

In addition, the MOU recognizes the critical role the region plays in ensuring its transit system's short, medium, and long-term recovery.

In April 2020, in response to increasing financial pressure as a result of the impacts of the COVID-19 pandemic, TransLink announced a series of cost saving measures along with a commitment from the Province to provide support that would reverse layoffs and return to near-regular operations in time for back-to-school in September. TransLink's cost-saving measures included:

- Implementing further suspension of transit services on Bus, SkyTrain, SeaBus, and West Coast Express;
- Issuing temporary layoff notices to 1,492 employees working in various positions at TransLink, Coast Mountain Bus Company, and British Columbia Rapid Transit Company;
- Reducing senior executive salaries and Board remuneration by 10%;
- Reducing organizational costs and program expenditures, including:
 - Deferral of the 2020 Major Road Network operations, maintenance and rehabilitation program funding to municipalities.
 - Deferral of 2020 service expansions; and
- Spending cash reserves to sustain essential service operations through to the end of 2020.

However, on May 8, 2020 TransLink announced that it would rescind layoff notices that were issued to the approximately 1,500 employees and cancel planned service cuts. In order to maintain appropriate and responsive service levels, TransLink's service levels cannot be less than 100% of pre-COVID levels even if ridership is only between 60-70% of pre-COVID levels due to Provincial Health Officer mandated capacity limits on TransLink vehicles.

Following TransLink's agreement to rescind layoff notices and keep service levels at 100%, the Province signed on to the MOU with TransLink and the Mayors' Council and worked with the federal government to secure one-time emergency operating funding for B.C.'s transit agencies, including TransLink.

As part of this process, TransLink was required implement cost saving measures over 2020 and 2021, as outlined below and in Table 1.

- Deferring planned service expansions;
- Corporate and other non-critical operations budgets reduced; and
- Capital projects deferred including Major Road Networks (MRN).



s.12; s.13; s.17

TransLink estimates \$120 million in total savings for the combined 2020 and 2021 calendar years and an additional \$687 million in savings for 2022 to 2030, for total estimated savings of \$807 million for 2020 to 2030. While TransLink does not have an immediate liquidity problem and is not at risk of near-term insolvency, the agency does have a legislative requirement to balance its budget over its 10-year Investment Plan.

Following detailed analysis of TransLink's finances and the agency's cost saving measures, on September 18, 2020, British Columbia and Canada announced that TransLink would receive one-time funding of \$600 million to help close TransLink's projected COVID-19-related operating funding gap in 2020 and 2021 as well as \$44 million to offset further revenue loss from constraining annual fare increases to 2.3% annually through 2024 so that transit fares can remain as low as possible without risking TransLink's financial stability.

This immediate relief for TransLink in the short-term has allowed TransLink to set their budget and service levels for 2021 and maintain service levels that adapt to changing demands while minimizing service reductions or pass-up trends as much as possible.

Executive Compensation

Although TransLink reduced non-service expenditures and deferred planned service expansion and capital projects, it has recently been noted (through media reports and recent discussions with TransLink) that **the 10% reduction in executive and Board of Directors compensation announced in April was never actioned** as it was not brought before the Board for approval due to the timing of the MOU.

BC Transit (BCT) and BC Ferries (BCF), which also received federal/provincial Safe Restart funding (although considerably less than TransLink) did not make specific public announcements on implementing a 10% reduction in executive compensation. *(See Appendix 3 for specific funding allocations for all three agencies)*

However, both BCT and BCF froze executive salaries and the BCF board reversed a decision to allow executives to receive their annual increases (based on individual contract requirements). In August 2020, the Ministry of Finance issued an executive compensation freeze policy that public sector employers (including Crown agencies) not provide compensation increases or adjustments to executive-level employees for the 2020/21 performance year.

REVIEWED BY:

INITIALS

DB

NB

KK



APPENDIX 3: Safe Restart Funding Allocations

On Sept. 18, 2020, the federal and provincial governments confirmed that TransLink, BC Transit and BC Ferries would share more than \$1 billion under the federal-provincial Safe Restart Agreement, which is cost shared 50-50 by both governments.

Contribution agreements with each agency have been finalized. \$1.038 billion in Safe Restart funding will be allocated as follows:

TransLink:

TransLink is receiving one-time funding of \$644 million. This not only helps ensure the people of the Lower Mainland have access to transit when they need it, but also that fares will be kept affordable.

- \$600 million will help cover expected 2020 and 2021 calendar fiscal year operational losses caused by the COVID-19 pandemic and help continue transit services as part of BC's Restart Plan.
- \$44 million will help ensure TransLink can limit average annual fare increases to 2.3% until the end of 2024.

BC Ferries:

BC Ferries is receiving one-time funding of \$308 million:

- \$280 million will help cover expected 2020-21 and 2021-22 fiscal year operational losses caused by the COVID-19 pandemic and help continue core ferry service levels as part of BC's Restart Plan.
- \$24 million will help ensure BC Ferries can limit average annual fare increases to 2.3% until March 31, 2024, in line with the rate caps established by the BC Ferries regulator prior to the onset of the pandemic.
- \$4 million to help ensure continuation of discretionary sailings (those above contract levels that may have been discontinued due to COVID-19) on the minor and northern routes over the next three years.
- Where appropriate, BC Ferries will aim to provide ridership capacity at 20% above anticipated demand on all routes (other than northern routes) to minimize sailing waits during peak times.

BC Transit:

BC Transit will receive \$86 million to help support municipal partners that depend on fare revenues as part of the provincial-municipal partnership to deliver BC Transit services throughout the province. They, too, have been impacted by the pandemic.

- The full contribution will help cover expected municipal partner losses in the near term caused by the COVID-19 pandemic, which include added operational costs to maintain safe transit services.
- The contribution will help municipal partners to limit average annual fare increases to 2.3% until March 31, 2024.
- BC Transit will support BC's Restart Plan by maintaining essential service levels in all its service areas, including BC Bus North.

From: Heyman, George ENV:EX s.17

To: Sather, Kelly ENV:EX (Kelly.Sather@gov.bc.ca); Krishna, Kaye TRAN:EX (Kaye.Krishna@gov.bc.ca)

Subject: 301945 - Translink Executive Compensation

Sent: 03/15/2021 17:29:02

Message Body:

Sent from my iPhone

Begin forwarded message:

From: Tony's Gugliotta <s.22

Date: March 15, 2021 at 8:51:24 AM PDT

To: "Heyman, George ENV:EX" s.17

Subject: Translink Executive Compensation

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Dear Minister Heyman.? I am reaching out to you in regards to recent press reports about Translink executives.? These reports reference the decision by Translink's top five senior executives to take a 10% pay cut when we announced upcoming layoffs early in 2020 in response to the impacts of the pandemic on our ridership and revenues.? Our senior executives volunteered to take a 10%? pay cut as a symbolic gesture to show support to the approximately?1500 employees who would be temporarily?losing their jobs.? The pay reduction was to take effect when the employees were laid off and were to be reinstated when the employees returned to work.? As you know the layoffs were not implemented as the Province and Translink agreed to maintain Transit services so that essential workers who relied on Transit could get to work.? Consequently the pay reductions were not implemented.?

