

BC Transit

**2019/20 – 2021/22
SERVICE PLAN**

February 2019



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Board Chair Accountability Statement



The 2019/20 – 2021/22 BC Transit Service Plan was prepared under the Board’s direction in accordance with the *Budget Transparency and Accountability Act*. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported. The Board is responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of February 4, 2019 have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, BC Transit’s mandate and goals, and focus on aspects critical to the organization’s performance. The targets in this plan have been determined based on an assessment of BC Transit’s operating environment, forecast conditions, risk assessment and past performance.

A handwritten signature in blue ink that reads "Catherine Holt". The signature is written in a cursive, flowing style.

Catherine Holt
Board Chair

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Strategic Direction and Alignment with Government Priorities

BC Transit's strategic direction, as defined in its Mandate Letter, is to coordinate the provision of transit services to over 130 communities across British Columbia (outside of Metro Vancouver) in support of government's commitments to make life more affordable, deliver the services that people rely on and build a strong, sustainable, innovative economy that works for everyone. In keeping with government's commitment to fully adopt and implement the United Nations Declaration on the Rights of Indigenous Peoples and the calls to action of the Truth and Reconciliation Commission, BC Transit will support the Ministry's continued efforts to respectfully consult and collaborate with First Nations in British Columbia to develop and deliver transportation projects, policies and services. In alignment with provincial goals and objectives, BC Transit will continue to work with local governments to make transit improvements across the province, including improving handyDART service.

BC Transit is aligned with the Government's key priorities:

Government Priorities	Relevant Objectives:
Making life more affordable	<ul style="list-style-type: none"> • Objective 2.2 Cost Efficiency
Delivering the services people rely on	<ul style="list-style-type: none"> • Objective 1.1 Service Effectiveness • Objective 1.2 Service Delivery • Objective 1.3 Information Effectiveness • Objective 3.1 Accessibility • Objective 3.2 Safety • Objective 3.3 Quality of Service
A strong, sustainable economy	<ul style="list-style-type: none"> • Objective 2.1 Increased Revenue • Objective 3.4 Environmental Impact • Objective 4.1 Partner Satisfaction • Objective 4.2 Employee Engagement

Operating Environment

Access to transit service is essential to the development of affordable, livable and sustainable communities. The demand for transit service continues to increase across the province as communities work to address increasing traffic congestion, growing populations, regionalization of services and climate action goals. Public transit is becoming a preferred choice for many individuals as it provides a lower cost and convenient transportation alternative to private automobiles, helping to make life more affordable for British Columbians.

While demand for transit services is strong, the transportation landscape is undergoing significant transformation. Advances in disruptive technologies, such as autonomous vehicles, the introduction of app-based ridehailing services, rising costs and increased customer expectations means transit

agencies are examining how to deliver services in a more efficient and innovative manner. BC Transit continues to monitor these trends in order to better understand its role and to ensure the organization is well positioned in terms of the changing landscape of multi-modal transportation demands.

To facilitate this transformation, BC Transit has initiated the development of a new Strategic Plan to set the framework and performance objectives for the next five to ten years, and refresh the focus of the organization. Since the partnership model is what makes public transit so successful in communities across British Columbia, the strategic planning process will include many engagement opportunities with stakeholders, including staff, regional partners, the Province, operating companies and customers.

Over the past few years, there has been significant investments made in transit across the province, and the next three years provides an opportunity to continue to build on this positive momentum. In 2018/19, BC Transit increased service in 21 transit systems, and for 2019/20 there are plans to increase service in close to 30 transit systems. These service improvements include serving new areas, increasing frequency, creating new regional and interregional connections, increasing accessibility and ensuring resources are optimized to take people where they want to go and when.

As the population of seniors continues to increase, and the percentage of the population needing accessible transportation rises, the demand for custom transit service (handyDART) will also continue to grow at an accelerating pace. It is important that BC Transit continue to provide opportunities to enhance the availability of effective custom transit service throughout BC to those unable to utilize conventional transit service. To accomplish this, BC Transit will continue the implementation of the custom registration program, which matches individuals to the most appropriate transit service type based on ability. In 2018, BC Transit completed a review of its custom transit services resulting in a number of proposals to make services more effective and efficient. In 2019/20, BC Transit will continue to work with the Ministry of Transportation and Infrastructure towards implementing those key opportunities.

