



SETTING THE WHEELS
OF TOMORROW'S
MOBILITY
IN MOTION TODAY

2013 ACTIVITY REPORT

MONTREAL TO HOST 62ND UITP WORLD CONGRESS AND MOBILITY AND URBAN TRANSPORT EXHIBITION IN 2017

Thanks to the combined efforts of the STM and the *Agence métropolitaine de transport* (AMT), Montréal was chosen to host the *Union internationale des transports publics* (UITP) 62nd World Congress & Exhibition on mobility and urban transport to be held in 2017, the year of Montréal's 375th anniversary. As a finalist alongside Brisbane, Australia and Seoul, South Korea, Montréal was chosen as host city for the congress, which is held every two years in cities where sustainable mobility plays an important role. The news was announced on April 10, 2013 in Hamburg, Germany by UITP's Executive Council.

The congress will take place from May 13 to 17, 2017 and will attract hundreds of major international players in the field of public transit, including over 9,500 delegates and visitors from more than 80 countries, as well as 350 exhibitors. A high-profile international event, the congress is expected to generate economic spin-offs estimated at over \$13 million.



HONOURS & DISTINCTIONS



In 2013, the STM earned 17 distinctions

- The UITP North America Award – Business Model, for the performance improvement agreement between the STM and the maintenance employees' union
- The American Public Transportation Association (APTA) Gold Award for Security, in the Bus Security category
- APTA AdWheel Awards, Grand Prize in the Public Relations/Awareness Special Event category, for "The STM Introduces Its Future Métro Car: Unveiling AZUR"
- The Constellation Research SuperNova Award for the *STM Merci* app
- The CUTA Corporate Leadership Award in the Marketing & Communications category, for the "Unveiling AZUR" campaign
- The International Association of Business Communicators (IABC) Excellence in Communication Leadership (EXCEL) Award for the "Unveiling AZUR" internal communication campaign
- The IABC MERIT Award, Corporate Social Responsibility
- Two *Boomerang* Grand Prizes from Infopresse in the Site or Application – Online Services – Customer Experience categories, for the website redesign project
- The *Association québécoise des transports* (AQTR) award of excellence in communication, in the "Public" category, for the "Unveiling AZUR" campaign
- The *Association sur l'accès et la protection de l'information* (AAPI) Mérite award for the OPUS e-ticketing system
- For the fourth year in a row, the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award
- A recognition award from the *Association du transport urbain du Québec* (ATUQ), for paratransit
- The *Centraide Coup de cœur* award for the STM's social responsibility campaign
- A mention of excellence from the Board of Trade of Metropolitan Montreal (BTMM) and the *Conseil des arts de Montréal* for the *Nuit blanche* event organized jointly with Spectra
- The award for partnership and support from Québec's department of health and social services, for the Code Orange 2012 simulation
- Mention by the *Ordre des urbanistes du Québec* of the Montréal métro as one of the province's top 50 urban projects

STM employees and members of the Board also earned distinctions:

MICHEL LABRECQUE, Chairman of the Board of Directors, became an honorary member of Équiterre and received the Blanche-Lemco-Van-Ginkel award from the *Ordre des urbanistes du Québec* (OUQ)

MARIE TURCOTTE, member of the Board of Directors and paratransit users' representative, received the Blanche-Lemco-Van-Ginkel award from the OUQ as well as the CUTA award of excellence in the Individual Leadership category

Former STM CEO YVES DEVIN was awarded the ATUQ's Antoine-Grégoire award

SYLVIE TREMBLAY was honoured as one of eight stars of Quebec governance at the *Grande soirée de la gouvernance* held by *Premières en affaires* magazine

The maintenance team made up of MARTIN OUMET, NICOLAS GAUDREAU and MATHIEU PATRY came out winners of APTA's Knorr IFE Doors Event

The team of operators Mark Betournay and ÉRIC KATINOGLU won APTA's Customer Service award



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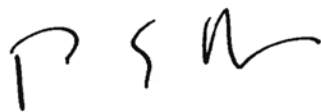
Public transit, a profitable investment

In 2013, the STM beat its 2012 ridership record, registering 416.5 million trips, a 15% increase since 2006. The service improvement efforts of the past few years have paid off, much to the delight of Montrealers. I would also like to highlight the outstanding contribution of Michel Labrecque and Dominic Perri over the past five years, Bernard Blanchet's unwavering commitment over the last 11 years, and the hard work of the other outgoing members of the Board of Directors—Richard Bergeron, Elsie Lefebvre and Monica Ricourt.