Having said that,? Translink did implement a number of cost savings measures in 2020 including not providing Merit Pay to the full executive team.? ?In the Safe Restart Agreement, we committed to targeted savings of \$73.7 million in 2020, including \$6.8 million in corporate savings for non transit service related, corporate salaries, wages and benefits and one-time corporate expenditures.? ?Translink is currently completing its year end, but was able to significantly exceed both targets. The most current estimates were provided to Provincial staff.??

Please let me know if you have any questions, comments or concerns about this matter and I would be happy to discuss them further at?your earliest convenience.? Regards, Tony.??



DISCUSSION:

1. s.13

2. *Update on the Search for a new CEO for TransLink*

- s.13; s.17
-
- TransLink's governance was amended in the spring of 2014 to require Mayors' Council approval for changes to executive compensation plans. The Mayors' Council subsequently approved a new executive compensation plan in the fall of 2015. The salaries in the new plan were lower than those previously paid by TransLink and applied to newly hired executives.
- Kevin Desmond assumed the role of TransLink CEO on March 21st, 2016 at an annual salary of \$365,000. The \$365,000 salary was in the mid-range of the Mayors' Council compensation plan. In 2017, Desmond's salary was increased to \$407,000, with total compensation of \$459,000, putting him at the top of the range allowed under the executive compensation plan. In 2019, Kevin Desmond's salary increased from \$405,000 to \$445,182 (9.9 per cent) and his total compensation including pension grew from \$450,301 to \$502,791 (11.7 per cent). In addition to the CEO, TransLink lists four additional senior executive positions:
 - Chief Financial Officer- \$256,420
 - President and General Manager of BCRTC -\$ 312,746
 - President and General Manager of CMBC - \$282,876
 - Chief Officer, Transit Police \$195,144
- Total remuneration and pension for all senior executive positions in 2019, including the CEO, was \$2,134,788, up from \$1,947,164 in 2018 (9.6 per cent). For comparison, the salary of the previous CEO was \$484,000. (2020 numbers available April/May 2021)

3. s.13; s.15



s.13; s.15; s.17

4. *Investment Plan Update*

- The Province is working to extend TransLink's next legislated Investment Plan due date beyond June 2021 to allow more time to work on COVID-19 recovery planning and new revenue sources. The approach to this extension will be shared with TransLink as soon as possible.
- On March 8, 2021, the Mayors' Council asked the Federal government to commit a portion of its recently announced transit funding to offset TransLink's COVID-19 operating losses beyond 2021.
- TransLink's next Investment Plan must include Surrey-Langley SkyTrain.
- TransLink and the Province's MOU working group are developing several funding mechanisms as potential ways to offset COVID-19 losses beyond 2021 and to fund future Investment Plans.
- s.13; s.17



• s.12; s.13; s.17

•

7. *Patullo Bridge Replacement Report*

- TransLink currently maintains and operates the Patullo bridge. Bridge condition assessments have been conducted over the years, with the most recent being in 2020 by the province. While the bridge is old, it is estimated to remain safe for the next 4 years and there is heightened monitoring underway to evaluate any shifts in risks or safety.
- The province is in the process of replacing the bridge, which was slated to open in October 2023. Due to COVID delays, as well extended First Nation engagement and limitations posed by environmental considerations (e.g. fish windows), the project is estimated to be delivered 6-9 months late.
- This delay will have an impact on the effort required – and subsequent costs – of maintaining the bridge. The TransLink board has received this information and made a series of recommendations on how to proceed, favoring asking the province to simply take over responsibility for operating the bridge.
- The MOTI infrastructure team and the TransLink infrastructure team are working closely to evaluate options for how to address this and will bring back options for consideration by Ministers and the TL board.

8. *TransLink Real Estate Development Business Plan*

- TransLink staff shared a real estate development business plan with provincial staff late on March 17th. The teams have not reviewed or had the opportunity to discuss, but will bring forward more information after review with TransLink.
- In the meantime, it will be helpful to hear the board appointees' perspective on the report, including potential outcomes or areas of interest to the Province.



9. Ridership Recovery Update

- Ministry staff are provided with weekly and monthly ridership updates. Recovery is slow and hovers at approximately 40% of pre-COVID ridership, system-wide. Monthly updates along with BC Ferries and BC Transit are provided. February ridership provided below:

	Current Month, Previous Year	Previous Month	Current Month		
System	February 2020	January 2021	February 2021	Percent relative to pre-COVID ridership levels (same month in 2020)	Percent relative to previous month
Bus Boardings	21,777,000	9,420,000	8,941,000	41%	-5.08%
Expo-Millennium Line Boardings	8,949,000	3,514,000	3,336,000	37%	-5.07%
Canada Line Boardings	3,693,000	1,215,000	1,153,000	31%	-5.10%
SeaBus Boardings	463,000	149,000	146,000	32%	-2.01%
WCE Boardings	188,000	31,000	29,000	15%	-6.45%
HandyDART Boardings	129,000	50,000	47,000	36%	-6.00%
Total TransLink Boardings	35,199,000	14,379,000	13,653,000	39%	-5.05%
Total TransLink Journeys	21,185,000	8,658,000	8,220,000	39%	-5.06%

** Ridership is preliminary and estimated based on modelling of a mix of external and internal data sources (Apple and Google mobility reports, Canada Line, SeaBus, and HandyDART passenger counts).*

Attachments:

- Governance WorkPlan
- Governance Discussion Guide
-

PREPARED BY:	REVIEWED BY:	DATE:
Vanessa Day, Senior Policy Analyst TransLink Unit, Transit Branch	Deborah Bowman, Assistant Deputy Minister Transportation Policy and Programs	21-Mar-17
Stephen Harrison, Senior Policy Analyst TransLink Unit, Transit Branch	Nancy Bain, Executive Financial Officer Finance and Management Services Department	N/A
	Kaye Krishna, Deputy Minister	21-Mar-17



INFORMATION BRIEFING NOTE

DATE: June 29, 2022

PREPARED FOR: Honourable George Heyman, Minister of Environment and Climate Change Strategy and Minister Responsible for TransLink

ISSUE: TransLink Executive and Staff Remuneration

PURPOSE: To provide information on TransLink's 2021 *Financial Information Act* Filing and Remuneration Report

SUMMARY:

- In accordance with the *Financial Information Act*, TransLink will publicly release its 2021 Statement of Financial Information which includes information on its schedule of debts and employee annual salaries of \$75,000 or more.
- Based on the filing, TransLink's senior executives' compensation totaled \$2.2 million in 2021, up 18% from \$1.8 million in 2020, while combined staff (TransLink and subsidiaries) remuneration and expenses totaled \$639 million, an increase of 2% from \$626 million in 2020.
- Of the approximately 8,000 combined TransLink employees, 52% earned over \$75,000 in 2021. By contrast, 53% earned over \$75,000 in 2020.
- Combined remuneration and expenses for TransLink and its subsidiaries' Boards saw a 13% increase from \$779,600 in 2020 to \$880,388 in 2021. Similarly, total remuneration and expenses for the Mayors' Council increased by 25% from \$277,800 in 2020 to \$348,378 in 2021.
- TransLink's new CEO, Kevin Quinn, joined 2021 on a starting annual salary of \$450,000.

