

STM 2016 BUDGET HIGHLIGHTS

BACKGROUND CONTEXT

The 2016 budget marks a shift in direction for the STM

- New executive team
- Strategic shift: Improving the customer experience is a core priority
- Two overriding concerns will guide the STM's actions:
 - Planning service efficiently
 - Reducing the deficit in asset maintenance

Montréal is a crucial ally in this shift

- Reinforced commitment with a \$20.7 M increase in basic contribution (5.1% higher than in 2015)
- Financial support over time based on criteria that will provide for better budget foreseeability:
 - Indexation of its contribution for service improvements
 - Compensation for the increase in net debt servicing costs
- A contribution of \$17.2 M as part of a program by SOFIL (Société de financement des infrastructures locales du Québec) that serves to partially finance investment projects, like iBus, the rebuilding of Complexe Crémazie and the purchase of hybrid buses.

MAIN COMPONENTS OF BUDGET

A responsible budget

- Thanks to tight management, the 2016 budget is set at \$1.5 B
- Current expenses up by only 1%
- Recognition for sound management of expenses:
 - Standard & Poor's credit rating upgraded from A+ to AA-, a first
 - Moody's rating maintained at Aa2 for a 7^e year

No changes to fares

- Transit users get a bit of a break with fares kept at their 2015 level for the first six months of 2016

STRATEGIC SHIFT: IMPROVING THE CUSTOMER EXPERIENCE IS A CORE PRIORITY

Planning service efficiently

Bus network and paratransit

- 45,000 hours of additional bus service
- Gradual deployment of iBUS
- Purchase of 27 standard hybrid buses (including 20 air-conditioned ones)
- Bus priority measures added to 50 km of roads in 2016
- Installation of 310 additional transit shelters with a modern design
- Pilot project allowing front and back door boarding of buses
- City Mobility: public transit electrification
- Additional 200,000 paratransit rides will help to meet growing demand and require a \$3.5 M investment

Métro

- 1.3 M car-km added to the offer of service
 - + 700 000 car-km on the Green and Orange lines
 - + 600 000 car-km with the expected arrival of AZUR
 - 8% more passenger capacity with AZUR trains

Reducing the asset maintenance deficit

- STM estimates its deficit in asset maintenance at \$4.3 B
- The pace of investment is picking up, with completion ratio up from 61% to 75%
- A \$639 M budget for 2016
- Total of \$2.8 B over the next three years, whereas \$3.6 B has already been invested over a 13-year period
- Target set: bringing the deficit in asset maintenance down to less than one billion dollars by 2030

Asset maintenance projects for 2016

- New signage in three stations (Square-Victoria-OACI, Crémazie and Atwater)
- Complexe Crémazie (major bus maintenance shops)
- Réno-Infrastructures and Réno-Systèmes programs: \$175 M
- Elevators going into service at Rosemont and Snowdon stations