Building on these achievements, the STM is continuing its work to properly maintain its assets and improve the user experience on its network. Over the coming years, the STM's main challenge will be to sustain the pace of investments in infrastructure and equipment maintenance. A reliable network in sound operating condition is essential to providing quality service.

In terms of the user experience, the STM plans to go above and beyond the call of duty. In 2013, the STM laid the foundation for a number of major projects to be launched in earnest in 2014. For example, the bulk of the components required for deployment of the iBus system have been designed; consequently, the system will be rolled out over the course of 2014, enabling the STM to manage the bus fleet and broadcast passenger information in real-time, which will revolutionize the bus passenger experience. Once completed, the project will contribute to Montréal's positioning as a smart city. It is also worth noting that the STM's Bus Priority Measures (BPM), which feature reserved bus lanes and priority traffic signals, hit the 190 kilometre mark in 2013. The STM plans to pick up the pace and increase the number of BPM kilometres to 375 in time for the city's 375th anniversary in 2017. We are also eagerly awaiting delivery in 2014 of the first AZUR métro cars, whose design was completed in 2013.

Lastly, all stakeholders concerned by public transit funding must give serious consideration to the search for new sources. Public transit plays a concrete role in the economic vitality of both Québec and Montréal by generating wealth and boosting cities' competitiveness. The STM has over 1,800 suppliers in 14 of the province's regions and supports more than 16,500 jobs through its activities. Public transit is an investment, not an expense. It is therefore in everyone's interest to find sustainable solutions to secure funding for public transit well into the future.



PHILIPPE SCHNOBB

Chairman of the Board of Directors



Major challenges to setting the wheels of tomorrow's mobility in motion

With a duty to manage costs rigorously and in light of the significant challenges facing public transit, the STM engaged in streamlining efforts while minimizing their impact on transit users. Despite this, in 2013, the company maintained overall service, which reached 167.7 million kilometres. For the bus network, this translated into a total of 89.7 million kilometres; for the métro network, the number was 78 million kilometres. The STM's paratransit service handled 3.2 million trips, a 5.8% increase over 2012. And the results speak volumes: 416.5 million trips by bus and métro, the equivalent of 1.3 million trips a day!

The STM pursued a number of projects: the acquisition and introduction of the new AZUR métro cars; métro station renovations, including the major refurbishment of Berri-UQAM; the implementation of additional bus priority measures (BPM); the renewal of the bus fleet and facilities, including the completion of construction work at the Stinson bus garage; projects linked to electrification of the surface network; the modernization of the iBus system; a partnership agreement with Bell, Rogers, TELUS and Videotron that will equip the métro with a cutting-edge mobile communications network; and the deployment by Quebecor Media Affichage of some 40 digital bus shelters.

In 2013, a series of system-wide métro stoppages had a significant impact on rider perception. Satisfaction with the métro suffered, dropping from 84% in 2012 to 77% in 2013. Interestingly, 2013 was in fact the métro network's second-best year ever in terms of reliability, with 11.5 breakdowns per million kilometres travelled, compared with 13.2 per million kilometres in 2012, a 13% improvement. Overall reliability of the métro fleet also remained solid, while stationary equipment reliability hit an all-time high with only 0.85 breakdowns per million kilometres. And for the fifth year in a row, Imperial College London reported that the Montréal métro outclasses its peers in many respects, despite relying on some of the world's oldest cars.