BC Transit communities continue to benefit from federal, provincial and local government investment through the Public Transit Infrastructure Fund (PTIF) to build transit supporting infrastructure. This includes projects such as the construction of new operating and maintenance facilities in Cowichan Valley, Campbell River and the Central Fraser Valley and the improvement of the Victoria Transit Centre. The completion of these facilities by March 2020 will enable these transit systems to expand to meet growing demand for transit by providing necessary storage space and maintenance support for buses and personnel.

BC Transit communities will also benefit from new federal, provincial and local funding contributions through the Investing in Canada Infrastructure Program (ICIP). Over the Service Plan period, joint funding will be used for transit projects including the initial five approved projects being delivered throughout the province. The projects include acquiring approximately 118 buses to replace aging vehicles and expand services, building approximately 100 new transit shelters, installing enhanced onboard fare payment technology to provide customers with more ways to pay fares, expanding the NextRide real-time transit system, and purchasing backup generators for transit facilities.

In preparation for additional ICIP project funding opportunities, BC Transit is working with its local government partners and the Province to identify and plan for other key projects. Critical projects include transit systems where the existing operations and maintenance facility is at capacity, therefore constraining any future transit service expansion. Additional proposed projects being evaluated

include new and upgraded transit exchanges, Park & Rides, rapid transit corridors and future technology enhancements. These investments will be transformative for BC Transit service quality.

Real-time bus location technology, called NextRide, was rolled out in six transit systems in 2018/19 including Nanaimo, Comox Valley, Squamish, Whistler, Kamloops and Kelowna. The system is also planned to start operation in Victoria in mid-2019. This real-time technology allows customers to use BC Transit's website or their mobile devices to track the location of their bus. NextRide also works to remove barriers for the visually impaired by enabling automatic next stop announcement, and provides passenger information displays on-board buses and at selected bus stops to assist those with hearing impairments.

BC Transit will leverage its fleet replacement program to support the Province's greenhouse gas reduction targets by continuing to expand upon more fuel-efficient and green technology. Building on the successful deployment of Compressed Natural Gas (CNG) buses in Nanaimo, Kamloops and Whistler, BC Transit will introduce CNG fleets in Victoria and the Central Fraser Valley in 2019/20. BC Transit will also continue to test and explore electric bus options in Victoria for implementation in the near future. Further electrification of the fleet is expected to occur in alignment with vehicle lifecycle and replacement opportunities.

In 2019/20, BC Transit will continue to work with the Ministry and the local government partners to ensure that public transit continues to be part of the solution to reducing congestion in Southern Vancouver Island. This will be accomplished by continuing to design, implement and support transit services and infrastructure in the Victoria Regional Transit System and build off the positive results from the extensions of dedicated bus lanes on Douglas Street and Highway 1 in 2018.

As a public sector organization, BC Transit recognizes and respects the value people's contributions provide in delivering transit services across the province and will continue to ensure that public transit remains an affordable, sustainable service that British Columbians can rely on.

Performance Plan

There are two categories of performance measures for 2019/20 – 2021/22:

- Transit system performance: the overall health of transit services across the province; and
- Corporate performance: the overall success of BC Transit in providing transit services.

The Province's transit objectives are ambitious, and BC Transit's targets reflect this. Meeting the targets related to ridership and service effectiveness in the outer years (i.e, 2021/22) will require BC Transit to be innovative in its approach to transit operations (including finding additional cost efficiencies) and to continue to work with the Ministry to ensure that it is well positioned to meet future transit demand over the service period and beyond.

Goal 1: Increase Ridership

BC Transit will increase transit ridership by developing, delivering and continuously improving transit services. In 2017/18, BC Transit ridership was just over 54 million passenger trips and is forecast to grow to 58 million passenger trips over the period of the service plan.

Objective 1.1: Service Effectiveness (Transit System)

BC Transit will optimize the effectiveness of provincial transit service.