BACKGROUND:

Under the *Financial Information Act* (FIA), TransLink is required to prepare a Statement of Financial Information (SOFI) by June 30 of each year. The SOFI is not required to contain staff remuneration information for TransLink's subsidiaries¹. However, to support transparency and in alignment with other public sector organizations, TransLink releases a comprehensive FIA report that provides financial information on its subsidiaries.

TransLink's 2021 SOFI includes its schedule of debts, the salaries and expenses paid to employees earning \$75,000 or more, and a list of payments to suppliers over \$25,000. Similar information is provided for all TransLink's subsidiaries.

As required by the Minister of Finance's FIA Directive, the Ministry of Transportation and Infrastructure (MOTI) must review TransLink's FIA documents prior to their release. This technical assessment is intended to ensure the report meets the requirements of the legislation. Once complete, the Ministry's Chief Financial Officer signs a compliance memo that is forwarded to the Office of the Comptroller General. A copy of the report is also sent to the Legislative Library for filing.

TransLink is expected to make its 2021 FIA report publicly available on June 30, 2022.

¹ TransLink operating subsidiaries include British Columbia Rapid Transit Company, West Coast Express, Coast Mountain Bus Company, and Transit Police.



PAST INTERACTIONS:

- N/A

DISCUSSION:

This release of the FIA report is often the focus of media and public attention. In the past, the media have focused to varying degrees on senior executives' compensations, the number of TransLink and subsidiary employees earning over \$75,000 or \$100,000 annually, and Transit Police salaries. In 2021, the Canadian Taxpayers Association criticized TransLink for rescinding a decision to cut its senior executive salaries by up to 10% in 2020, after receiving funding through the federal and provincial Safe Restart Agreement.

Given that this is the first time new CEO Kevin Quinn's salary will be formally posted, ministry staff anticipate some degree of media attention.

Executive Remuneration

TransLink's new CEO, Kevin Quinn, joined the organization in July 2021—mid-way into the year, on a starting annual salary of \$450,000. For the approximately 6 month period from mid-July to December 2021, his total compensation was \$218,972 (including salary of \$198,357 and pension). TransLink's new CEO earned an average monthly salary (excluding all other compensation, such as pension) of \$36,064, which is comparable to his predecessor's average monthly salary of \$38,663 in 2020.

For 2021, former TransLink CEO, Kevin Desmond, who left the role in February that year, received total compensation of \$175,851, including a salary of \$58,312 and \$107,757 in other compensation such as accrued time payouts and retroactive pay for prior periods.

In addition to the CEO, TransLink had five other senior executive positions in 2021. Four of the senior executives saw their total remuneration, including pension, increase between 3.6% and 7.4% compared to their 2020 remuneration. Total remuneration and pension for all senior executive positions in 2021, including the CEO, was \$2.2 million, up 18.3% from \$1.8 million in 2020 (See Attachment 1). This increase is primarily due to the addition of a new senior executive position, and increasing the number of senior executives from five in 2020 to six in 2021 (including the CEO).

TransLink and Subsidiaries' Employee Remuneration

TransLink employees' remuneration and expenses in 2021 totaled \$82.8 million, approximately \$5.2 million (6.7%) higher than in 2020 (See Attachment 2).

Of the approximately 8,000 TransLink employees (including subsidiaries), 4,193 employees (52.4%) earned over \$75,000 in 2021. By contrast, 4,254 employees (53.2%) earned over \$75,000 in 2020. Other highlights from the 2021 report are provided below. However, the number of TransLink staff (excluding subsidiaries) with total remuneration over \$75,000 increased from 557 in 2020 to 604 in 2021, an increase of 8.4%.

Total employee remuneration and expenses for TransLink's subsidiaries increased by 1.3%, from \$548.8 million in 2020 to \$556.1 million in 2021.



Transit Police

The number of Transit Police officers earning over \$75, 000 remains relatively unchanged at 157 (158 in 2020), with the number of support staff earning over \$75,000 increasing from 55 in 2020 to 72 in 2021. Total remuneration and expenses for the Transit Police were \$30 million, a \$1.1 million (3.8%) increase from 2020.

Boards and Mayors' Council

Total remuneration and expenses of TransLink Board members totaled \$782,752, an increase of 11% from 2020. Combined remuneration and expenses for TransLink's subsidiary boards totaled \$97,636, a 29% increase over 2020 (See Attachment 3 for full breakdown of Board remuneration).

Total remuneration and expenses for the Mayors' Council increased by 25% from \$277,800 in 2020 to \$348,378 in 2021.

GBA+ OR DIVERSITY AND INCLUSION IMPLICATIONS:

TransLink's FIA report does not provide salary equity analysis. Four of the six TransLink senior executives appear to be men, while five of the twelve TransLink Board members appear to be women.

FINANCIAL IMPLICATIONS:

- None.

Attachments:

1. TransLink Senior Executives Remuneration
2. TransLink and Subsidiaries' Employee Remuneration
3. TransLink and Subsidiaries Board of Directors' Remuneration

PREPARED BY:	REVIEWED BY:	DATE:
Olalekan Ayodele, Senior Policy Analyst Transit Branch	Reg Bawa, ADM Policy, Programs, and Partnerships Division	22-Jun-27
	Heather Hill, ADM & EFO Finance and Risk Management Division	N/A
	Kaye Krishna, Deputy Minister	22-Jun-28

Attachment 1: TransLink Senior Executive Team Remuneration

TransLink Senior Executive Team 2021 Breakdown of Remuneration						2021 Total Remuneration as per FIA Report + Pension	Previous Two Years Total Remuneration as per FIA Report + Pension	
Name	Salary	All Other Compensation ¹	Taxable Benefits ²	Total Remuneration on per FIA Report	Pension Employer Portion	2021	2020	2019
Kevin Desmond, CEO	\$ 58,312	\$107,757	\$ 368	\$166,437	\$ 9,414	\$175,851	\$519,861	\$502,791
Kevin Quinn, CEO	\$198,357	\$ 872	\$ 205	\$199,434	\$19,538	\$218,972	N/A	N/A
Gigi Chen-Kuo, Interim CEO for the period of Feb 5, 2021 to July 18, 2021 General Counsel and Executive VP, Corporate Services for the remainder of 2021	\$345,307	\$ 5,835	\$2,081	\$353,223	\$34,586	\$387,809	N/A	N/A
Christine Dacre, CFO	\$309,146	\$ 14,334	\$1,498	\$324,978	\$30,406	\$355,384	\$343,026	\$284,114
Michael McDaniel, President & GM CMBC	\$354,394	\$ 1,604	\$1,596	\$357,594	\$34,908	\$392,502	\$368,834	\$314,338
Dave Jones, Chief Officer	\$231,250	\$ 19,481	\$ 405	\$251,136	\$22,733	\$273,869	\$254,819	\$159,824
Michel Ladrak, President & GM BCRTC	\$324,646	\$ 7,941	\$ 989	\$333,576	\$32,632	\$366,208	\$348,844	\$126,541
	\$1,821,412	\$157,824	\$7,142	\$1,986,378	\$184,217	\$2,170,595	\$1,835,384	\$1,387,608

Notes on Benefits and Other Compensation:

The BC FIA Guidelines outline that: Benefits paid on behalf of employees that are neither taxable to the employee nor paid directly to the employee are excluded from remuneration and expenses. Examples would be the employer's portion of contributions to registered pension and superannuation plans, extended health plans and dental plans. These payment types would be included in the schedule of payments to suppliers of goods and services.

