Hydro capital plan signals more rate increases to come.

## 16.0 ANALYSIS OF KEY ASSUMPTIONS

<b>Assumption:</b> Diesel Costs
---------------------------------

### Scale of Impact

2008 Budgeted Expenditures



<b>Worst Case</b>	<b>Recommendation</b>	<b>Best Case</b>
2009 = \$1.56/litre, then grow by 2% per year	2009 = \$1.50/litre 2% increase per year thereafter	2009 = \$1.37/litre, then grow by 2% per year

### References

- Historical Data
  - Coast Mountain Bus Company locked-in 70% of supply requirements for 2008 at \$1.25.
- CIBC World Markets, April-2008
  - Expect gas prices to be \$1.40 in summer 2008; \$1.80 in summer 2010, and \$2.25 by summer 2012.
  - Diesel currently selling at \$0.10 higher than gasoline.
  - Oil production has not grown over last two years while global demand has been growing.
- MJ Ervin historical trend thus far in 2008
  - Gas prices have been 10% higher than in 2007 while diesel is 20% higher.
- National Bank Financial, June-2008

Oil set to tumble to \$75-\$80 a barrel due to gradual removal of fuel subsidies in emerging economies, slowdown in China/India due to high commodity prices, and slow growth in industrial economies.

## 16.0 ANALYSIS OF KEY ASSUMPTIONS

<b>Assumption:</b> Diesel Costs – Cont'd
--

### References – Cont'd

5. Bloomberg, June-2008
  - Cause of increase is increased demand while refineries focused on gasoline.
  - Gains have peaked as new capacity online in second half of the year; prices may decline in second half of the year.
6. EIA (US Government), June-2008
  - Expect diesel to be \$4.32 for 2008/09, a fifty percent increase over 2007 rate. For Canada, that would mean going from \$1.04 in 2007 to \$1.56 for 2008/09 (for Jan-May, the average has been \$1.25).

### Management Analysis

The current price level of fuel is seen as speculative by many market analysts, as underlying fundamentals do not support the current \$130 US price per barrel of crude. On the supply side, there is upward price pressure from existing oil fields not being able to grow or even continue current output. However with incentive from price increases, more oil from previously non-economic sources may be produced. On the demand side, upward price pressure stems from strong demand, particularly China and India. China alone in the last year had fuel consumption growth of over 15%. However with pollution concerns in these areas and economic growth rates being affected by a down-turned United States economy, the demand growth for fuel will likely lower.

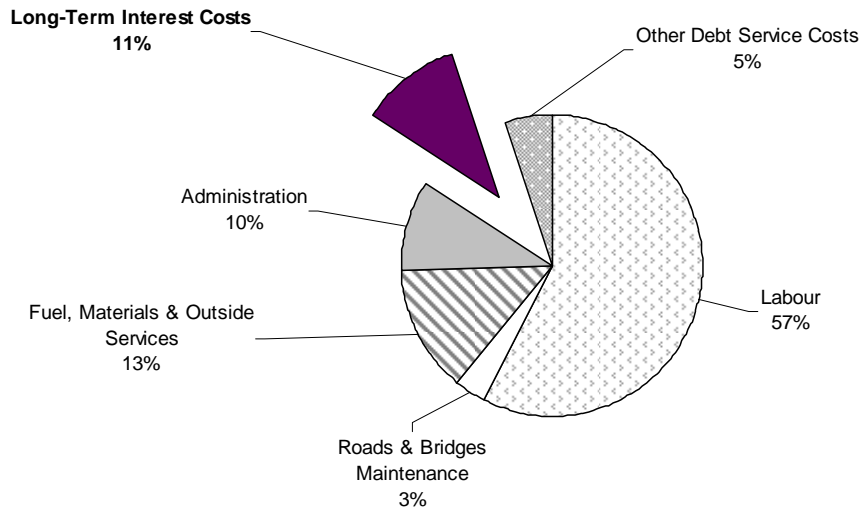
There is also the advent of new technology that could substantially lower current demand levels. The influence on fuel usage of technology and vehicle type choices can be seen locally in Metro Vancouver. Growth in gasoline sales has been consistently lower than the growth in number of vehicles. Average vehicle age is decreasing, and there is a greater share of compact and sub-compact type vehicles.

## 16.0 ANALYSIS OF KEY ASSUMPTIONS

<b>Assumption:</b>	<b>Long-Term Interest Rates</b>
--------------------	---------------------------------

### Scale of Impact

### 2008 Budgeted Expenditures



<b>Worst Case</b>	<b>Recommendation</b>	<b>Best Case</b>
2009 = 6.25%	2009 = 5.25%	2009 = 4.25%
2010-2018 = 6.50%	2010-2018 = 5.50%	2010-2018 = 4.50%

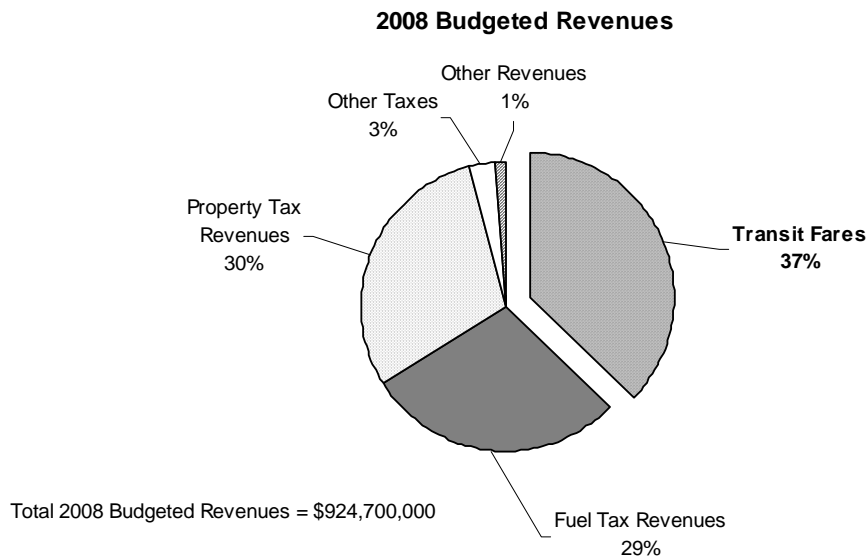
### References

- Major Canadian Banks / Municipal Financing Authority (MFA) of BC
  - The recommended 20 year rate is based on the average of the six major banks' monthly 10 and 30 year GOC benchmark rates forecasts, plus 100 basis points.
  - The 100 basis point spread is a conservative estimate of the credit spread that the MFA would pay over Canada. Historically, this credit spread has been between 40 to 55 basis points over Canada, but more recently, the credit spread was close to 100 basis points. MFA lends to TransLink at their cost.
  - Any long-term borrowing in 2009 would be made at the end of the 1<sup>st</sup> quarter (MFA's spring issue) and the end of the 3<sup>rd</sup> quarter (MFA's fall issue). The average rates at the end of these quarters would produce a 20 year rate of 5.16%. The recommended 5.25% for 2009 includes the credit spread.
  - The recommended 5.50% rate for post-2009 is based on the bank forecast of a 60-80 basis point increase from the end of quarter 1 2008 to quarter 4 2009, due to an anticipated rise in core inflation.
  - Long-term rates are historically very low, and thus there is more pressure for them to rise than to fall further.

## 16.0 ANALYSIS OF KEY ASSUMPTIONS

**Assumption: Ridership**

### Scale of Impact



	<b>Worst Case</b>	<b>Recommendation</b>	<b>Best Case</b>
<b>Background Growth 2009 – 2012</b> <ul style="list-style-type: none"> <li>Reflects regional population &amp; employment growth, increases in road congestion that make transit more time-competitive with auto travel, and other factors.</li> <li>Base on past results and assuming increase to current high fuel prices.</li> </ul>	1.50%	2.30%	3.50%
<b>Decrease in 2012</b>	For every 10% decrease in service, ridership will decline by 7.5%.	For every 10% decrease in service, ridership will decline by 6.5%.	For every 10% decrease in service, ridership will decline by 6.0%.
<b>Background Growth 2013 – 2018</b> <ul style="list-style-type: none"> <li>Higher 2009-2012 rate cannot be sustained as system would be at capacity.</li> </ul>	1.50%	1.50%	1.50%

## 17.0 BASE PLAN RISKS AND SENSITIVITY ANALYSIS

The 2009-2018 Base Plan projects a cumulative surplus of \$39 million at the end of 2011. Representing 3% of total expenditures, this is far below the previous three year plan's target of 10%, although it does provide some cushion against unanticipated revenue shortfalls or expenditure increases.