Key Strategies:

- For conventional transit (which serves the general population in more urban settings and offers scheduled service that operates on fixed routes), BC Transit will invest in increased service hours to respond to changes in community growth patterns and customer demand. These investments will support convenient and reliable services and position transit as the travel mode of choice.
- For paratransit (which serves small towns, rural and First Nations communities and some suburban areas using small and medium sized buses and taxis using flexible routing and schedules), BC Transit will continue to invest in increased service as well as exploring ways to make the service more efficient and effective to support ongoing accessibility and reliability.
- For custom transit (which offers door-to-door service for passengers who are unable to use the conventional transit system), BC Transit will continue to monitor demand for services and ensure services are appropriately matched to demand needs. This will be supported by continued implementation of the custom registration program across the province, offering travel training programs, and improving efficiency and effectiveness by implementing opportunities identified from the custom service review.

Performance Measure(s)		2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
1.1a	Total passenger trips, including taxi (millions) ¹	54.1	55.7	56.6	57.8	58.0

Performance Measure(s)		2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
1.1b	Total Conventional passenger trips (millions) ¹	51.9	53.4	54.3	55.4	55.5
1.1c	Total Paratransit passenger trips ¹	1.0	1.0	1.0	1.1	1.1
1.1d	Total Custom passenger trips, including taxi ²	1.2	1.3	1.3	1.3	1.4
1.1e	Conventional passenger trips per service hour ^{1,2}	28.4	27.9	27.6	27.1	29.2
1.1f	Paratransit passenger trips per service hour ^{1,2}	5.5	5.1	5.2	5.1	5.5
1.1g	Custom passenger trips per service hour (including taxi) ^{1,2}	3.1	3.2	3.3	3.2	3.4

¹ Data Source: BC Transit internal tracking data

² Data Source: Passenger trips per service hour measures the effectiveness of, and the demand for, transit services as provided and is determined by dividing passenger trips by service hours.

Linking Performance Measures to Objectives:

Measuring the number of passenger trips (1.1a – 1.1d) provides an indication of how development, delivery and improvement of transit service is contributing to increasing ridership.

Measuring the number of passenger trips per service hour (1.1e – 1.1g) provides an indication of the effectiveness of and demand for transit service.

Discussion:

Total transit ridership is expected to increase during the service plan period due to continuing service expansion and growing transit demand in conventional, paratransit and custom services.

Conventional, paratransit and custom passenger trips per service hour are also forecast to increase over the service plan period, as BC Transit implements service expansion and optimizes existing services to improve efficiency. Access to more robust data to refine routing and scheduling, advanced scheduling software, and the implementation of improvement opportunities identified in the 2018 custom service review will assist in achieving these targets.

Objective 1.2: Service Delivery (Transit System)

BC Transit is a customer-oriented service. Customer satisfaction builds the foundation for strong transit use. BC Transit will continue to improve service delivery in order to retain existing customers and attract new ones.

Key Strategies:

- Through improvements to service delivery, BC Transit aims to improve customers' perceptions of public transit. Improvements to service delivery will include a continued emphasis upon quality customer service including operator courtesy, clean and well-

maintained buses, improved technology, including enhanced infrastructure, and passenger safety.

Performance Measure(s)		2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
1.2a	Customer Satisfaction - Overall ^{1,2}	3.50	3.60	3.72	3.73	3.74
1.2b	Customer satisfaction – Custom Transit ³	N/A	N/A	3.50	3.55	3.56

¹ Data Source: Annual customer survey, conducted by a third party research firm.

² Customer Satisfaction is determined by the average rating of customer tracking survey respondents when asked to rate their overall transit experience from one ("very poor") to five ("excellent"). It currently does not distinguish between conventional and custom.

³ Data Source: This is a new performance measure, and will be incorporated into future customer surveys with the first reporting to take place in 2019/20.