Faced with its aging equipment and infrastructure, the STM needs to invest massively in the maintenance of its assets to ensure the long-term viability and growth of public transit. In keeping with its 2014–2016 capital expenditures program, the STM plans to invest close to \$2.2 billion over the next three years. A major share of this investment, 77%, will be earmarked for asset maintenance. Despite these efforts, due to the past few years' delay in maintaining assets approaching the end of their useful life, the STM will be unable to reduce its investment deficit, which was assessed at \$3 billion at December 31, 2013. The investments in asset maintenance place a heavy burden on debt servicing, which will increase from \$77.5 million in 2014 to \$109.3 million in 2016.

In closing, I wish to applaud the strong commitment of our employees, who have given their all to help us reach the objectives of the *2020 Strategic Plan*. We are convinced more than ever that, thanks to the support we have had from our employees and partners, we are setting the wheels of tomorrow's mobility in motion today.



CARL DESROSIERS
Chief Executive Officer

STM PORTRAIT

Corporate mission

The STM is a key driver of economic development in the Montréal area and contributes to sustainable development and the overall quality of life of Montrealers. The STM develops and operates an integrated bus and métro system, as well as paratransit service, to enable people to get around reliably, quickly, safely and comfortably. The STM's customers and employees, as well as its institutional and business partners, are all proud to be associated with the company, which is well known as a provider of high quality service at a fair price.

A few figures

15th LARGEST COMPANY
IN QUÉBEC

AN ASSET
REPLACEMENT
VALUE OF

\$14.5 G

9,374 PERMANENT EMPLOYEES

AN ANNUAL
BUDGET OF

\$1 297 M



Métro system

The métro comprises four lines totalling 71 km and serving 68 stations. Its fleet of rolling stock consists of 759 cars—336 MR-63s and 423 MR-73s—which travelled 78 million kilometres in 2013.



Bus network

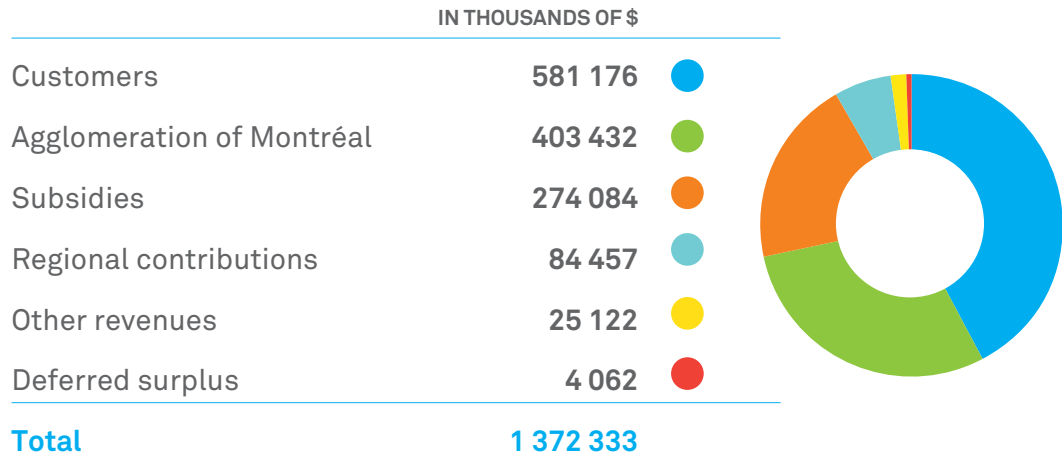
The STM operates a fleet of 1,746 buses, including 8 hybrids and 202 articulated buses, as well as 102 minibuses, of which 86 are for paratransit and 16 serving urban areas. Its network extends over the island of Montréal, an area of nearly 500 km². It operates 220 lines, 209 of which are wheelchair-accessible; 23 are night routes. Also, some 190.3 km of streets are equipped with bus priority measures helping to reduce travel times. The offer of bus service reached 89.7 million kilometres in 2013.