The following sensitivity analysis shows the impact on the cumulative reserve of the best case and worse case scenarios of the key assumptions.

### 2009-2018 Base Plan Sensitivity Analysis

	<b>Worst Case</b>	<b>Best Case</b>
General Inflation Rate	3.5% in 2009, then static at 2.5% to 2018 (\$2.5 million)	1.5% from 2009 to 2018 (\$4.3 million)
Fuel Sales–Tax Revenues	-1.0% net average growth for gasoline & diesel sales to 2018 (\$16.5 million)	2.0% net average growth for gasoline & diesel sales to 2018 (\$33.6 million)
Hydro Costs	7.5% for entire period (\$0.1 million)	7.5% for 2009/2010, then 2% per year to 2018 (\$0.5 million)
Diesel Costs	\$1.56/litre in 2009, then grow by 2% per year (\$9.6 million)	\$1.37/litre in 2009, then grow by 2% per year (\$14.9 million)
Long-Term Interest Rates	6.25% for 2009, then at 6.50% for 2010 onwards (\$34.4 million)	4.25% for 2009, then at 4.50% for 2010 onwards \$34.4 million
Ridership	1.50% growth per year to 2012 1.50% per year from 2013 to 2018 For each 10% service hours decrease, a 7.5% ridership decline (\$15.9 million)	3.50% growth per year to 2012 1.50% per year from 2013 to 2018 For each 10% service hours decrease, a 6.0% ridership decline \$24.1 million

## 18.0 2009-2018 CAPITAL EXPENDITURES

The Base Plan includes \$3 billion of capital project expenditures over the 2009-2018 period. The forecasted capital cash flows to 2018 for the Base Plan projects are shown in the following **Appendix 7**. TransLink funds its capital projects with debt and contributions from senior governments.

Major capital projects in the Base Plan include the 2009 bus fleet expansion (157 vehicles), an additional 72 SkyTrain cars (48 cars ordered and an option to purchase an additional 24 cars), the currently approved TransLink contribution to the Evergreen Line project (\$400 million plus \$77 million interest costs), and the replacement of over 1,500 conventional and custom transit vehicles to ensure assets are maintained in good order.

## **19.0 Long Term Strategy**

The funding requirements for the 2009-2018 period will be shaped by several factors.

### **Planning and Funding**

The Province's 30-year vision (Transport 2040) and TransLink's subsequent 10-Year Base Plans plus Supplementals will determine the level and timing of funding requirements. Transport 2040 establishes strategic goals, including transit ridership and market share targets, and major road network plans. Infrastructure, service and other initiatives (along with timeframes and estimated costs) will be detailed in the Supplemental plans prepared in future years. The continuation of the transfer of federal gas taxes and other initiatives will influence the level of expansion feasible.

### **Federal Funding and Other Revenues**

The continuation of the transfer of gas tax as announced in the Federal budget is expected to result in TransLink receiving an additional \$1.3 billion from 2009 to 2018. Confirmation of this funding is essential to TransLink's Base Plan and for future expansion plans.

Other revenues include the growing opportunity from real estate. The current TransLink land inventory includes the former Oakridge Transit Centre and surplus lands in False Creek in the city of Vancouver. TransLink has received a significant range in estimated realizable values for these properties. Now that TransLink has been provided with authority under the Act to acquire land to support future transportation system requirements, real estate can offer substantial financial resources.

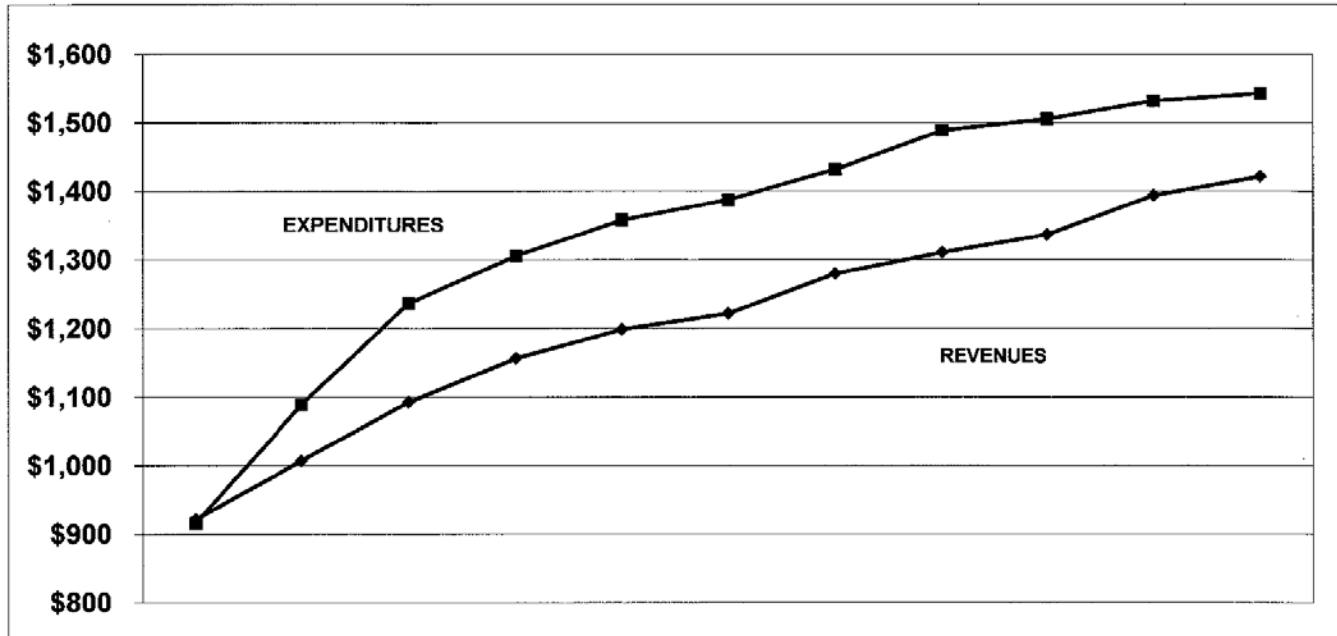
### **Economic Factors**

Projections and forecasts beyond a three to five year horizon are inherently subject to greater uncertainty. A key assumption to the revenue projections is that fuel consumption remains at essentially current levels. While this is consistent with recent sales volumes advised by the Province, it does not synchronize with the Province's greenhouse gas reduction target and potentially declining fuel consumption. Future interest rates, inflation and general economic growth are other notable risk factors as TransLink proceeds through the next several years.

## APPENDIX 1: South Coast British Columbia Transportation Act Requirements for Base Plan

### Summary of Requirements from Sections 194 Through 199 of the South Coast British Columbia Transportation Act

Section Number	Sub-Section Number	Paragraph	Short Description
194 Base plans	194-1		Prepare plan each year
	194-2		Each year, the base plan must set out how the authority proposes to:
		a)	provide transportation services in the service region
		b)	manage transportation demand
		c), d), e)	meet all financial requirements
	194-3		A base plan must do the following each applicable year:
		a)	identify transportation services and levels
		b)	identify major capital projects
		c)	estimate funding required for services and capital projects and all other expenditures
		d)	set out anticipated revenues from all sources
	e)	estimate borrowing, within limits	
	194-4	a), b)	Expenditures from sub-section 194-3 c) must not be greater than revenue and borrowing referred to in sub-sections 194-3 d) and e) and funding accumulated from previous years
195 Base plan calculations of transaction taxes	195-1		Base plan for 2008 must:
		a)	set out the tax rate that applied to each transaction tax imposed in 2008
		b)	for each applicable year, set out a tax rate for each transaction tax and anticipated revenue from each tax
	195-2		Each base plan after 2008 must:
		a)	for the first 9 years, set out a tax rate for each transaction tax and the anticipated revenue from each tax
		b)	for the 10th year, set out a tax rate for each transaction tax and the anticipated revenue from each tax
	195-3		Tax rates for any year can not be assessed at amounts greater than those set out in the base plan unless they are proposed and approved in a supplement
196 Base plan calculations of property taxes	196-1	a), b)	For the 2008 base plan, the total revenue from property taxes for each year must be reflected
	196-2		Each base plan after 2008 must:
		a)	for the first 9 years, reflect total property tax revenue contemplated for each year
		b)	for the 10th year, reflect total property tax revenue contemplated
	196-3		For any year, a property tax revenue that is raised must not be greater than the amount reflected in the base plan unless it is proposed and approved in a supplement
197 Base plan calculations of short term fares	197-1		Base plan for 2008 must:
		a)	set out the short term fare assessed for each revenue transit service provided by the authority in 2008
		b)	for each applicable year, set out a short term fare for each revenue transit service and the anticipated revenue from each service
	197-2		Each base plan after 2008, for each applicable year, must:
		a)	set out a short term fare for each revenue transit service that is not greater than the targeted fare for that service or any greater short term fare authorized under section 29.01 or approved under section 223 for that service
		b)	reflect the total revenue anticipated to be raised from each revenue transit service
	197-3		For any year, a first-time short term fare or a fare that is greater than the fare set out in the base plan must not be assessed unless approved under section 223
198 Base plan references to other user fees	198		For each of the user fees that are not short term fares, the base plan must set out:
		a)	the amount of that user fee in the base plan preparation year
		b)	the amount that the authority proposes to assess for that user fee in the applicable year
199 Base references to tolls	199		The base plan must:
		a)	set out the project toll charges and designated tolls that the authority is authorized to assess in the base plan preparation year
		b)	set out the project toll charges and designated tolls that the authority is authorized to assess in each applicable year
		c)	reflect the total revenue that may be raised from tolls for each applicable year