Linking Performance Measures to Objectives:

- 1.2a Customer satisfaction measures the effectiveness of BC Transit in meeting customers' overall expectations and perceptions of their transit experience. Improvements in customer satisfaction indicate a positive transit experience which is a contributing factor to sustaining and increasing ridership. Improved customer services, such as the investment in real-time service information and enhanced fare technologies, will be a key priority in the next three years.
- 1.2b This new performance measure summarizes the customer satisfaction for custom transit. It measures the effectiveness of BC Transit in meeting customers' expectations and perceptions of the custom transit experience. Improvements in customer satisfaction for custom transit indicate an improved transit experience. The implementation of some of the proposed enhancements to custom transit services in British Columbia will be a key priority in the next three years.

Discussion:

Targets reflect an expectation that customer satisfaction will continue to improve as efforts continue to enhance customer perceptions of transit service, including the introduction of NextRide real-time information technology, advanced fare technologies, improved bus stop amenities, service frequency, ease of connections, service timeliness and safety. The introduction of a satisfaction measure for custom transit customers will also allow BC Transit to measure the impacts on customers' experience of proposed future enhancements to efficiency and effectiveness.

Objective 1.3: Information Effectiveness (Corporate)

BC Transit will enhance online information to meet the evolving expectations of customers, community groups and stakeholders.

Key Strategies:

- BC Transit will build awareness of BC Transit services by enhancing the effectiveness of online information to reach out to customers, community groups and stakeholders in new ways. This includes increasing BC Transit's presence through social media, improving the

corporate and individual transit system websites, and expanding NextRide technology in additional communities.

Performance Measure(s)		2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
1.3	Online communication strategy effectiveness ^{1,2}	3.70	3.70	3.80	3.90	3.90

¹ Data Source: Annual customer survey, conducted by a third party research firm.

² Online communication strategy effectiveness is determined by the average rating of customer tracking survey respondents when asked to rate the quality of the online information, ranging from one ("very poor") to five ("excellent").

Linking Performance Measures to Objectives:

- 1.3 Online communication strategy effectiveness measures customers' perception of BC Transit's ability to provide information through its online presence. Improvements in online communications effectiveness indicate better connections with customers, community groups and stakeholders which are a key element in increasing ridership. This measure tracks the quality and effectiveness of information online, including BC Transit's corporate website and social media efforts and keeping up with changes in technology and customer expectations.

Discussion:

Targets reflect that efforts to engage customers through BC Transit's online presence are expected to improve communication effectiveness as improved community presence, planned service expansions and new Smart Bus technologies are implemented over the service plan period.

Goal 2: Financial Management

BC Transit will practice sound financial management focused on efforts to contain costs and maximize efficiencies while expanding the contribution of sustainable, non-tax sources of revenue.

Objective 2.1: Increased Revenue (Corporate)

BC Transit will practice sound corporate financial management by improving fare yield and increasing advertising revenue.

Key Strategies:

- BC Transit maintains cost recovery levels for conventional, paratransit and custom transit services by working with local government partners to improve revenue yield through passenger fare reviews and advertising revenue, while simultaneously containing operating costs.
- BC Transit will sustain corporate revenue by balancing the affordability of transit services for passengers with efforts to reduce transit service operating costs.

Performance Measure(s)		2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
2.1a	Conventional operating cost recovery ^{1,2}	36.91%	35.09%	32.89%	31.21%	32.94%

Performance Measure(s)		2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
2.1b	Paratransit operating cost recovery ^{1,2}	13.90%	13.34%	12.38%	11.61%	12.11%
2.1c	Custom Operating Cost Recovery ^{1,2}	5.65%	5.01%	4.89%	4.63%	4.74%

¹ Data Source: BC Transit financial system and audited financial statements.

² Operating cost recovery is determined by dividing annual passenger and advertising revenue by operating costs. Revenue forecasts do not assume fare increases as fares are set by Local Government partners. Note custom operating cost recovery includes taxi trip revenues and costs.

Linking Performance Measures to Objectives:

Conventional, paratransit and custom operating cost recovery, the proportion of costs recovered from fare and advertising revenue, measures the self-sufficiency and financial performance of conventional transit systems. Cost recovery reduces the subsidy from the taxpayer.