1. All Other Compensation include: Accrued time payouts, retroactive pay for prior periods

1. Taxable Benefits include: group life, dependent transit pass and accidental death and dismemberment

Attachment 2: TransLink and Subsidiaries Employee Remuneration and Expenses

	2021			2020			Year over Year	
	Total Remuneration	Total Expenses	Remuneration and Expenses	Total Remuneration	Total Expenses	Remuneration and Expenses	\$ Change	% Change
TransLink	\$82,312,016	\$475,414	\$82,787,430	\$77,222,947	\$397,266	\$77,620,213	\$5,167,217	6.7%
BCRTC	\$104,082,822	\$105,218	\$104,188,040	\$99,162,782	\$94,163	\$99,256,945	\$4,931,095	5.0%
CMBC	\$419,585,346	\$1,330,074	\$420,915,420	\$418,180,338	\$1,351,900	\$419,532,238	\$1,383,182	0.3%
Transit Police	\$29,638,254	\$379,670	\$30,017,924	\$28,655,525	\$253,158	\$28,908,683	\$1,109,241	3.8%
WCE	\$1,017,453	\$950	\$1,018,403	\$1,102,918	\$1,200	\$1,104,118	-\$85,715	-7.8%
TOTAL	\$636,635,891	\$2,291,326	\$638,927,217	\$624,324,510	\$2,097,687	\$626,422,197	\$12,505,020	2.0%

Attachment 3: TransLink and Subsidiaries Board of Directors' Fees and Expenses

	2021	2020	\$ change	% change
TransLink	\$782,752	\$704,120	\$78,632	11.17%
BCRTC	\$15,600	\$15,900	-\$300	-1.89%
CMBC	\$19,700	\$20,875	-\$1,175	-5.63%
Transit Police	\$54,836	\$30,642	\$24,194	78.96%
WCE	\$7,500	\$8,100	-\$600	-7.41%
TOTAL	\$880,388	\$779,637	\$100,751	12.92%



INFORMATION BRIEFING NOTE

DATE: June 28, 2021

PREPARED FOR: Honourable George Heyman, Minister of Environment and Climate Change Strategy

ISSUE: TransLink Executive and Staff Remuneration

PURPOSE: Release of TransLink's 2020 *Financial Information Act* Filing and Remuneration Report in June 2021

SUMMARY:

- **People in British Columbia depend on safe and affordable public transportation – an important part of building back a strong recovery.**
- TransLink is an independent transportation authority with reporting responsibilities to its board and **mayor's council. The CEO's salary is set by the board. Executive salary ranges are approved by the board and Mayor's Council.**
- The federal and provincial Safe Restart funding is focused on building back ridership by addressing service level impacts of the pandemic. There is a formal agreement with clear lines of accountability which preclude contributing to executive salaries. TransLink is required to verify expenditures over the term of the agreement to demonstrate funding directly supports transit services and frontline operations.
- It is important to note that TransLink did not reduce its workforce when ridership fell during the **pandemic– as a result**, we expect a quick ridership recovery period.
- **TransLink's 2020 senior executive compensation totaled \$1.8 million. Despite individual pay increases, this was \$300,000 less than 2019 due to the elimination of one position.**
- TransLink says an additional pay period in 2020 accounts for \$19.5 million, or 40%, of the apparent increase in total staff remuneration. Adjusting for this change, TransLink reports a 5.2% increase in staff remuneration between 2019 and 2020, consistent with the previous year.

BACKGROUND:

Under the *Financial Information Act* (FIA) TransLink is required to annually prepare a Statement of Financial Information (SOFI) by June 30 each year. The SOFI contains the salaries and expenses for TransLink employees earning \$75,000 or more and a list of payments to all suppliers over \$25,000. TransLink posted its FIA report on June 25, 2021.

The SOFI is not required to contain staff remuneration information for TransLink's subsidiaries. However, to support transparency and alignment with other public sector organizations, TransLink releases a comprehensive FIA report that provides financial information on its subsidiaries and additional analysis.

As required by the Minister of Finance's FIA Directive, the Ministry of Transportation and Infrastructure (MOTI) must review TransLink's FIA documents prior to their release. This technical assessment is intended to ensure the report meets the requirements of the legislation; it does not assess the information provided in the report. Once complete, the Ministry's Chief Financial Officer signs a compliance memo that is forwarded to the Office of the Comptroller General. A copy of the report is also sent to the Legislative Library for filing.

DISCUSSION:



This report is often the focus of media attention. In the past, media have focused to varying degrees on executive compensation, the number of TransLink and subsidiary employees earning over \$75,000 or \$100,000 annually and Transit Police salaries. Highlights from the 2020 report are provided below.

Executive Remuneration

In 2020, CEO Kevin Desmond's salary increased from \$445,200 to \$464,000 (4.2%) and his total compensation including pension grew from \$502,800 to \$519,900 (3.4%). TransLink says the Board felt a raise was appropriate given TransLink's 2019 successes in ridership and other areas. TransLink's new CEO, Kevin Quinn, will have a starting salary of \$450,000. Desmond was hired at a salary of \$365,000.

In addition to the CEO, TransLink has four senior executive positions. Remuneration for these executives increased in 2020 as well, which TransLink attributes to increased responsibilities, back pay owed from previous years and internal equity adjustments. Dollar value increases cannot be discerned from the FIA report due to mid-2019 changes in staffing.

Total remuneration and pension for all senior executive positions in 2020, including the CEO, was \$1,835,400, down from \$2,134,800 in 2019 (-14.0%). This is largely attributable to the elimination of one senior executive role, accounting for \$300,000 in annual savings (refer to Attachment 1).

TransLink says it did not pay out merit pay to executives last year, amounting to foregone increases of an average of 2.7%, or \$108,000.

TransLink and Operating Subsidiaries Remuneration and Expenses

TransLink says there was an extra pay period in 2020, which accounts for \$19.5 million, or 40% of the \$49.1 million increase in overall employee remuneration. Without the extra pay period, TransLink says remuneration in 2020 increased by only 5.2%, similar to previous years.

With the above noted caveat, remuneration and expenses for TransLink employees in 2020 totaled \$77.6 million. This is an apparent increase of \$8.1 million over the 2019 report, or 12%. The number of TransLink staff (excluding subsidiaries) with total remuneration over \$75,000 increased from 467 in 2019 to 557 in 2020, or 19.2%, which may also be attributable in part to the extra pay period.

Total remuneration and expenses for TransLink's subsidiaries (BC Rapid Transit Company, Coast Mountain Bus Company, West Coast Express and Transit Police) increased 7.9% over 2019, from \$508.7 million to \$548.8 million. TransLink says the increase is largely due to the extra pay period, attributing the remaining increase to new collective bargaining agreements and labour costs (refer to Attachment 2).

The number of employees stayed approximately the same, at more than 7,900 for TransLink and its subsidiaries. TransLink reports it had a hiring freeze due to COVID-19.

Transit Police

The number of constables, sergeants and staff sergeants earning over \$75,000 was unchanged at 137. An additional 55 Transit Police support staff, officers and executive earn over \$75,000. Total remuneration and expenses for the Transit Police was \$28.9 million, a \$1.3 million increase, or 4.7%, from 2019 to 2020.