**APPENDIX 2A: Ten Year Revenue & Expenditure Projections**
**Full 2009 Expansion Sustained Through to 2018**


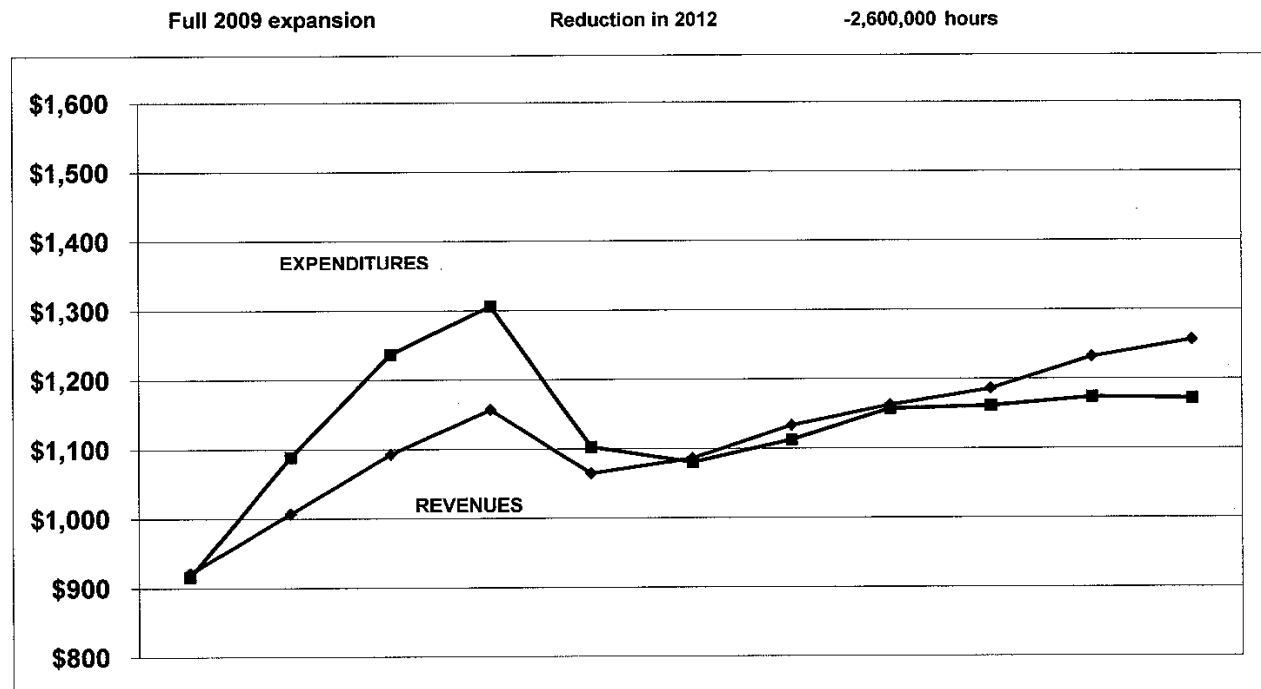
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>SURPLUS (DEFICIT)</b>											
ANNUAL \$	6	(82)	(144)	(149)	(159)	(166)	(152)	(178)	(169)	(137)	(122)
CUMULATIVE \$	414	332	188	39	(121)	(286)	(439)	(616)	(785)	(922)	(1,044)
REVENUES \$	921	1,006	1,092	1,156	1,198	1,221	1,279	1,310	1,336	1,394	1,421
EXPENDITURES \$	915	1,088	1,236	1,306	1,358	1,387	1,431	1,488	1,505	1,531	1,542
<b>Service Hours</b>											
Bus	4.181	4.404	4.569	4.722	4.722	4.722	4.722	4.722	4.722	4.722	4.722
Community Shuttle	0.528	0.558	0.602	0.602	0.602	0.602	0.602	0.602	0.602	0.602	0.602
<b>Total Bus</b>	<b>4.709</b>	<b>4.962</b>	<b>5.171</b>	<b>5.324</b>	<b>5.324</b>	<b>5.324</b>	<b>5.324</b>	<b>5.324</b>	<b>5.324</b>	<b>5.324</b>	<b>5.324</b>
SkyTrain	0.878	0.931	1.127	1.217	1.217	1.217	1.217	1.217	1.217	1.217	1.217
SeaBus/Marine	0.011	0.012	0.014	0.014	0.014	0.014	0.014	0.014	0.014	0.014	0.014
WCE	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030
Custom	0.630	0.688	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700
<b>COST REDUCTIONS</b>											
General Efficiencies	-	-	-	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)
<b>RIDERSHIP</b>											
(Millions)	179	192	204	213	216	220	223	227	230	234	237
		7.6%	6.3%	4.4%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%

**APPENDIX 2B: Breakdown of Ten Year Revenue & Expenditure Projections**
**Full 2009 Expansion Sustained Through to 2018**

Revenues	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Transit</b>										
Conventional Fares (Bus&SkyTrain)	367,416	390,645	432,726	439,261	445,917	480,397	487,693	495,079	533,297	541,318
Canada Line	9,500	28,500	36,700	44,200	46,200	48,300	50,500	52,800	55,200	57,700
Evergreen	-	-	-	-	-	6,665	13,597	13,869	14,146	14,429
Real Estate	20,600	21,012	21,432	31,649	32,262	32,928	33,586	34,258	34,943	35,642
Other	11,317	19,808	10,901	11,462	12,117	12,799	13,473	14,217	15,015	15,885
	408,834	459,965	501,759	526,572	536,517	581,089	598,849	610,222	652,601	664,974
<b>Tolls</b>	13,430	39,441	53,104	61,496	65,266	69,046	72,890	77,274	81,875	86,207
<b>Taxation</b>										
Fuel	269,595	269,595	269,595	269,595	269,595	269,595	269,595	269,595	269,595	269,595
Property	263,165	271,060	279,191	287,567	296,194	305,080	314,232	323,659	333,369	343,370
Replacement Tax	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Parking Sales Tax	14,935	15,234	15,539	15,850	16,167	16,490	16,820	17,156	17,499	17,849
Hydro Levy/ Mission subsidy	18,381	18,666	18,948	19,239	19,527	19,811	20,092	20,369	20,642	20,914
	584,076	592,555	601,274	610,251	619,483	628,977	638,739	648,779	659,106	669,729
<b>TOTAL REVENUES</b>	<b>1,006,339</b>	<b>1,091,961</b>	<b>1,156,137</b>	<b>1,198,318</b>	<b>1,221,266</b>	<b>1,279,111</b>	<b>1,310,478</b>	<b>1,336,275</b>	<b>1,393,582</b>	<b>1,420,909</b>