Discussion:

Operating cost recovery targets have been set taking into consideration the need to balance the affordability of transit services for riders with associated costs. Conventional, paratransit, and custom transit yield, as measured by operating cost recovery, is expected to decline slightly for the first two years and then stabilize. This is attributed to the expectation that inflationary input costs (e.g., fuel, labour, maintenance and technology costs) are to be higher than corresponding increases in fares and advertising. Operational efficiencies that may be realized from schedule optimization and the implementation of recommendations from the custom review are expected to enable a slight improvement in the third year. It should be noted that BC Transit's cost recoveries are still well above Canadian transit industry standards.

Objective 2.2: Cost Efficiency (Corporate)

BC Transit will practice sound corporate financial management by focusing on corporate and administrative cost efficiencies.

Key Strategies:

- BC Transit seeks to increase the operating cost efficiency of conventional and paratransit services by implementing initiatives that encourage ridership growth while also employing strategies to contain costs associated with fuel, labour, and parts and maintenance.
- Given custom services are typically fully subscribed, BC Transit seeks to increase the operating cost efficiency of custom transit services by focusing on the containment of costs associated with fuel, labour, and parts and maintenance.

Performance Measure(s)		2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
2.2a	Conventional operating cost per passenger trip ^{1,2}	\$3.84	\$4.07	\$4.34	\$4.57	\$4.33
2.2b	Paratransit operating cost per passenger trip ^{1,2}	\$13.86	\$15.15	\$15.50	\$16.16	\$15.50
2.2c	Custom Operating Cost per Passenger Trip ^{1,2}	\$21.88	\$23.04	\$23.79	\$25.27	\$24.40

¹ Data Source: BC Transit financial system and audited financial statements.

² Operating cost per passenger trip reflects annual operating cost divided by passengers carried. Note custom operating cost per passenger trip includes taxi trip costs and passengers.

Linking Performance Measures to Objectives:

Measuring operating costs per passenger trip provides an indication of the efficiency of providing transit service. Increasing cost per passenger trip indicates that costs are growing at a faster rate than ridership.

Discussion:

Operating cost per passenger trip targets have been set to drive the corporation to sustain efforts to increase ridership while containing associated operating costs. Service unit cost is expected to increase moderately for the first two years as the combination of inflationary input costs (e.g., fuel, labour, maintenance and technology costs) and costs of planned service expansion are expected to increase at a higher rate than ridership. A slight improvement is anticipated in the third year as expansion hours mature and additional operational efficiencies are achieved. BC Transit continues to perform well in this category compared to Canadian transit industry standards.

Goal 3: Operational Excellence

BC Transit provides transit service when and where people want it. BC Transit will continue to develop, deliver and improve transit services for conventional and paratransit passengers and for customers who aren't able to use conventional or paratransit service. These services are designed to exceed the expectations of our customers while respecting the expectations of taxpayers and community stakeholders.

Objective 3.1: Accessibility (Transit System)

BC Transit will deliver operational excellence by expanding conventional, paratransit, and custom services in transit systems in communities across the province.

Key Strategies:

- BC Transit will continue to work with local government partners to identify service enhancements, such as frequency improvements or expanded routing to new neighbourhoods, in order to improve conventional and paratransit service accessibility.
- BC Transit will continue to improve custom transit service accessibility by expanding custom transit service as well as implementing recommendations from the custom transit review.

Performance Measure(s)		2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
3.1a	Conventional service hours per capita ^{1,2}	1.46	1.50	1.39	1.42	1.29
3.1b	Paratransit service hours per capita ^{1,3}	0.34	0.37	0.37	0.40	0.37
3.1c	Custom service hours per capita ^{1,4}	0.23	0.23	0.22	0.22	0.21

¹ Data Source: BC Transit internal tracking data.

² Conventional service hours per capita is determined by the number of conventional service hours delivered divided by the population that lives within 400 m of fixed route bus service.

³ Paratransit service hours per capita is determined by the number of paratransit service hours delivered divided by the population that lives within 1,000 m of fixed route bus service.

⁴ Custom service hours per capita is determined by the number of custom service hours delivered divided by the population that lives within 1,500 m of fixed route bus service (does not include taxi trips).

Linking Performance Measures to Objectives:

Measuring service hours per capita provides an indication of the level of accessibility of transit service and is based on the level of investment and provision of transit service relative to the population that lives within a reasonable proximity of service routes.