Boards and Mayors' Council



Fees and expenses for all Boards totaled approximately \$779,600, a 7.1% increase over 2019. Fees and expenses for the TransLink Board were \$704,100, up by 9.1% from 2019, which TransLink attributes to more meetings due to COVID-19. Combined fees and expenses for TransLink's subsidiary boards totaled \$75,500, a \$7,600 or 9.1% decrease over 2019 (refer to Attachment 3).

Total fees and expenses for the Mayors' Council in 2019 were \$277,800, a decrease of \$2,200, or 0.7%.

Severance Agreements

There were eight severance agreements under which payments commenced between TransLink and its subsidiaries and non-unionized employees in the 2020 fiscal year, up from six in 2019 (refer to Attachment 4).

Provincial Expectations

In early 2020, TransLink announced planned layoffs and a 10% reduction in executive salaries and Board remuneration. After the Province provided assurances of COVID-19 relief, TransLink suspended the layoff notices. TransLink achieved \$210 million in savings in 2020; however, the 10% reduction in executive salaries never took place.

The Province is working with TransLink to report out on the status of its operations and finances as they relate to COVID-19 impacts and recovery, mitigation strategies and outcomes and other commitments made to the Province. ^{s.13; s.17}

GBA+ OR DIVERSITY AND INCLUSION IMPLICATIONS:

TransLink's FIA report does not provide salary equity analysis. Four of five of TransLink's senior executive appear to be men, including TransLink's new CEO. TransLink is considering new diversity measures for its Board of Directors recruitment process.

FINANCIAL IMPLICATIONS:

- None.



ATTACHMENT 1: TransLink Senior Executive Team Remuneration

TransLink Senior Executive Team 2020 Breakdown of Remuneration						2020 Total Remuneration as per FIA Report + Pension	Previous Two Years Total Remuneration as per FIA Report + Pension	
Name	Salary	All Other Compensation ¹	Taxable Benefits ²	Total Remuneration per FIA Report	Pension	2020	2019	2018
Kevin Desmond, CEO	\$ 463,964	\$ 8,487	\$ 1,710	\$ 474,161	\$ 45,700	\$ 519,861	\$ 502,791	\$ 450,341
Chris Dacre, CFO	\$ 308,413	\$ 2,704	\$ 1,530	\$ 312,647	\$ 30,379	\$ 343,026	\$ 284,114	N/A
Michael McDaniel, President & GM CMBC	\$ 314,853	\$ 19,088	\$ 2,000	\$ 335,941	\$ 32,893	\$ 368,834	\$ 314,338	\$ 134,547
Dave Jones, Chief Officer	\$ 221,557	\$ 10,393	\$ 356	\$ 232,306	\$ 22,513	\$ 254,819	\$ 159,824	N/A
Michel Landrak President & GM BCRTC	\$ 316,268	\$ 78	\$ 1,346	\$ 317,692	\$ 31,152	\$ 348,844	\$ 126,541	N/A
Rob Malli CFO & EVP, Finance & Corp. Services	N/A	N/A	N/A	N/A	N/A	N/A	\$ 161,901	\$337,649
Haydn Acheson President & GM BCRTC	N/A	N/A	N/A	N/A	N/A	N/A	\$ 365,786	\$ 358,720
Barry Kross, Chief Officer	N/A	N/A	N/A	N/A	N/A	N/A	\$ 219,494	\$ 235,774
	\$1,625,055	\$40,750	\$6,942	\$1,672,747	\$162,637	\$1,835,384	\$2,134,788	\$1,947,164 (total exec)

Notes on Benefits and Other Compensation:

The BC FIA Guidance Package Page 7 states that: Benefits paid on behalf of employees that are neither taxable to the employee nor paid directly to the employee are excluded from remuneration and expenses. Examples would be the employer's portion of contributions to registered pension and superannuation plans, extended health plans and dental plans. These payment types would be included in the schedule of payments to suppliers of goods and services.

1. All Other Compensation may include: Accrued time payouts
2. Taxable Benefits include: MSP; group life; dependent transit pass

ATTACHMENT 3: TransLink and Subsidiaries Directors' Fees and Expenses

TransLink and Subsidiary Boards – Directors’ Fees and Expenses for 2020				
	2020	2019	\$ change	% change
TransLink	\$704,120	\$645,198	\$58,922	9.1%
BCRTC	\$15,900	\$16,500	-\$600	-3.6%
QMBC	\$20,875	\$13,469	\$7,406	55.0%
Transit Police	\$30,642	\$45,603	-\$14,961	-32.8%
WCE	\$8,100	\$7,500	\$600	8.0%
TOTAL	\$779,637	\$728,270	\$51,367	7.1%

ATTACHMENT 4: TransLink and Subsidiaries Severance Agreements

The number of severance agreements under which payments commenced between TransLink and its subsidiaries and non-unionized employees in the 2020 fiscal year compared to 2019 are provided below.

Entity	2020		2019	
	No. of Agreements	Range of Equivalent Months Compensation	No. of Agreements	Range of Equivalent Months Compensation
TransLink	5	2 – 12	2	7 - 19
BCRTC	2	0.25 – 3	3	0.5 – 3
QMBC	1	7	1	16
Transit Police	N/ A	N/ A	N/ A	N/ A
WCE	N/ A	N/ A	N/ A	N/ A
TOTAL	8		6	



BRIEFING NOTE FOR INFORMATION

Date: April 29, 2020
Prepared For: Honourable Selina Robinson, Minister of Municipal Affairs and Housing
Title: TransLink Pandemic Funding
Issue: TransLink is requesting senior government assistance due to revenue losses from the COVID-19 crisis.

ISSUE SUMMARY:

Significant drops in ridership due to COVID-19 and suspending fare box collection on all buses to allow for rear-door loading, has resulted in significant revenue gaps TransLink. In addition, TransLink's major funding source, regional fuel tax, has also dropped significantly due to fewer vehicles on the road.

TransLink's revenue impacts are estimated to be an 85% reduction in fare revenues and 60% reduction in fuel and parking sales taxes as of late March. TransLink has said it is losing \$2.5M a day in revenue and estimates it lost \$24M in March increasing to \$75M a month between April to June 2020.

s.13; s.17

At this time, TransLink is working toward a scenario in which it will restore service capacity to 90% by early September 2020 with lagging ridership growth into 2021.

s.13; s.16; s.17

¹ Impact is the difference between the last Investment Plan (and assumptions) that was approved in 2018, with what current 10-year forecasts are based on under the various scenarios.

ENGAGEMENT SUMMARY:

Recognizing the magnitude of the situation, and as part of provincial staff engagement, TransLink has shared a significant volume of information necessary to assess its challenges, circumstances and mitigation options by providing details on its revenue forecasts, cash and borrowing, operational expenditure reduction scenarios and capital projects.

Provincial staff have been working with TransLink to analyze its finances and develop proposed short-term and long-term options for consideration.

Provincial and TransLink staff agree that TransLink does not have an immediate liquidity problem nor is it at risk of immediate or near-term insolvency. Provincial and TransLink staff observe that additional liquidity is possible by accessing TransLink's restricted reserves and other financial assets, and there may also be opportunities to manage the effects of the pandemic over TransLink's budget and investment plan over 10 years and work with the agency on other longer-term regional funding tools.