**APPENDIX 2B – Cont'd: Breakdown of Ten Year Revenue & Expenditure Projections**
**Full 2009 Expansion Sustained Through to 2018**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenditures</b>										
Roads & Bridges	32,474	33,760	35,289	36,489	37,936	39,644	41,006	42,634	44,542	46,088
Golden Ears Bridge Costs	10,748	42,808	61,146	69,708	71,210	78,760	86,407	88,489	90,811	93,007
Transit Operations										
Bus	607,965	642,040	668,189	681,888	697,231	710,658	724,010	737,526	751,318	765,485
Rail	107,522	115,474	120,734	123,814	126,611	129,874	132,589	135,246	137,958	140,725
Canada Line	20,680	62,040	75,584	82,851	86,018	88,087	90,257	92,728	95,201	97,576
Evergreen	-	-	-	-	-	7,272	12,921	13,179	13,443	13,712
Other	24,603	24,907	25,311	25,899	26,773	27,562	28,701	15,111	13,432	14,186
TransLink Programs	46,413	47,539	38,489	39,459	40,448	41,457	42,486	43,536	44,607	45,699
Police Services	28,650	29,807	30,739	31,696	32,767	33,868	35,000	36,164	37,360	38,590
Canada Line	920	2,761	2,819	2,879	2,939	3,001	3,064	3,128	3,194	3,261
Evergreen	-	-	-	-	-	1,800	1,836	1,873	1,910	1,948
Other Programs	16,500	12,100	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,200
<b>TOTAL PROGRAM COSTS</b>	<b>896,475</b>	<b>1,013,235</b>	<b>1,063,300</b>	<b>1,099,684</b>	<b>1,126,935</b>	<b>1,166,984</b>	<b>1,203,278</b>	<b>1,214,616</b>	<b>1,238,777</b>	<b>1,265,479</b>
Surplus before Debt Service Costs	109,864	78,725	92,838	98,635	94,331	112,127	107,200	121,660	154,805	155,431
<b>TOTAL DEBT SERVICE COSTS</b>	<b>191,768</b>	<b>223,220</b>	<b>242,219</b>	<b>257,917</b>	<b>260,053</b>	<b>264,216</b>	<b>285,004</b>	<b>290,316</b>	<b>292,210</b>	<b>277,005</b>
<b>TOTAL EXPENDITURES</b>	<b>1,088,243</b>	<b>1,236,456</b>	<b>1,305,519</b>	<b>1,357,601</b>	<b>1,386,988</b>	<b>1,431,200</b>	<b>1,488,282</b>	<b>1,504,931</b>	<b>1,530,986</b>	<b>1,542,484</b>
Surplus (Deficit) Annual	(81,904)	(144,495)	(149,382)	(159,282)	(165,722)	(152,089)	(177,804)	(168,656)	(137,405)	(121,574)
Surplus (Deficit) Cumulative	414,373	187,974	38,592	(120,690)	(286,412)	(438,501)	(616,305)	(784,961)	(922,366)	(1,043,940)

**APPENDIX 3A: 2009-2018 Base Plan Revenue & Expenditure Projections**


	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>SURPLUS (DEFICIT)</b>											
ANNUAL \$	6 \$	(82) \$	(144) \$	(149) \$	(38) \$	6 \$	21 \$	5 \$	25 \$	58 \$	85
CUMULATIVE \$	414 \$	332 \$	188 \$	39 \$	1 \$	6 \$	27 \$	32 \$	57 \$	115 \$	200
REVENUES \$	921 \$	1,006 \$	1,092 \$	1,156 \$	1,064 \$	1,085 \$	1,133 \$	1,162 \$	1,186 \$	1,231 \$	1,256
EXPENDITURES \$	915 \$	1,088 \$	1,236 \$	1,306 \$	1,102 \$	1,080 \$	1,112 \$	1,157 \$	1,161 \$	1,173 \$	1,171
<b>Service Hours</b>											
Bus	4.181	4.404	4.569	4.722	2.122	2.122	2.122	2.122	2.122	2.122	2.122
Community Shuttle	0.528	0.558	0.602	0.602	0.602	0.602	0.602	0.602	0.602	0.602	0.602
<b>Total Bus</b>	<b>4.709</b>	<b>4.962</b>	<b>5.171</b>	<b>5.324</b>	<b>2.724</b>	<b>2.724</b>	<b>2.724</b>	<b>2.724</b>	<b>2.724</b>	<b>2.724</b>	<b>2.724</b>
SkyTrain	0.878	0.931	1.127	1.217	1.217	1.217	1.217	1.217	1.217	1.217	1.217
SeaBus/Marine	0.011	0.012	0.014	0.014	0.014	0.014	0.014	0.014	0.014	0.014	0.014
WCE	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030
Custom	0.630	0.688	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700
<b>COST REDUCTIONS</b>											
General Efficiencies	-	-	\$ (10)	\$ (10)	\$ (10)	\$ (10)	\$ (10)	\$ (10)	\$ (10)	\$ (10)	\$ (10)
Semi Variable reductions of CMBC/TransLink specific to Service Hour reductions					\$ (43)	\$ (43)	\$ (44)	\$ (45)	\$ (46)	\$ (47)	\$ (47)
Amount of Annual Revenue required w/o Service Cuts (includes interest savings from cash inflow)					\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150
<b>RIDERSHIP (Millions)</b>											
Year over Year change	178	192	204	213	151	154	156	159	161	164	166
		7.6%	6.3%	4.4%	-28.8%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%

**APPENDIX 3B: Breakdown of 2009-2018 Base Plan Revenue & Expenditure Projections**

\$000's	2009 - 2018 Base Plan Projected Revenues									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>REVENUES</b>										
<b>Transit</b>										
Conventional Fares (Bus & SkyTrain)	367,444	390,700	432,803	305,426	310,074	334,077	339,178	344,336	370,927	376,514
Canada Line	9,500	28,500	36,700	44,200	46,200	48,300	50,500	52,800	55,200	57,700
Evergreen	-	-	-	-	-	6,665	13,597	13,869	14,146	14,429
Sub Total Fares	376,944	419,200	469,503	349,626	356,274	389,042	403,275	411,004	440,272	448,643
Real Estate	20,600	21,012	21,432	31,649	32,282	32,928	33,586	34,258	34,943	35,642
Other	11,317	19,808	10,901	11,462	12,117	12,799	13,473	14,217	15,015	15,885
<b>Total Transit</b>	<b>408,862</b>	<b>460,020</b>	<b>501,836</b>	<b>392,737</b>	<b>400,674</b>	<b>434,769</b>	<b>450,334</b>	<b>459,479</b>	<b>490,231</b>	<b>500,170</b>
<b>Tolls</b>	<b>13,430</b>	<b>39,441</b>	<b>53,104</b>	<b>61,496</b>	<b>65,266</b>	<b>69,046</b>	<b>72,890</b>	<b>77,274</b>	<b>81,875</b>	<b>86,207</b>
<b>Taxation</b>										
Fuel	269,595	269,595	269,595	269,595	269,595	269,595	269,595	269,595	269,595	269,595
Property	263,165	271,060	279,191	287,567	296,194	305,080	314,232	323,659	333,369	343,370
Replacement Tax	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Parking Sales Tax	14,935	15,234	15,539	15,850	16,167	16,490	16,820	17,156	17,499	17,849
Hydro Levy/ Mission subsidy	18,381	18,666	18,948	19,239	19,527	19,811	20,092	20,369	20,642	20,914
<b>Total Taxation</b>	<b>584,076</b>	<b>592,555</b>	<b>601,274</b>	<b>610,251</b>	<b>619,483</b>	<b>628,977</b>	<b>638,739</b>	<b>648,779</b>	<b>659,106</b>	<b>669,729</b>
<b>TOTAL REVENUES</b>	<b>1,006,367</b>	<b>1,092,016</b>	<b>1,156,214</b>	<b>1,064,483</b>	<b>1,085,423</b>	<b>1,132,791</b>	<b>1,161,963</b>	<b>1,185,532</b>	<b>1,231,212</b>	<b>1,256,105</b>