Discussion:

For the first two years of the service plan, the targets reflect that paratransit and custom transit service hours per capita are forecast to remain relatively consistent as the rate of service expansion is in line with population growth. Conventional transit service hours per capita are expected to fluctuate slightly, depending upon the rate of service expansion in that year. In year three, the targets reflect that the rate of service expansion for all service types begins to slow while population growth continues.

Objective 3.2: Safety (Corporate)

BC Transit will deliver operational excellence by ensuring a high-level of passenger and employee safety.

Key Strategies:

- BC Transit will ensure passenger safety by continuously improving the development of on-road safety programs such as enhanced preventative driver training and other similar measures.
- BC Transit will promote a culture of employee safety through the continuous development of workplace safety and awareness programs, training, policies and procedures.

Performance Measure(s)		2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
3.2a	Passenger injury claims per million passenger trips ¹	1.4	1.9	1.9	1.8	1.8
3.2b	Workplace injuries per 100 employees ²	2.9	4.3	4.2	4.2	4.1

¹ Data Source: Passenger injury claims as reported by ICBC and BC Transit internal tracking data.

² Data Source: BC Transit internal tracking data.

Linking Performance Measures to Objectives:

3.2a The number of passenger injury claims per million passenger trips measures passenger safety with respect to travel-related injuries. The way in which this measure is calculated reflects passenger injury claims through ICBC and is consistent with industry standard.

3.2b The number of workplace injuries per 100 employees measures employee safety using the Total Recordable Injury Rate (TRIR). TRIR is a measure of the rate of recordable workplace

injuries, normalized per 100 workers per year. This measure is influenced by an aging workforce and the recent addition of mental illness as an approved recordable workplace injury.

Discussion:

The passenger injury claims per million passenger trips measure is influenced by increased traffic under conditions of greater and more variable congestion and a trending increase in bodily injury claims. Performance is expected to improve slightly each year as the implementation of closed-circuit television (CCTV) is expected to continue to have an impact on reducing the claims going to ICBC.

The workplace injuries per one hundred employees measure is influenced by an aging workforce and the recent addition of mental illness as an approved category of workplace injury. BC Transit continues to perform well in this measure with a significant improvement when compared to previous target levels. Performance is expected to slightly improve over the next three years due to continuing enhanced focus on safety protocols and improved communication of safety initiatives.

Objective 3.3: Quality of Service (Corporate)

BC Transit will deliver operational excellence by maintaining quality of service.

Key Strategies:

- BC Transit will maintain the quality of conventional transit service by delivering consistent and reliable transit services, through efforts such as managing preventative issues and responding to emerging challenges on the road, while delivering the service that is expected, and relied upon, by customers.

Performance Measure(s)		2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
3.3	Planned service delivered in conventional transit systems ¹	99.9%	99.9%	99.9%	99.9%	99.9%

¹ Data Source: BC Transit internal tracking data and reports from BC Transit operating partners.

Linking Performance Measures to Objectives:

3.3 The percentage of planned service delivered in conventional transit systems measures the quality of transit service and is based upon the percentage of trips that are delivered as scheduled. The reliability of trips has an effect on the customer experience and the overall perception of transit and reflects BC Transit's ability to respond to emerging operational challenges while delivering transit services that are expected, and relied upon, by transit customers.

Discussion:

The projected targets for this measure represent a baseline of a very high level of delivered service, reflecting BC Transit’s existing operational excellence. Performance is expected to remain stable at high levels over the period of the Service Plan, and BC Transit will strive to maintain these levels.

Objective 3.4: Environmental Impact (Transit System)

BC Transit will achieve operational excellence by reducing the environmental impact of its provincial transit systems. As part of these efforts, in 2018/19 BC Transit conducted an electric bus pilot and produced a strategy to continue advancing new technologies and efficiencies within the fleet for further emission reduction. Building on the successful deployment of CNG buses in Nanaimo, Kamloops and Whistler, BC Transit will deploy CNG buses to the Central Fraser Valley and Victoria transit systems in 2019/20.

Key Strategies:

- BC Transit will be accountable for its environmental impact by reducing its operational carbon intensity, including efforts to reduce reportable emissions related to BC Transit's fleet, facilities and other operations.