There is also a critical support role for the federal government in helping TransLink address its financial challenges while continuing to provide essential transportation services in one of Canada's largest metro areas.

Key to understanding TransLink's financial situation will be an assessment of the degree to which TransLink is confronted by liquidity or ongoing operational pressures, not just for 2020 but also for 2021 and beyond depending on recovery assumptions.

TRANSLINK MEASURES SUMMARY:

TransLink has proposed several levers to reduce their shortfall with a notable request for senior government contributions, which could reduce or eliminate the Authority's planned service reductions.

On April 20, 2020, TransLink announced approximately 1,500 temporary staff layoffs affecting regular employees from TransLink, Coast Mountain Bus Company and the B.C. Rapid Transit Company (See *Attachment 2 for a summary of actions to date*).

s.13; s.17

In addition to the layoffs, on April 24, 18 bus routes were suspended with another 47 routes expected to be cut in May (*See Attachment 3 for list of suspended routes*). TransLink is prioritizing service to routes serving hospitals and other health facilities and routes selected for suspension either duplicate other routes or are in low ridership areas.

SkyTrain service has been reduced:

- Expo Line capacity will be reduced by 20% during peak hours. During middays, early evenings, and weekends, capacity will be reduced by 20% to 40%, depending on the time of day.
- These capacity reductions are in addition to a 17% reduction during peak hours and a 20% reduction on Friday and Saturday evenings, which were implemented last month.
- Millennium Line capacity will be reduced by 15% during peak hours. During middays, early evenings, and weekends, capacity will be reduced by 20% to 40%, depending on the time of day.
- These capacity reductions are in addition to a 17% reduction during peak hours and a 20% reduction on Friday and Saturday evenings, which were implemented in March.
- Canada Line capacity has been reduced by 18% during peak hours.

Further cuts have also been made to the SeaBus and West Coast Express services.

Other cost cuts and actions announced by TransLink include:

- Reducing senior executive salaries and Board remuneration by 10%;
- Reducing organizational costs and program expenditures, including:
 - Deferral of the 2020 Major Road Network operations, maintenance and rehabilitation program funding to municipalities – local governments agreed with this measure;
 - Deferral of 2020 service expansions; and
- Spending certain operating cash reserves to sustain current essential service operations through to the end of 2020.

TransLink says these and other cost saving measures and cuts will save a total of approximately \$25M a month or \$200M in 2020.

s.13; s.16; s.17

s.13; s.16; s.17

FEDERAL ENGAGEMENT:

TransLink and other transit providers have requested federal funding to support transit's continued operation as an essential service:

- The Canadian Urban Transit Association is asking for \$400 million per month to keep services across the country running, plus a \$1.2-billion fund to help systems maintain liquidity. According to TransLink, this would mean \$45M a month for the agency.
- In addition, the Federation of Canadian Municipalities proposed a \$2.4B federal funding program to cover transit operating losses for six months which could mean \$290M for TransLink (based on ridership).

s.13; s.16; s.17

NEXT STEPS:

The ministries of Transportation and Infrastructure, Municipal Affairs and Housing and Finance continue to work closely with all three transportation agencies (TransLink, BC Transit and BC Ferries) to expedite an understanding of the agencies' respective circumstances and capacities to mitigate the financial challenges resulting from COVID-19.

The current focus is on the collection of information and pending identification of short, medium and long-term options that can be taken by all parties – TransLink/ local governments, the Province and the federal government – to strengthen and support the region now and well into recovery.

Concurrently, the Province is engaging with the federal government at both a staff and elected official level to determine the degree of support that can be expected from Canada.

s.13; s.17



Attachments:

1. s.13; s.17
2. TransLink Actions Summary
3. Suspended Bus Routes

PREPARED BY:

Kate Mukasa, Director,
Integrated Transportation Projects
Community Policy and Legislation Branch
778-698-3280

APPROVED BY:

David Curtis, ADM
Community and Management Services Division

Kaye Krishna, Deputy Minister

DATE APPROVED:

April 28, 2020

April 29, 2020

Page 33 of 46 to/à Page 34 of 46

Withheld pursuant to/removed as

s.13 ; s.17

ATTACHMENT 2: TransLink Actions Summary

s.13; s.17

TransLink Ridership

- As of April 20, 2020, TransLink reported **ridership was down by 83%** across the network.
 - TransLink reports **75,000 riders each weekday**, with 150,000 unique weekly passengers.
 - According to TransLink, **nine-in-ten riders were essential trips** (providing or accessing essential services). Of employed riders, 69% of rides identified as essential workers.
- For Wednesday April 22, TransLink ridership was down:
 - **Bus: 83%; Expo/Millennium Line: 81%; Canada Line: 88%; SeaBus: 92%; WCE: 95%**

s.13; s.17

Transit Service Reductions

- **March 23, 2020:** TransLink announces frequency reductions on SkyTrain, and bus routes with excess capacity. SeaBus sailings reduced to every 15 minutes.
- **March 30, 2020:** TransLink restricts seating on buses to promote physical distancing.
 - **Number of people TransLink can move on buses reduced to around 30% of normal.**
- **April 6, 2020:** Bus service reductions, focusing on low-ridership routes. Prioritizing maintaining service on routes with pass-ups. SeaBus sailings every 30 minutes and WCE train 4 is cancelled.
- **April 22, 2020:**
 - SeaBus service now ends at 7:30pm from Lonsdale Quay and 7:45 pm from Waterfront.
 - Millennium Line capacity reduced by 15% during peak hours. Midday, early evening, and weekend capacity reduced by 20% to 40%, depending on the time of day.
 - Canada Line capacity reduced by 18% during peak hours.
 - Expo Line capacity reduced by 20% during peak hours. Midday, early evening, and weekend capacity reduced by 20% to 40%, depending on the time of day.
 - WCE: Trains two and four remain suspended. Remaining trains running with fewer cars.
- **April 24, 2020:** Suspension of service on 11 bus routes, 1 RapidBus route and 6 Night Bus routes.
 - Most routes selected because they were duplicates of other routes or had low ridership.
 - The cuts are for routes that accounted for 5,682,000 boardings (1.92%) in 2018, as well as routes 222 and R3.
- **May 2020:** Planned suspension of service on 47 bus routes, and frequency reduced on many remaining routes.
 - The cuts are for routes that accounted for 5,921,000 boardings (2%) in 2018.
 - Prioritizing service to routes serving hospitals and other health facilities .
 - Number of people TransLink can move is reduced to 20% of normal ridership levels.