**APPENDIX 3B – Cont'd: Breakdown of 2009-2018 Base Plan Revenue & Expenditure Projections**

		<b>2009 - 2018 Base Plan Projected Expenditures &amp; Cumulative Surplus</b>									
<b>\$000's</b>		<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Expenditures</b>											
Roads & Bridges		32,474	33,760	35,289	36,489	37,936	39,644	41,006	42,634	44,542	46,088
Golden Ears Bridge		10,748	42,808	61,146	69,708	71,210	78,760	86,407	88,489	90,811	93,007
Transit Operations											
Bus		607,965	642,040	668,189	426,793	436,901	445,162	453,245	461,386	469,696	478,272
Rail	Existing	107,522	115,474	120,734	123,814	126,611	129,874	132,589	135,246	137,958	140,725
	Canada Line	20,680	62,040	75,584	82,851	86,018	88,087	90,257	92,728	95,201	97,576
	Evergreen	-	-	-	-	-	7,272	12,921	13,179	13,443	13,712
Other		24,603	24,907	25,311	25,899	26,773	27,562	28,701	15,111	13,432	14,186
TransLink Programs		46,413	47,539	48,489	49,459	50,448	51,457	52,486	53,536	54,607	55,699
Police Services	Existing	28,650	29,807	30,739	31,696	32,767	33,868	35,000	36,164	37,360	38,590
	Canada Line	920	2,761	2,819	2,879	2,939	3,001	3,064	3,128	3,194	3,261
	Evergreen	-	-	-	-	-	1,800	1,836	1,873	1,910	1,948
Other Programs		16,500	12,100	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,200
Cost reductions		-	-	(10,000)	(10,000)	(52,528)	(53,379)	(54,246)	(55,131)	(56,034)	(56,955)
<b>TOTAL PROGRAM COSTS</b>		<b>896,475</b>	<b>1,013,235</b>	<b>1,063,300</b>	<b>844,588</b>	<b>824,077</b>	<b>858,109</b>	<b>888,267</b>	<b>893,345</b>	<b>911,121</b>	<b>931,311</b>
<b>Surplus before Debt Service Costs</b>		<b>109,892</b>	<b>78,780</b>	<b>92,915</b>	<b>219,895</b>	<b>261,346</b>	<b>274,682</b>	<b>273,696</b>	<b>292,187</b>	<b>320,091</b>	<b>324,794</b>
Interest		93,410	115,246	130,586	145,866	146,876	144,747	163,754	161,979	157,797	145,882
Sinking Fund		98,359	107,973	111,630	112,045	108,866	109,077	104,717	105,307	104,512	94,292
<b>TOTAL DEBT SERVICE COSTS</b>		<b>191,768</b>	<b>223,219</b>	<b>242,216</b>	<b>257,911</b>	<b>255,742</b>	<b>253,824</b>	<b>268,472</b>	<b>267,286</b>	<b>262,308</b>	<b>240,175</b>
<b>TOTAL EXPENDITURES</b>		<b>1,088,243</b>	<b>1,236,455</b>	<b>1,305,516</b>	<b>1,102,499</b>	<b>1,079,818</b>	<b>1,111,933</b>	<b>1,156,738</b>	<b>1,160,631</b>	<b>1,173,430</b>	<b>1,171,485</b>
<b>Annual Surplus (Deficit)</b>		<b>(81,876)</b>	<b>(144,439)</b>	<b>(149,302)</b>	<b>(38,016)</b>	<b>5,604</b>	<b>20,858</b>	<b>5,225</b>	<b>24,902</b>	<b>57,782</b>	<b>84,620</b>
<b>Cumulative Surplus</b>		<b>332,497</b>	<b>188,058</b>	<b>38,756</b>	<b>740</b>	<b>6,345</b>	<b>27,203</b>	<b>32,428</b>	<b>57,329</b>	<b>115,111</b>	<b>199,731</b>

**APPENDIX 4:**

**2009 - 2018 Base Plan  
Service Hours (millions)**

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012 *</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Bus	4.181	4.404	4.569	4.722	2.122	2.122	2.122	2.122	2.122	2.122	2.122
Community Shuttle	0.528	0.558	0.602	0.602	0.602	0.602	0.602	0.602	0.602	0.602	0.602
<b>Total Bus</b>	<b>4.709</b>	<b>4.962</b>	<b>5.171</b>	<b>5.324</b>	<b>2.724</b>	<b>2.724</b>	<b>2.724</b>	<b>2.724</b>	<b>2.724</b>	<b>2.724</b>	<b>2.724</b>
SkyTrain	0.878	0.931	1.127	1.217	1.217	1.217	1.217	1.217	1.217	1.217	1.217
Canada Line		0.056	0.185	0.185	0.185	0.185	0.185	0.185	0.185	0.185	0.185
Evergreen Line							0.093	0.093	0.093	0.093	0.093
SeaBus	0.011	0.012	0.014	0.014	0.014	0.014	0.014	0.014	0.014	0.014	0.014
WCE	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030
Custom	0.630	0.688	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700
<b>Total Service Hours</b>	<b>6.258</b>	<b>6.679</b>	<b>7.227</b>	<b>7.470</b>	<b>4.870</b>	<b>4.870</b>	<b>4.963</b>	<b>4.963</b>	<b>4.963</b>	<b>4.963</b>	<b>4.963</b>

\* In order to meet our legislative requirements for a base plan, for simplicity we are indicating reduced transit service in the bus mode. If expenditure reductions are required we would effect a reduction through a combination of reduced bus service, roads funding and administration and program support costs

**APPENDIX 5: Projected Property Tax Rates**

**2009 -2018 Base Plan  
Projected Property Tax Rates Based on Hospital District Ratio\*  
Average Assessed Value Remains at 2008 Level**

	Current 2008	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	Forecast					
						<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
1-Residential	0.3381	0.3500	0.3588	0.3677	0.3768	0.3862	0.3957	0.4053	0.4152	0.4253	0.4356
2-Utilities	2.5471	2.5887	2.6194	2.6507	2.6827	2.7153	2.7486	2.7825	2.8171	2.8523	2.8883
3-Unmanaged Forest	1.3520	1.3995	1.4346	1.4704	1.5070	1.5442	1.5822	1.6210	1.6605	1.7008	1.7419
4-Major Industry	2.1776	2.2180	2.2478	2.2783	2.3093	2.3410	2.3733	2.4062	2.4399	2.4741	2.5090
5-Light Industry	2.0330	2.0734	2.1032	2.1337	2.1647	2.1964	2.2287	2.2616	2.2953	2.3295	2.3644
6-Business/Other	1.5593	1.5884	1.6099	1.6318	1.6542	1.6771	1.7003	1.7241	1.7483	1.7730	1.7981
8-Rec/Non-Profit	0.3381	0.3500	0.3588	0.3677	0.3768	0.3862	0.3957	0.4053	0.4152	0.4253	0.4356
9-Farm	0.3381	0.3500	0.3588	0.3677	0.3768	0.3862	0.3957	0.4053	0.4152	0.4253	0.4356

\* Final rate setting for a specific year will be take place when Completed Roll information is available. Utilization of the new provisions in the SCBCTA Act that provide some flexibility to adjust change in rates may be made at that time.