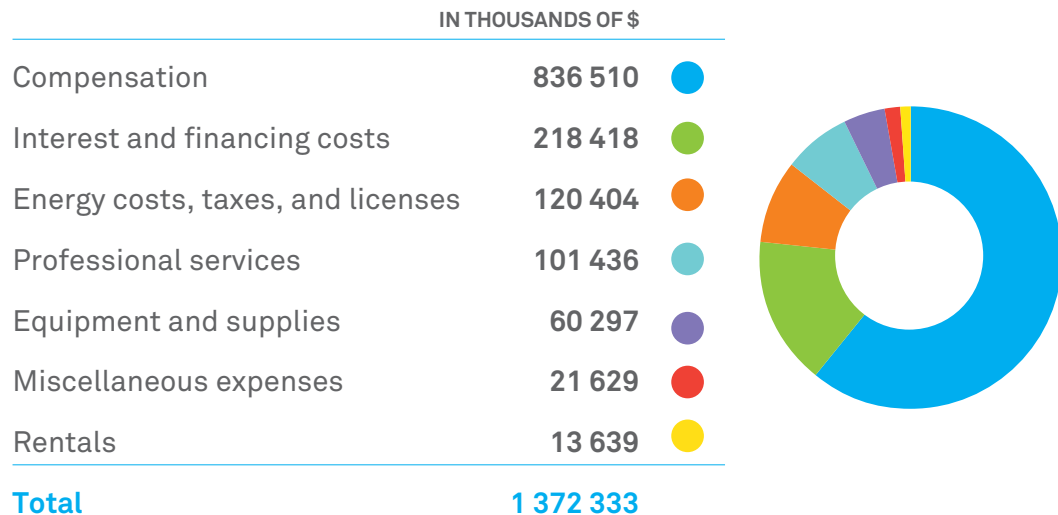
Paratransit

The STM provides door-to-door paratransit service for people with disabilities. As a result, over 25,000 customers use the STM's minibuses and 14 standard and wheelchair-accessible taxi service providers to travel in the greater Montréal area each year.

Distribution of revenue



Distribution of expenses



WORKFORCE

Workforce distribution

PERMANENT STAFF AS OF DECEMBER 31, 2013



4,347	Drivers, operators, and support services employees <i>Syndicat des chauffeurs d'autobus, opérateurs de métro et employés des services connexes au transport de la STM (CUPE local 1983)</i>
2,245	Maintenance employees <i>Syndicat du transport de Montréal (maintenance employees – CSN)</i>
958	Unionized office employees <i>Syndicat du personnel administratif, technique et professionnel du transport en commun (CUPE local 2850 – FTQ)</i>
407	Unionized professionals <i>Syndicat des professionnelles et professionnels de la STM</i>
400	Operations managers
310	Managers
207	Division clerks <i>Syndicat des travailleurs et travailleuses de la STM (CSN)</i>
196	Foremen and forewomen
188	Constables and peace officers (inspectors)
116	Non-unionized professionals and office employees

9 374

PERMANENT EMPLOYEES

- Average age: 45.23 years
- Average years of service: 10.73 years
- Eligible for retirement: 1,107 employees
- Retiring: 257 employees