s.13; s.17

Key Dates

- **March 18, 2020:** Chief Provincial Health Officer Dr. Bonnie Henry says there needs to be increased physical distancing on public transit.
- **March 20, 2020:** TransLink moves to rear-door fare free boarding on buses; restricts access to seats near operators and accelerates barrier installation; and implements cleaning measures.
- **March 23, 2020:** TransLink announces service reductions on SeaBus, buses, and SkyTrain.
- **March 25, 2020:** TransLink moves to fare free boarding on HandyDART.
- **March 26, 2020:** The Province designates as an essential service public transportation services operating under physical distancing rules and Provincial Health Officer recommendations.
- **April 4, 2020:** TransLink announces April 6 service reductions and deferral of July 1 fare increase.
- **April 16, 2020:** Province announces municipalities must make full annual property tax payments to TransLink in August 2020. Local governments are authorized to have interest free loans to pay for operations (these loans also extend to TransLink) and carry debt for an additional year.
- **March 30, 2020:** TransLink restricts seating on buses to promote physical distancing.
- **March 30, 2020:** TransLink provides a briefing note to Province seeking provincial legislative amendments and senior government relief for its estimated \$75M a month in operating losses.
- **March 30, 2020:** The Canadian Urban Transit Association (CUTA) sent a request to the Canadian government for a \$1.2B emergency fund, plus \$400M per month, to replace 100% of lost operating revenues at Canadian transit agencies. This equates to \$45M per month for TransLink.
- **April 20, 2020:** TransLink announces temporary layoffs for 1,492 employees, as well as additional service reductions, deferrals and cuts to board and senior executive salaries.
- **April 23, 2020:** Federation of Canadian Municipalities calls for \$10 billion in federal allocations, including \$2.4 billion for municipalities with transit systems for 6 months of operating losses.
- **April 24, 2020:** Suspension of service on 11 bus routes, 1 RapidBus route and 6 Night Bus routes.
- **Early-to-mid-May, 2020:** Planned suspension of service on 47 bus routes.
- **May 1, 2020:** U-Pass BC program suspended at all 10 post-secondary institutions.
- **May 18, 2020:** Layoffs announced on April 20 take effect.
- **June 15, 2020:** TransLink's requested date for latest approval of SLS business case.

Transit Network with reductions announced for April/May

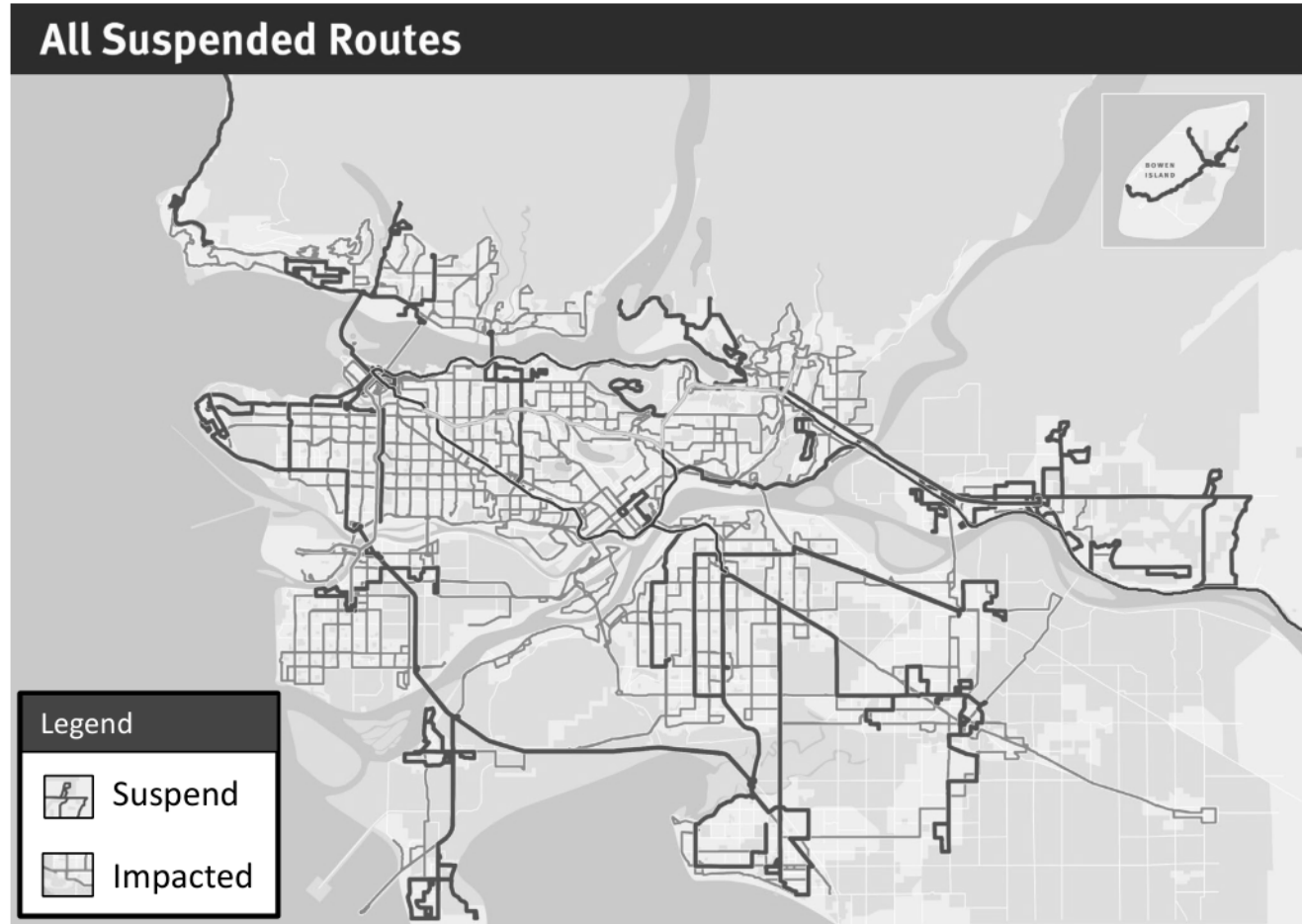
18 bus routes suspended beginning Friday (April 24):

- 15, 32, 50, 68, 105, 131, 132, 143, 222, 480, 414, R3.
- NightBus routes: N8, N15, N17, N22, N24, N35.

Expected route suspensions in early-to-mid May (precise timing TBD):

- 251, 252, 262, 280, 281, 282, 370, 563, 564, 044, 170, 181, 182, 231, 241, 247, 258, 345, 352, 354, 391, 393, 394, 395, 416, 509, 602, 603, 604, 606, 608, 614, 616, 617, 618, 619, 719, 722, 733, 741, 744, 748, 749, 791, 042, 150, 179.

20% of systemwide capacity remaining



Page 39 of 46

Withheld pursuant to/removed as

s.13 ; s.16

From: Writing Services, Transportation TRAN:EX (Transportation.WritingServices@gov.bc.ca)
To: Correspondence Unit ENV:EX (Correspondence.Unit@gov.bc.ca)
Cc: Nicoll, Sara ENV:EX (Sara.Nicoll@gov.bc.ca)
Subject: 301945 Gugliotta
Sent: 04/07/2021 20:14:41
Attachments: 301945.docx, 301945 - Translink Executive Compensation.msg
Message Body:

Hello,

Please find attached MOTI's approved draft for Minister Heyman's signature and sending. Please let us know if Writing Services can assist further with respect to this file.

Corporate Writing Services
Ministry of Transportation and Infrastructure



Note: FIN will review draft after MOTI executive. Draft template was provided by ENV.

Reference: ENV / MOTI 301945

Tony Gugliotta, Chair
TransLink Board of Directors
400 – 287 Nelson’s Court
New Westminster BC V3L 0E7

Sent via email: TransLinkCorporateSecretary@translink.ca

Dear Chair Gugliotta:

Thank you for your email of March 15, 2021, regarding the recent press reports about TransLink executive compensation.