**APPENDIX 6: 2009-2018 Base Plan – Projected Fare Rates by Type & Year**

Year	Fare Increases				Proposed New Fares		
	2008	2011	2014	2017	2011	2014	2017
<b>Proposed Increase</b>	<b>Current</b>	<b>6.1%</b>	<b>6.1%</b>	<b>6.1%</b>			
<b>Conventional Transit</b>							
<b>Cash Fares</b>							
					<b>Round to Nearest \$.25</b>		
1 Zone Adult	\$2.50	\$2.65	\$2.81	\$2.99	\$2.75	\$2.75	\$3.00
2 Zone Adult	\$3.75	\$3.98	\$4.22	\$4.48	\$4.00	\$4.25	\$4.50
3 Zone Adult	\$5.00	\$5.31	\$5.63	\$5.97	\$5.25	\$5.50	\$6.00
Off Peak Adult	\$2.50	\$2.65	\$2.81	\$2.99	\$2.75	\$2.75	\$3.00
1 Zone Concession	\$1.75	\$1.86	\$1.97	\$2.09	\$1.75	\$2.00	\$2.00
2 Zone Concession	\$2.50	\$2.65	\$2.81	\$2.99	\$2.75	\$2.75	\$3.00
3 Zone Concession	\$3.50	\$3.71	\$3.94	\$4.18	\$3.75	\$4.00	\$4.25
Off Peak Concession	\$1.75	\$1.86	\$1.97	\$2.09	\$1.75	\$2.00	\$2.00
<b>Community Pass</b>							
Adult - All zones	\$356.00	\$377.72	\$400.76	\$425.20	\$378.00	\$401.00	\$425.00
<b>Monthly FareCard</b>							
					<b>Round to Nearest \$1</b>		
1 Zone Adult	\$73.00	\$77.45	\$82.18	\$87.19	\$77.00	\$82.00	\$87.00
2 Zone Adult	\$99.00	\$105.04	\$111.45	\$118.24	\$105.00	\$111.00	\$118.00
3 Zone Adult	\$136.00	\$144.30	\$153.10	\$162.44	\$144.00	\$153.00	\$162.00
Concession - All Zones	\$42.00	\$44.56	\$47.28	\$50.16	\$45.00	\$47.00	\$50.00
FastTrax Student - All Zones	\$73.00	\$77.45	\$82.18	\$87.19	\$77.00	\$82.00	\$87.00
<b>FareSaver Tickets (Book of 10 Tickets)</b>							
					<b>Round to Nearest \$.50</b>		
1 Zone Adult	\$19.00	\$20.16	\$21.39	\$22.69	\$20.00	\$21.50	\$22.50
2 Zone Adult	\$28.50	\$30.24	\$32.08	\$34.04	\$30.00	\$32.00	\$34.00
3 Zone Adult	\$38.00	\$40.32	\$42.78	\$45.39	\$40.50	\$43.00	\$45.50
All Zone Concession	\$16.00	\$16.98	\$18.01	\$19.11	\$17.00	\$18.00	\$19.00
<b>DayPass</b>							
					<b>Round to Nearest \$.50</b>		
Adult	\$9.00	\$9.55	\$10.13	\$10.75	\$9.50	\$10.00	\$10.50
Concession	\$7.00	\$7.43	\$7.88	\$8.36	\$7.50	\$8.00	\$8.50
<b>Employer Pass (Annual Rate)</b>							
					<b>Round to Nearest \$1</b>		
1 Zone Adult	\$762.00	\$808.48	\$857.80	\$910.13	\$808.00	\$858.00	\$910.00
2 Zone Adult	\$1,026.00	\$1,088.59	\$1,154.99	\$1,225.44	\$1,089.00	\$1,155.00	\$1,225.00
3 Zone Adult	\$1,406.00	\$1,491.77	\$1,582.76	\$1,679.31	\$1,492.00	\$1,583.00	\$1,679.00
<b>U-Pass</b>							
					<b>Determined by individual agreements with each school</b>		
<b>Special Event Transfer</b>							
					<b>Round to Nearest \$.25</b>		
1 Zone Adult	\$2.50	\$2.65	\$2.81	\$2.99	\$2.75	\$2.75	\$3.00
2 Zone Adult	\$3.75	\$3.98	\$4.22	\$4.48	\$4.00	\$4.25	\$4.50
3 Zone Adult	\$5.00	\$5.31	\$5.63	\$5.97	\$5.25	\$5.50	\$6.00
Off Peak Adult	\$2.50	\$2.65	\$2.81	\$2.99	\$2.75	\$2.75	\$3.00
1 Zone Concession	\$1.75	\$1.86	\$1.97	\$2.09	\$1.75	\$2.00	\$2.00
2 Zone Concession	\$2.50	\$2.65	\$2.81	\$2.99	\$2.75	\$2.75	\$3.00
3 Zone Concession	\$3.50	\$3.71	\$3.94	\$4.18	\$3.75	\$4.00	\$4.25
Off Peak Concession	\$1.75	\$1.86	\$1.97	\$2.09	\$1.75	\$2.00	\$2.00
<b>Add Fare Cash/FareSaver</b>							
					<b>Equal to difference between fare already paid and equivalent full</b>		
Adult Up-grade 1 Fare Zone (adjacent Fare Zone)	\$1.25	\$1.33	\$1.41	\$1.49	\$1.25	\$1.50	\$1.50
Adult Up-grade 2 Fare Zones (all Fare Zones)	\$2.50	\$2.65	\$2.81	\$2.99	\$2.50	\$2.75	\$3.00
Concession Up-grade 1 Fare Zone (adjacent Fare Zone)	\$0.75	\$0.80	\$0.84	\$0.90	\$1.00	\$0.75	\$1.00
Concession Up-grade 2 Fare Zones (all Fare Zones)	\$1.75	\$1.86	\$1.97	\$2.09	\$2.00	\$2.00	\$2.25
<b>Add Fare FardCard/Employer Pass</b>							
					<b>Equal to difference between fare already paid and equivalent full</b>		
Adult Up-grade 1 Fare Zone (adjacent Fare Zone) - per journey	\$1.25	\$1.33	\$1.41	\$1.49	\$1.25	\$1.50	\$1.50
Adult Up-grade 2 Fare Zones (all Fare Zones) - per journey	\$2.50	\$2.65	\$2.81	\$2.99	\$2.50	\$2.75	\$3.00
<b>Custom Transit Service</b>							
<b>Cash Fares</b>							
					<b>Round to Nearest \$.25</b>		
Within 1 zone	\$2.50	\$2.65	\$2.81	\$2.99	\$2.75	\$2.75	\$3.00
Between 2 adjacent zones	\$2.50	\$2.65	\$2.81	\$2.99	\$2.75	\$2.75	\$3.00
Between 3 adjacent zones	\$3.75	\$3.98	\$4.22	\$4.48	\$4.00	\$4.25	\$4.50
Between 4 adjacent zones	\$5.00	\$5.31	\$5.63	\$5.97	\$5.25	\$5.50	\$6.00
<b>FareSaver (Ticket)</b>							
					<b>Equal to Custom Transit Cash</b>		
Within 1 zone (Yellow)	\$2.50	\$2.65	\$2.81	\$2.99	\$2.75	\$2.75	\$3.00
Between 2 adjacent zones (Yellow)	\$2.50	\$2.65	\$2.81	\$2.99	\$2.75	\$2.75	\$3.00
Between 3 adjacent zones (Red)	\$3.75	\$3.98	\$4.22	\$4.48	\$4.00	\$4.25	\$4.50
Between 4 adjacent zones (2 Yellow or 1 Green)	\$5.00	\$5.31	\$5.63	\$5.97	\$5.25	\$5.50	\$6.00
<b>FareSaver Book (10 Tickets)</b>							
					<b>Round to Nearest \$.50</b>		
Within 1 zone (Yellow Book)	\$19.00	\$20.16	\$21.39	\$22.69	\$20.00	\$21.50	\$22.50
Between 2 adjacent zones (Yellow Book)	\$19.00	\$20.16	\$21.39	\$22.69	\$20.00	\$21.50	\$22.50
Between 3 adjacent zones (Red Book)	\$28.50	\$30.24	\$32.08	\$34.04	\$30.00	\$32.00	\$34.00
Between 4 adjacent zones (Green Book)	\$38.00	\$40.32	\$42.78	\$45.39	\$40.50	\$43.00	\$45.50
<b>Monthly FareCard</b>							
					<b>Round to Nearest \$1</b>		
Within 1 zone	\$73.00	\$77.45	\$82.18	\$87.19	\$77.00	\$82.00	\$87.00
Between 2 adjacent zones	\$73.00	\$77.45	\$82.18	\$87.19	\$77.00	\$82.00	\$87.00
Between 3 adjacent zones	\$99.00	\$105.04	\$111.45	\$118.24	\$105.00	\$111.00	\$118.00