RIDERSHIP

416.5
MILLION

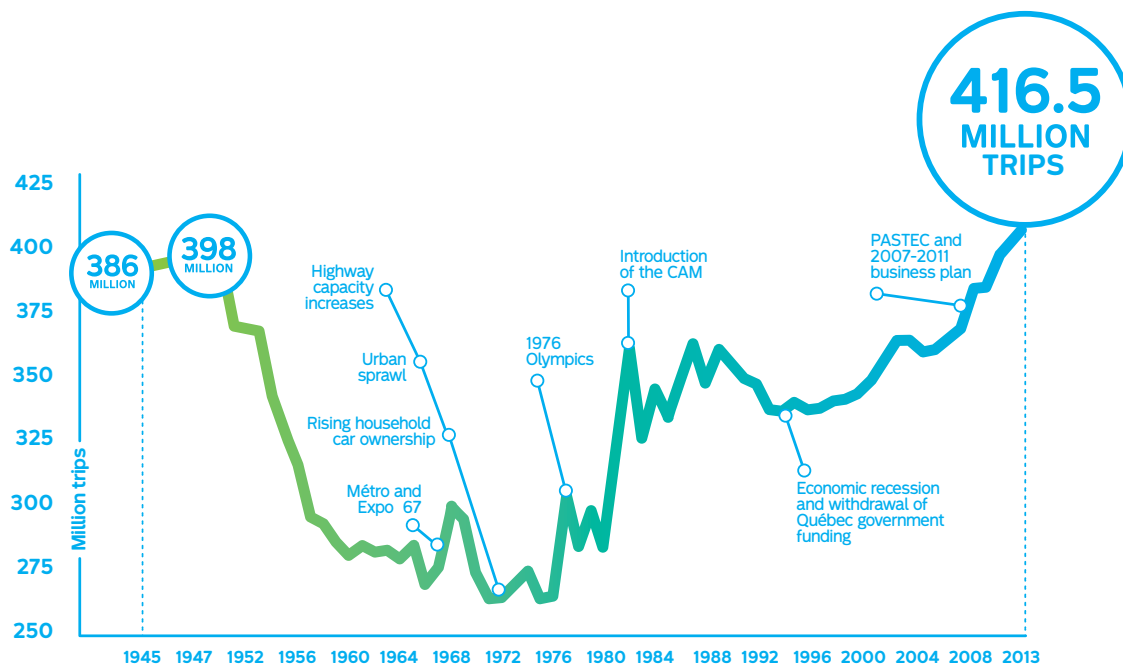
TRIPS BY BUS AND MÉTRO IN 2013, A 1% INCREASE OVER 2012

1.3
MILLION

PER AVERAGE WEEKDAY, OF WHICH 40% ARE BY MÉTRO, 31% BY BUS AND 29% USING BOTH MEANS OF TRANSPORTATION. THE MÉTRO SYSTEM PROVIDES 895,000 TRIPS PER AVERAGE WEEKDAY AND 784,000 TRIPS ARE TAKEN BY BUS PER AVERAGE WEEKDAY

3.2
MILLION

TRIPS BY PARATRANSIT, A 5.8% INCREASE OVER 2012



AN EFFICIENT COMPANY

EXCELLENT CREDIT RATINGS

A +

Standard &
Poor's

Aa2

Moody's

The Montréal métro among top transit systems world-wide

For a fifth straight year, Imperial College London declared that the STM's métro system outclasses its peers in numerous categories, despite its trains being among the oldest in the world. First, the STM ranks among the world's most productive workforces in terms of vehicle-kilometres. Second, the reliability rate of its métro cars remains sound, helping to ensure quality service for passengers. The Montréal métro is also considered to have one of the lowest carbon footprints in the world.

EMV, a highly profitable investment!

Given the need for greater security for bank and credit cards, increasingly required to comply with the EMV (Europay MasterCard Visa) international standard, the STM took an interest in the positive impacts of applying this new security standard for the OPUS e-ticketing system deployed in 2010. The STM conducted comprehensive studies for close to a year, leading it to conclude that the anticipated benefits warranted the upgrade of all of its fare vending equipment. Indeed, while the vending machine allows customers to pay for their transit fares by cash or bank card, the reloading terminals only accept bank cards.

Implementing the EMV standard has clearly demonstrated that bank card fraud is declining sharply. In fact, the STM has reduced its losses from approximately \$500,000 a year to only a few thousand dollars following implementation. This result is all the more positive considering that, during the same period, the STM saw a 25% increase in transit fare sales from vending machines and reloading terminals. As anticipated, losses are practically nonexistent, confirming that investing in this solution is a choice that pays off, both for customers and for the STM.