Performance Measure(s)		2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
3.4a	Carbon (GHG) intensity per service hour ¹	28.50	28.40	28.35	28.30	28.25
3.4b	Percentage of lower-emission vehicles in bus fleet (CNG, hybrids & electric) ²	11%	12%	21%	23%	25%

¹ Data Source: BC Government SMARTTool data and BC Transit internal tracking data.

² Data Source: BC Transit internal tracking data.

Linking Performance Measures to Objectives:

- 3.4a Carbon intensity per service hour measures BC Transit's Greenhouse Gas Emissions (GHG) rate.
- 3.4b This new performance measure summarizes the percentage of lower-emission vehicles in the bus fleet which has a direct impact on BC Transit's Greenhouse Gas Emissions (GHG) rate.

Discussion:

Carbon intensity per service hour targets and the percentage of lower-emission vehicle targets illustrate BC Transit's continued commitment to decreasing its environmental footprint. GHG emissions are expected to decrease, reflecting the impact of the expected decline in carbon intensity of diesel fuel supplied in B.C. as a result of the Renewable and Low Carbon Fuel Requirements Regulation as well as further introduction and expansion of BC Transit lower-emission vehicles.

The new performance measure of the percentage of lower-emission vehicles will also assist in determining BC Transit's commitment to CleanBC targets for reducing GHG emissions related to the type of vehicles BC Transit procures for bus expansions and replacements. In particular, reducing the reliance on diesel fueled vehicles is a key objective.

Goal 4: Strong People and Partnerships

BC Transit's service model rests on a foundation of strong partnerships with the provincial and local governments and with contracted service providers. These partnerships are enabled and enriched by a strong relationship with BC Transit's transit operators and other employees who deliver the transit services people count on.

Objective 4.1: Partner Satisfaction (Corporate)

BC Transit will strengthen its partnerships by improving partner satisfaction.

Key Strategies:

- BC Transit will sustain partner satisfaction by cultivating strong relationships with local governments, including efforts to improve service delivery and engaging more extensively with partners in identifying and developing solutions to local transit needs.

Performance Measure(s)	2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
4.1 Partner Satisfaction ^{1,2}	4.31	4.15	4.20	4.20	4.20

¹ Data Source: Annual partner survey, conducted by a third party research organization.

² Partnership satisfaction is determined by the average rating of local government transit partner respondents when asked to rate their customer service received from BC Transit from one ("very poor") to five ("excellent").

Linking Performance Measures to Objectives:

- 4.1 Partnership satisfaction measures local government partners' perception of BC Transit's customer service.

Discussion:

BC Transit prioritizes collaboration with its partners when planning and implementing transit services across the province. As a result, partnership satisfaction scores are expected to remain consistent with a slight increase, over the service planning period.

Objective 4.2: Employee Engagement (Corporate)

BC Transit will strengthen its people by improving employee engagement. Employee engagement is essential to nurturing an innovative workforce that allows BC Transit to do its part to build a strong, sustainable economy in British Columbia.

Key Strategies:

- BC Transit will improve employee engagement through continued implementation of its Human Resources Action Plan, including efforts focused on strengthening culture, succession planning, and building internal capacity through professional development opportunities.

Performance Measure(s)	2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
4.2 Employee engagement ¹	67%	N/A	70%	71%	72%

¹ Data Source: Employee survey

Linking Performance Measures to Objectives:

- 4.2 Employee engagement measures an employee's involvement with, commitment to, and satisfaction with work. Engagement is assessed through a survey that models what aspects of the workplace influence employee engagement characteristics.

Discussion:

Targets reflect an expectation that employee engagement will continue to grow as a result of the Human Resources Action Plan implementation. A link to BC Transit's Human Resources Action Plan

is provided in Appendix A. The BC Transit Strategic Plan update will also provide an opportunity for staff to explore options for improved engagement.