**APPENDIX 6 – Cont'd: 2009-2018 Base Plan – Projected Fare Rates by Type & Year**

Year	Fare Increases				Proposed New Fares		
	2008	2011	2014	2017	2011	2014	2017
<b>Proposed Increase</b>	<b>Current</b>	<b>6.1%</b>	<b>6.1%</b>	<b>6.1%</b>			
<b>West Coast Express (WCE) Service</b>							
<b>Cash Fares - One Way</b>					<b>Round to Nearest \$.25</b>		
1 Zone Adult	\$5.00	\$5.31	\$5.63	\$5.97	\$5.25	\$5.50	\$6.00
2 Zones Adult	\$5.00	\$5.31	\$5.63	\$5.97	\$5.25	\$5.50	\$6.00
3 Zones Adult	\$6.75	\$7.16	\$7.60	\$8.06	\$7.25	\$7.50	\$8.00
4 Zones Adult	\$8.25	\$8.75	\$9.29	\$9.85	\$8.75	\$9.25	\$9.75
5 Zones Adult	\$11.25	\$11.94	\$12.66	\$13.44	\$12.00	\$12.75	\$13.50
1 Zone Concession	\$3.00	\$3.18	\$3.38	\$3.58	\$3.25	\$3.25	\$3.50
2 Zones Concession	\$3.00	\$3.18	\$3.38	\$3.58	\$3.25	\$3.25	\$3.50
3 Zones Concession	\$4.00	\$4.24	\$4.50	\$4.78	\$4.25	\$4.50	\$4.75
4 Zones Concession	\$5.00	\$5.31	\$5.63	\$5.97	\$5.25	\$5.50	\$6.00
5 Zones Concession	\$7.00	\$7.43	\$7.88	\$8.36	\$7.50	\$7.75	\$8.25
<b>Cash Fares - Return</b>					<b>Round to Nearest \$.25</b>		
1 Zone Adult	\$9.50	\$10.08	\$10.69	\$11.35	\$10.00	\$10.75	\$11.25
2 Zones Adult	\$9.50	\$10.08	\$10.69	\$11.35	\$10.00	\$10.75	\$11.25
3 Zones Adult	\$12.50	\$13.26	\$14.07	\$14.93	\$13.25	\$14.00	\$15.00
4 Zones Adult	\$15.50	\$16.45	\$17.45	\$18.51	\$16.50	\$17.50	\$18.50
5 Zones Adult	\$21.00	\$22.28	\$23.64	\$25.08	\$22.25	\$23.75	\$25.00
1 Zone Concession	\$5.75	\$6.10	\$6.47	\$6.87	\$6.00	\$6.50	\$6.75
2 Zones Concession	\$5.75	\$6.10	\$6.47	\$6.87	\$6.00	\$6.50	\$6.75
3 Zones Concession	\$7.50	\$7.96	\$8.44	\$8.96	\$8.00	\$8.50	\$9.00
4 Zones Concession	\$9.60	\$10.19	\$10.81	\$11.47	\$10.25	\$10.75	\$11.50
5 Zones Concession	\$13.25	\$14.06	\$14.92	\$15.83	\$14.00	\$15.00	\$15.75
<b>Weekly Pass</b>					<b>Round to Nearest \$.25</b>		
1 Zone Adult	\$38.00	\$40.32	\$42.78	\$45.39	\$40.25	\$42.75	\$45.25
2 Zones Adult	\$38.00	\$40.32	\$42.78	\$45.39	\$40.25	\$42.75	\$45.25
3 Zones Adult	\$52.25	\$55.44	\$58.82	\$62.41	\$55.50	\$58.75	\$62.50
4 Zones Adult	\$63.50	\$67.37	\$71.48	\$75.84	\$67.25	\$71.50	\$75.75
5 Zones Adult	\$87.75	\$93.10	\$98.78	\$104.81	\$93.00	\$98.75	\$104.75
1 Zone Concession	\$25.50	\$27.06	\$28.71	\$30.46	\$27.00	\$28.75	\$30.50
2 Zones Concession	\$25.50	\$27.06	\$28.71	\$30.46	\$27.00	\$28.75	\$30.50
3 Zones Concession	\$34.50	\$36.60	\$38.84	\$41.21	\$36.50	\$38.75	\$41.25
4 Zones Concession	\$42.50	\$45.09	\$47.84	\$50.76	\$45.00	\$47.75	\$50.75
5 Zones Concession	\$59.25	\$62.86	\$66.70	\$70.77	\$62.75	\$66.75	\$70.75
<b>28 Day Pass</b>					<b>Round to Nearest \$.25</b>		
1 Zone Adult	\$121.50	\$128.91	\$136.78	\$145.12	\$129.00	\$136.75	\$145.00
2 Zones Adult	\$121.50	\$128.91	\$136.78	\$145.12	\$129.00	\$136.75	\$145.00
3 Zones Adult	\$161.00	\$170.82	\$181.24	\$192.30	\$170.75	\$181.25	\$192.25
4 Zones Adult	\$195.50	\$207.43	\$220.08	\$233.50	\$207.50	\$220.00	\$233.50
5 Zones Adult	\$269.00	\$285.41	\$302.82	\$321.29	\$285.50	\$302.75	\$321.25
1 Zone Concession	\$74.50	\$79.04	\$83.87	\$88.98	\$79.00	\$83.75	\$89.00
2 Zones Concession	\$74.50	\$79.04	\$83.87	\$88.98	\$79.00	\$83.75	\$89.00
3 Zones Concession	\$99.75	\$105.83	\$112.29	\$119.14	\$105.75	\$112.25	\$119.25
4 Zones Concession	\$123.50	\$131.03	\$139.03	\$147.51	\$131.00	\$139.00	\$147.50
5 Zones Concession	\$174.00	\$184.61	\$195.88	\$207.82	\$184.50	\$195.75	\$207.75
FastTrax Student - All Zones	\$121.50	\$128.91	\$136.78	\$145.12	\$129.00	\$136.75	\$145.00
Community Pass - All Zones	\$84.75	\$89.92	\$95.40	\$101.22	\$90.00	\$95.50	\$101.25
U-Pass Student - All Zones	\$84.75	\$89.92	\$95.40	\$101.22	\$90.00	\$95.50	\$101.25
<b>Employer Pass - Monthly Rate</b>					<b>Round to Nearest \$1</b>		
1 Zone Adult	\$110.00	\$116.71	\$123.83	\$131.38	\$117.00	\$124.00	\$131.00
2 Zones Adult	\$110.00	\$116.71	\$123.83	\$131.38	\$117.00	\$124.00	\$131.00
3 Zones Adult	\$148.00	\$157.03	\$166.61	\$176.77	\$157.00	\$167.00	\$177.00
4 Zones Adult	\$180.00	\$190.98	\$202.63	\$214.99	\$191.00	\$203.00	\$215.00
5 Zones Adult	\$248.00	\$263.13	\$279.18	\$296.21	\$263.00	\$279.00	\$296.00
<b>Bicycles</b>					<b>Round to Nearest \$.25/\$1</b>		
Return Ticket	\$1.00	\$1.06	\$1.13	\$1.19	\$1.00	\$1.00	\$1.25
Quarterly Pass	\$45.00	\$47.75	\$50.66	\$53.75	\$48.00	\$51.00	\$54.00
<b>Add Fares</b>					<b>Round to Nearest \$.25</b>		
Adult - In the transportation service region SCBCTA Proof of Payment	\$2.50	\$2.65	\$2.81	\$2.99	\$2.75	\$2.75	\$3.00
Concession - In the transportation service region SCBCTA Proof of Payment	\$1.75	\$1.86	\$1.97	\$2.09	\$1.75	\$2.00	\$2.00
Adult - In Mission, Central Fraser Valley fare receipt or monthly pass & U-pass	\$1.75	\$1.86	\$1.97	\$2.09	\$1.75	\$2.00	\$2.00
Concession - In Mission, Central Fraser Valley fare receipt or monthly pass & U-pass	\$1.50	\$1.59	\$1.69	\$1.79	\$1.50	\$1.75	\$1.75
<b>Passes and Other Product and Services</b>							
<b>Multi-Pass (for conventions)</b>					<b>Round to Nearest \$.25</b>		
Per Pass - Purchase 500-5,000 passes per day	\$5.25	\$5.57	\$5.91	\$6.27	\$5.50	\$6.00	\$6.25
Per Pass - Purchase more than 5,000 passes per day	\$4.25	\$4.51	\$4.78	\$5.08	\$4.50	\$4.75	\$5.00
<b>FastTrax Decal</b>					<b>Round to Nearest \$.25</b>		
FastTrax Student - All Zones	\$2.25	\$2.39	\$2.53	\$2.69	\$2.25	\$2.50	\$2.75
<b>Other</b>					<b>Round to Nearest \$.25</b>		
Stored Value Card/Xpress Card Deposit	\$10.00	\$10.61	\$11.26	\$11.94	\$10.50	\$11.25	\$12.00

**APPENDIX 7: 2009-2018 Base Plan Projected Borrowings Compared to Borrowing Limits**

<b>Borrowing Levels (\$ Millions)</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Opening Gross Direct Borrowings	1,988.0	2,280.1	2,504.3	2,516.6	2,574.5	2,659.9	2,635.1	2,610.7	2,573.8	2,479.2
Retirements / Other	(156.8)	(25.0)	(92.6)	(74.4)	(40.6)	(61.2)	(25.5)	(48.1)	(123.3)	(139.3)
Borrowing During Year – Capital	448.9	249.2	104.9	132.3	126.0	36.5	1.0	11.2	28.7	24.0
Closing Gross Direct Borrowings	2,280.1	2,504.3	2,516.6	2,574.5	2,659.9	2,635.1	2,610.7	2,573.8	2,479.2	2,363.9
Established Borrowing Limit	<b>2,800.0</b>	<b>2,800.0</b>	<b>2,800.0</b>	<b>2,800.0</b>	<b>2,800.0</b>	<b>2,800.0</b>	<b>2,800.0</b>	<b>2,800.0</b>	<b>2,800.0</b>	<b>2,800.0</b>
<b>Reconciliation of Borrowing During Year to Annual Capital Expenditures:</b>										
Capital Expenditures <u>3,048.0</u>	573.7	372.2	229.2	256.2	250.1	161.4	116.4	146.4	153.7	149.1
Less: Federal Contributions	(129.4)	(125.4)	(125.3)	(125.3)	(125.3)	(125.3)	(115.3)	(135.3)	(125.3)	(125.3)
Net Expenditures	444.4	246.8	103.9	130.9	124.8	36.1	1.1	11.1	28.4	23.8
Add: Gross-up for Debt Reserve Fund	4.5	2.5	1.0	1.4	1.2	0.3	(0.0)	0.1	0.3	0.2
	<b>448.9</b>	<b>249.2</b>	<b>104.9</b>	<b>132.3</b>	<b>126.0</b>	<b>36.5</b>	<b>1.0</b>	<b>11.2</b>	<b>28.7</b>	<b>24.0</b>

Note: Years 2015 and 2016 Federal contribution adjusted to allow for more federal contributions than capital expenditures in 2015.