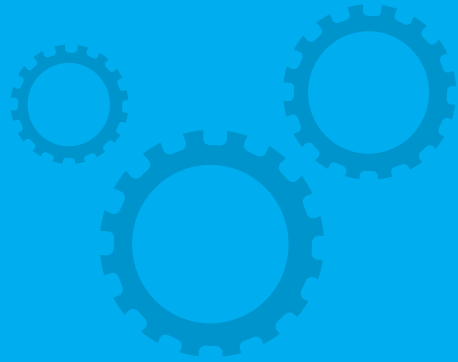
Award of excellence for STM's 2013 Budget

For a fourth consecutive year, the STM received the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA). This association of U.S. and Canadian government representatives presents this award to public bodies that produce a budget document that meets standards of excellence for a general policy document, an activity guide, a financial planning document, and a communications tool all at once.

A *Mérite* award from the *Association sur l'accès et la protection de l'information* (AAPI)

On April 17, 2013, the STM was given the *Association sur l'accès et la protection de l'information* (AAPI) *Mérite* award for its work in protecting customers' privacy and personal information during the OPUS card rollout. To be able to provide the services developed for OPUS, the STM had to collect certain personal information from customers, particularly from students and seniors. Yet, as a public body, the STM is subject to the *Act Respecting Access to Documents Held by Public Bodies and the Protection of Personal Information*. The *Mérite* award recognizes current and former AAPI members whose efforts and achievements are in line with the Association's objectives, which focus on workplace training, privacy awareness and document access management. This award should give our customers the peace of mind that we are serious about protecting their privacy.





PROJECTS MÉTRO SYSTEM



NEW AZUR MÉTRO CARS

Development of the new métro cars was finished this year. The Consortium Bombardier-Alstom (CBA) completed most of the qualification testing phase at their subcontractors' facilities and on a specially constructed track at the La Pocatière plant. Afterwards, CBA plans on delivering the train prototype in April 2014, so that a number of different tests can be conducted in STM's network. The main purpose for the tests, expected to take some eight months, is to verify and confirm the new rolling stock's performance in the system's actual configuration.

In the meantime, the STM has continued with preparations for the arrival of the new AZUR cars. Refurbishing the Youville repairs workshop is now more than 95% complete, the raising of train platforms at stations slated for elevators is finished, the development of a broadband radio system and installation work in the tunnels is 80% complete and, lastly, modifications to tunnel equipment and infrastructure is more than 70% complete.



RÉNO-MÉTRO

Modernization work on the métro system continued under phase I of *Réno-Infrastructures*, phases I, II, and III of *Réno-Systèmes*, and the *Embelli-Stations* program, grouped together under the umbrella name *Réno-Métro*. This work aims to improve and maintain the system's stationary equipment and infrastructure.

A number of projects involving stationary equipment were completed:

- the construction of the Fleury mechanical ventilation station
- the upgrade of the public address system inside 19 stations
- the installation of digital display screens on train platforms in 29 stations
- the replacement of eight distribution substations
- the replacement of 3.3 km of 750 Vcc cables in six rectifier stations
- the addition of a backup air-conditioning system in six telecommunications rooms

Furthermore, work continued on several projects, while work began on a number of others, such as construction of the new Saint-Timothée ventilation station, overhauling Jean-Talon and Snowdon stations to make them universally accessible, awarding a contract to replace 24 escalators, renovating the Snowdon power station and replacing cables and cable boxes in tunnels. Work on track switches on wooden ties is progressing, and replacement of the ties with concrete pieces poured in situ, an internally developed innovation unique in the world, will continue until 2017. Finally, phase 2 of the *Réno-Systèmes* program was completed in 2013, and preparations have begun for phase 4, which will be carried out from 2015 to 2020.

The STM also initiated or completed several major renovations projects on its métro infrastructure. Carried out mostly inside stations, in the tunnels or in auxiliary structures, the work consisted mainly in renovating:

- the building shell at Préfontaine station
- the entrance to and service tunnel at Jolicoeur station
- the La Baie entrance to McGill station and the station's main electrical conduits
- the wall finishes in the Bell-Banque Nationale entrance to Square-Victoria station
- the ceilings and wall finishes at Guy-Concordia station
- the lighting system at Plamondon station
- the drainage system for water infiltrations in the vault ceiling of six stations (completed at Plamondon, Square-Victoria and Langelier, and begun at Bonaventure, Mont-Royal and Villa-Maria)
- the mechanical, electrical and structural components at the Bonsecours substation

In addition, all station platforms now feature tactile edge tiles following work conducted in 39 stations in 2013. Also, the replacement of the fire alarm systems throughout the network was completed when work finished in the last nine stations.