Financial Plan

Summary Financial Outlook

BC Transit

(\$000)	2018/19 Forecast	2019/20 Projection	2020/21 Projection	2021/22 Projection
Total Revenue				
Operations	79,737	81,104	82,703	82,736
Provincial operating	114,951	117,889	123,067	125,204
Local government operating & capital	105,879	113,572	124,359	110,790
Deferred capital contributions ¹	31,670	34,672	40,094	44,349
Investment and other income	4,195	5,663	6,149	6,539
Total Revenue	336,432	352,900	376,372	369,618
Total Expenses				
Operations	181,397	189,214	203,141	193,930
Maintenance	56,256	64,725	70,088	66,437
Administration	29,775	30,927	33,192	31,312
Use of asset	66,217	68,034	72,785	77,939
Total Expenses	333,645	352,900	379,206	369,618
Annual Operating Surplus (Deficit)²	2,787	0	(2,834)	0
Other non-operational gain (loss)	1,158	-	-	-
Total Annual Surplus (Deficit)³	3,945	0	(2,834)	0
Total Liabilities	479,423	608,541	719,837	822,970
Accumulated Surplus	23,030	23,030	20,197	20,196
Capital Expenditures	96,373	193,437	181,392	174,713

¹BC Transit receives capital funding for the construction or acquisition of assets and their use in program/service delivery. Capital contributions are deferred and recognized in revenue over the useful life of the asset, as program/services are delivered, as directed by the Province

²The Operating Deficit is funded by contributions received in 2018/19.

³Gains largely due to grant recognition in year of purchase of land for future transit facilities

Key Forecast Assumptions, Risks and Sensitivities

Forecasts include cost increases associated with planned service expansions for 2019/20 – 2021/22, estimated labour increases, inflationary pressures related to maintenance, competitive contract negotiations with operating companies, operating costs associated with new facility builds resulting from federal funding programs, new customer focused fleet technology (NextRide) and the price of diesel fuel.

Management’s Perspective on the Financial Outlook

The price of diesel fuel remains a large financial risk to BC Transit services. While the cost of diesel remained slightly below budget in 2018/19, diesel pricing increased on average 24.5 per cent over the last year. BC Transit continues to realize savings from its fuel management supply contracts yet there remains a great deal of uncertainty over the longer term price of oil and the subsequent effect on fuel costs. This risk should decrease in future years as BC Transit has less reliance on diesel vehicles. The Canadian exchange rate also poses risk to the budget as a significant portion of bus parts are manufactured in the USA and Europe.

BC Transit Regulation 30/91 was amended in 2015, establishing the legislated authority of BC Transit to carry an operating reserve. This amendment facilitates BC Transit’s ability to better manage budget pressures throughout the service planning period.

Appendix A: Hyperlinks to Additional Information

Corporate Governance

More information about BC Transit's Senior Leadership Team can be found at:

<https://www.bctransit.com/about/executive>

More information about BC Transit's governance and funding model can be found at:

<https://www.bctransit.com/about/funding-and-governance>

Organizational Overview

More information about BC Transit's vision, mission and values can be found at:

<https://www.bctransit.com/about>

More information about BC Transit's program scope can be found at:

<https://www.bctransit.com/about/facts>

A list of transit systems can be found at:

<https://www.bctransit.com/choose-transit-system>

BC Transit's corporate reports, including provincial Service Plans and Annual Reports, can be found at:

<https://www.bctransit.com/corporate-reports>

BC Transit's Human Resources Action Plan can be found at:

<https://www.bctransit.com/careers/human-resources-action-plan>

Appendix B: Subsidiaries and Operating Segments

Active Subsidiaries

Incorporated in 2011, BC Transit had four wholly owned subsidiaries that held properties intended for future transit development. In the interim period, they operate as rental properties with net revenues attributed back to the Province. The subsidiaries are:

- 0928624 BC Ltd.
- 0925406 BC Ltd.
- 0922667 BC Ltd.
- 0915866 BC Ltd.

Inactive Subsidiaries

Subsidiary	Incorporated	Date became dormant	Activity
TBC Properties Inc.	16-Nov-10	Incorporation	N/A
TBC Operations Inc.	16-Nov-10	Incorporation	N/A
TBC Vehicle Management Inc.	16-Nov-10	Incorporation	N/A

Operating Segments

BC Transit has no operating segments.