As you know, the federal and provincial governments have provided significant funding to TransLink to make sure essential transit services are there when people need them. Maintaining adequate service levels in Metro Vancouver is key to ensuring that British Columbians can safely return to work and help restart the economy. It was understood as part of the Safe Restart Agreement that TransLink would take all measures necessary within its ability to ensure cost-savings during the COVID-19 pandemic, including for executive compensation going forward and broadly restricted hiring measures..

As part of its service continuity plan, TransLink identified a number of cost-saving measures, which were considered under the Safe Restart Agreement. The agreement requires TransLink to verify expenditures over the term of the agreement, and proposed savings will be reviewed to ensure TransLink continues to fulfill its commitments.

.../2



Note: FIN will review draft after MOTI executive. Draft template was provided by ENV.

In accordance with the Safe Restart Contribution Agreement between the provincial government and TransLink, the provincial government expects that TransLink will provide monthly and quarterly actual cumulative activity reports on TransLink's main revenue streams, operating costs related to COVID-19 and progress on achieving savings assumed in the forecasts used to support TransLink's request for federal and provincial Safe Restart funding.

I understand that higher than projected savings for 2020 and 2021 have already been identified by TransLink. I am sure there will be opportunities for additional savings measures as our government continues to work with TransLink to help it manage the COVID-19 response, meet its 10-Year Investment Plan and support B.C.'s economic recovery.

Sincerely,

George Heyman
Minister

From: Heyman, George ENV:EX s.17

To: Sather, Kelly ENV:EX (Kelly.Sather@gov.bc.ca); Krishna, Kaye TRAN:EX (Kaye.Krishna@gov.bc.ca)

Subject: 301945 - Translink Executive Compensation

Sent: 03/15/2021 17:29:02

Message Body:

Sent from my iPhone

Begin forwarded message:

From: Tony's Gugliotta <s.22

Date: March 15, 2021 at 8:51:24 AM PDT

To: "Heyman, George ENV:EX" s.17

Subject: Translink Executive Compensation

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Dear Minister Heyman.? I am reaching out to you in regards to recent press reports about Translink executives.? These reports reference the decision by Translink's top five senior executives to take a 10% pay cut when we announced upcoming layoffs early in 2020 in response to the impacts of the pandemic on our ridership and revenues.? Our senior executives volunteered to take a 10%? pay cut as a symbolic gesture to show support to the approximately?1500 employees who would be temporarily?losing their jobs.? The pay reduction was to take effect when the employees were laid off and were to be reinstated when the employees returned to work.? As you know the layoffs were not implemented as the Province and Translink agreed to maintain Transit services so that essential workers who relied on Transit could get to work.? Consequently the pay reductions were not implemented.?

Having said that,? Translink did implement a number of cost savings measures in 2020 including not providing Merit Pay to the full executive team.? In the Safe Restart Agreement, we committed to targeted savings of \$73.7 million in 2020, including \$6.8 million in corporate savings for non transit service related, corporate salaries, wages and benefits and one-time corporate expenditures.? Translink is currently completing its year end, but was able to significantly exceed both targets. The most current estimates were provided to Provincial staff.??

Please let me know if you have any questions, comments or concerns about this matter and I would be happy to discuss them further at your earliest convenience.? Regards, Tony.??

From: Minister, ENV ENV:EX (ENV.Minister@gov.bc.ca)
To: TransLinkCorporateSecretary@translink.ca
Subject: 301945 - Translink Executive Compensation
Sent: 04/13/2021 18:46:27
Attachments: 374698 - Gugliotta - FINAL SIGNED.pdf
Message Body:

Reference: ENV 374698 / MOTI 301945

April 13, 2021

Tony Gugliotta, Chair
TransLink Board of Directors
400 – 287 Nelson's Court
New Westminster BC V3L 0E7

Sent via email: TransLinkCorporateSecretary@translink.ca

Dear Chair Gugliotta:

Please find attached a letter from the Honourable George Heyman, Minister of Environment and Climate Change Strategy. Please note a hard copy will not follow in the mail.

From: Tony's Gugliotta
Date: March 15, 2021 at 8:51:24 AM PDT
To: "Heyman, George ENV:EX"
Subject: Translink Executive Compensation

Dear Minister Heyman. I am reaching out to you in regards to recent press reports about Translink executives. These reports reference the decision by Translink's top five senior executives to take a 10% pay cut when we announced upcoming layoffs early in 2020 in response to the impacts of the pandemic on our ridership and revenues. Our senior executives volunteered to take a 10% pay cut as a symbolic gesture to show support to the approximately 1500 employees who would be temporarily losing their jobs. The pay reduction was to take effect when the employees were laid off and were to be reinstated when the employees returned to work. As you know the layoffs were not implemented as the Province and Translink agreed to maintain Transit services so that essential workers who relied on Transit could get to work. Consequently the pay reductions were not implemented.

Having said that, Translink did implement a number of cost savings measures in 2020 including not providing Merit Pay to the full executive team. In the Safe Restart Agreement, we committed to targeted savings of \$73.7 million in 2020, including \$6.8 million in corporate savings for non transit service related, corporate salaries, wages and benefits and one-time corporate expenditures. Translink is currently completing its year end, but was able to significantly exceed both targets. The most current estimates were provided to Provincial staff.

Please let me know if you have any questions, comments or concerns about this matter and I would be happy to discuss them further at your earliest convenience. Regards, Tony.



Reference: ENV 374698 / MOTI 301945

April 13, 2021

Tony Gugliotta, Chair
TransLink Board of Directors
400 – 287 Nelson’s Court
New Westminster BC V3L 0E7

Sent via email: TransLinkCorporateSecretary@translink.ca

Dear Chair Gugliotta:

Thank you for your email of March 15, 2021, regarding the recent press reports about TransLink executive compensation.

As you know, the federal and provincial governments have provided significant funding to TransLink to make sure essential transit services are there when people need them. Maintaining adequate service levels in Metro Vancouver is key to ensuring that British Columbians can safely return to work and help restart the economy. It was understood as part of the Safe Restart Agreement that TransLink would take all measures necessary within its ability to ensure cost-savings during the COVID-19 pandemic, including for executive compensation going forward and broadly restricted hiring measures.

As part of its service continuity plan, TransLink identified a number of cost-saving measures, which were considered under the Safe Restart Agreement. The agreement requires TransLink to verify expenditures over the term of the agreement, and proposed savings will be reviewed to ensure TransLink continues to fulfill its commitments.

In accordance with the Safe Restart Contribution Agreement between the provincial government and TransLink, the provincial government expects that TransLink will provide monthly and quarterly actual cumulative activity reports on TransLink’s main revenue streams, operating costs related to COVID-19 and progress on achieving savings assumed in the forecasts used to support TransLink’s request for federal and provincial Safe Restart funding.

...2

I understand that higher than projected savings for 2020 and 2021 have already been identified by TransLink. I am sure there will be opportunities for additional savings measures as our government continues to work with TransLink to help it manage the COVID-19 response, meet its 10-Year Investment Plan, ensure that TransLink's service levels are maintained and designed to meet British Columbians' public transit needs, and to support B.C.'s economic recovery.

Sincerely,

A handwritten signature in dark ink, appearing to read "G. Heyman". The signature is fluid and cursive, with a long horizontal stroke at the end.

George Heyman
Minister