**APPENDIX 8: 2009-2018 Base Plan – Capital Cash Flows for Approved & Proposed Projects**

<b>\$ Millions</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
<b>Annual - Minor Road</b>	25.0	35.0	29.0	15.0	5.0	-	-	-	-	-	-	109.0
<b>Annual - Transit</b>	86.1	67.1	23.0	18.4	19.0	19.5	20.1	20.7	21.3	22.0	22.6	339.8
<b>Bike Program</b>												
Canada Line Bike Lane	3.3	-	-	-	-	-	-	-	-	-	-	3.3
2007 Bike Program	4.6	9.5	4.4	2.0	-	-	-	-	-	-	-	20.5
												<u>23.8</u>
<b>Bridges</b>												
Westham Island - retrofit	0.1	0.3	-	-	-	-	-	-	-	-	-	0.4
Pattullo - Retrofit/Rehab	14.3	12.0	15.9	9.2	-	-	-	-	-	-	-	51.4
Knight Street Bridge Seismic	15.6	-	-	-	-	-	-	-	-	-	-	15.6
Golden Ears Bridge	74.5	-	-	-	-	-	-	-	-	-	-	74.5
												<u>141.9</u>
<b>Canada Line</b>	43.4	8.7	-	-	-	-	-	-	-	-	-	52.1
<b>Evergreen Line</b>	0.1	0.1	24.6	73.9	153.4	139.2	86.2	-	-	-	-	477.4
<b>Infrastructure - SkyTrain</b>												
Station Upgrades												
Main Street *	2.6	11.1	-	-	-	-	-	-	-	-	-	13.7
Broadway/Commercial *	2.6	4.2	-	-	-	-	-	-	-	-	-	6.8
Fibre Optic Upgrade	-	-	8.9	9.2	-	-	-	-	-	-	-	18.1
OMC Expansion	26.4	24.9	-	-	-	-	-	-	-	-	-	51.3
ATC System Upgrades	5.0	7.0	8.0	-	-	-	-	-	-	-	-	20.0
Power Upgrades	-	17.0	17.9	-	-	-	-	-	-	-	-	34.9
												<u>144.8</u>
<b>Infrastructure</b>												
Trolley Overhead Marine Drive	3.9	-	-	-	-	-	-	-	-	-	-	3.9
Burnaby North Relocation	2.7	24.5	19.2	2.6	-	-	-	-	-	-	-	48.9
Land/ Improvements addn Trolleys	5.0	-	-	-	-	-	-	-	-	-	-	5.0
CCTV cameras Phases 1 and 2	4.0	10.6	-	-	-	-	-	-	-	-	-	14.6
Bus Communications System	26.1	-	-	-	-	-	-	-	-	-	-	26.1
Heavy Fleet maintenance centre	8.0	44.9	75.1	36.9	-	-	-	-	-	-	-	164.8
New depot	-	-	17.9	30.7	25.3	-	-	-	-	-	-	73.8
<b>SeaBus</b>												
3rd SeaBus	16.8	8.1	-	-	-	-	-	-	-	-	-	24.9
Midlife Refits	-	12.5	12.5	-	-	-	-	-	-	-	-	25.0
<b>Roads</b>												
Main St Widening	5.0	-	-	-	-	-	-	-	-	-	-	5.0
Fraser Highway Widening	29.8	-	-	-	-	-	-	-	-	-	-	29.8
Murray Clark Connector	15.0	15.0	16.0	-	-	-	-	-	-	-	-	46.0
Roberts Bank Grade Separation	-	10.0	10.0	10.0	10.0	10.0	-	-	-	-	-	50.0
Coast Meridian	25.1	26.0	4.9	-	-	-	-	-	-	-	-	56.0
												<u>186.8</u>
<b>Transit Road Related Infrastructure</b>	1.5	1.6	-	-	-	-	-	-	-	-	-	3.1
<b>Vehicles - Community Shuttles</b>												
Expansion	0.9	6.3	-	-	-	-	-	-	-	-	-	7.2
Replacement	9.6	1.5	8.0	4.7	10.1	12.9	5.6	9.2	5.4	11.7	15.0	93.6
<b>Vehicles - Conventional</b>												
Expansion	36.2	54.0	56.0	-	-	-	-	-	-	-	-	146.2
Replacement	82.0	73.0	-	-	13.6	50.8	29.9	72.5	80.2	107.5	96.8	606.3
<b>Vehicles - Custom</b>												
Expansion	4.4	4.1	-	-	-	-	-	-	-	-	-	8.5
Replacement	5.3	4.6	4.4	9.4	12.2	9.8	11.6	6.0	7.4	12.6	14.6	98.0
<b>Vehicles - SkyTrain</b>												
Expansion *	53.8	80.4	17.0	-	-	-	-	-	-	-	-	151.2
Refurbishment	-	-	-	7.4	7.6	7.8	8.0	8.3	3.6	-	-	42.6
<b>West Coast Express</b>												
TVM Replacement (29)	0.5	-	-	-	-	-	-	-	-	-	-	0.5
Pitney Bowes Lease Buyout (28)	-	-	-	-	-	-	-	-	28.5	-	-	28.5
												<u>29.0</u>
<b>TOTAL</b>	<b>639.6</b>	<b>573.7</b>	<b>372.2</b>	<b>229.2</b>	<b>256.2</b>	<b>250.1</b>	<b>161.4</b>	<b>116.4</b>	<b>146.4</b>	<b>153.7</b>	<b>149.1</b>	<b>3,048.0</b>

\* Net of 48.5% PTP funding

**APPENDIX 9: Projected Replacement Tax Rates**

**2009 -2018 Base Plan  
Projected Replacement Tax Rates Based on Hospital District Ratio \*  
Average Assessed Value Remains at 2008 Level**

	Current 2008	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	Forecast					
						<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
1-Residential	-	0.0305	0.0302	0.0299	0.0296	0.0293	0.0290	0.0287	0.0284	0.0282	0.0279
2-Utilities	0.1682	0.1067	0.1057	0.1046	0.1036	0.1026	0.1016	0.1006	0.0996	0.0986	0.0976
3-Unmanaged Forest	-										
4-Major Industry	0.1634	0.1037	0.1027	0.1016	0.1006	0.0996	0.0987	0.0977	0.0967	0.0958	0.0948
5-Light Industry	0.1634	0.1037	0.1027	0.1016	0.1006	0.0996	0.0987	0.0977	0.0967	0.0958	0.0948
6-Business/Other	0.1177	0.0747	0.0740	0.0732	0.0725	0.0718	0.0711	0.0704	0.0697	0.0690	0.0683
8-Rec/Non-Profit	-										
9-Farm	-										

\* Final rate setting for a specific year will be take place when Completed Roll information is available.

**APPENDIX 10: Projected Parking Sales Tax, Hydro Levy and Toll Rates and Revenue**

**2009 -2018 Base Plan  
Projected Parking Sales Tax, Hydro Levy and Toll Rates and Revenue**

	Current 2008	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	Forecast		<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
						<u>2013</u>	<u>2014</u>				
Hydro Levy Rate (per month)	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90
Hydro Levy Revenue (000's)	17,900	18,175	18,456	18,734	19,020	19,304	19,584	19,860	20,132	20,401	20,666
Parking Sales Tax Rate	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Parking Sales Tax Revenue (000's)	14,500	14,935	15,234	15,539	15,850	16,167	16,490	16,820	17,156	17,499	17,849
<b>GEB Toll Rates and Revenue (based on business case rates)</b>											
<b><u>Rates</u></b>											
Car		2.80	2.85	2.95	3.00	3.05	3.10	3.15	3.25	3.30	3.35
Light Truck		4.20	4.30	4.40	4.50	4.55	4.65	4.75	4.85	4.95	5.05
Heavy Truck		5.64	5.75	5.85	6.00	6.10	6.20	6.35	6.45	6.60	6.75
Revenue		13,430	39,441	53,104	61,496	65,266	69,046	72,890	77,274	81,875	86,207