Finally, through the *Embelli-Stations* program, work to improve the exterior appearance of métro stations continued to make them more appealing. A variety of renovations work, including landscaping, installing windows, painting and paving repairs, was carried out in a number of stations: LaSalle, Joliette, De l'Église, Monk, Villa-Maria, Côte-Vertu, Namur, Acadie, Saint-Laurent and Assomption, as well as at the Richelieu and Sanguinet substations. STM teams also worked on improving the floor finishes inside Langelier and Honoré-Beaugrand stations.

Major renovations to Berri-UQAM station

In 2010, the STM initiated a major facelift for the métro's busiest station, with 12.7 million entries a year. Completed in 2012, the first phase of the work focused on the removal and stabilization of most of the station's cinderblock walls and different wall finishes, as well as certain ceilings in the station's public areas. The round grey wall tiles that adorned the métro's central station since its inauguration in 1966 have gradually been removed and replaced with a temporary finishing.

Since 2013, the STM has been refurbishing most of the station's mechanical, electrical and architectural components. Starting in 2014, the temporary wall finish will gradually be replaced by new tiles similar to the station's original ones. The entire interior work (phase 1), representing a total investment of \$90.2 million, will be carried out over a seven-year period (2010-2017) and involve enhancing the visibility of the station's signage, while respecting its heritage value. Additional renovation work, chiefly on the waterproofing membrane and areas surrounding the station, will also be carried out as part of a later stage of the Réno-Infrastructures program.

MOBILE NETWORK IN THE MONTRÉAL MÉTRO

Thanks to a unique partnership between Bell, Rogers, TELUS and Vidéotron announced on September 25, 2013, a leading-edge mobile network will be available in the Montréal métro. The cost of deployment, an estimated \$50 million, will be shared equally by the four telecommunications providers. While travelling in the métro, transit users will be able to browse the Web, watch videos, download music, make and receive calls, and more.

Indeed, 3G, 4G and 4G LTE (Long-Term Evolution) technologies will be deployed and coverage will be available in cars, tunnels and stations. This will make Montréal one of the few cities in the world to have a 4G LTE mobile underground network in its métro. Construction of the network will be divided into five phases and will take from five to seven years to complete. The project planning and design phase is underway and installation work began at the end of 2013 at two stations on the métro's Green line, Saint-Laurent and Place-des-Arts.



Préfontaine station

PROJECTS SURFACE NETWORK



BUS PRIORITY MEASURES (BPM)

In the past few years, priority measures have been expanding at a faster pace. In 2008, the network had priority measures on 13 corridors throughout the area served by STM, for a total of 60.9 km.

In 2013, the STM rolled out priority measures along the Côte-de-Liesse, Léger/Perras, Côte-Vertu and Sherbrooke/Centre-ville corridors, in addition to installing 32 priority traffic signals on Jean-Talon, Côte-Vertu, Saint-Joseph and Sherbrooke/Centre-ville. These additional measures bring the total coverage to 190.3 km spread over 29 major roads. Of that number, more than 80% involve reserved bus lanes.

In the fall, the Government of Québec announced it would subsidize 100% of bus priority projects up to a maximum of \$7 million per project, as long as they were authorized before December 31, 2015 and completed before December 31, 2016. Soon afterwards, the City of Montréal's newly elected administration announced its objective of having bus priority measures deployed on 375 kilometres of roads throughout the island of Montréal in time for Montréal's 375th anniversary in 2017.

Furthermore, a feasibility study was conducted for the potential establishment of a bus rapid system in the Côte-Vertu/Sauvé corridor. In the preliminary drafting stage, the project was presented to STM's partners, namely the City of Montréal, as well as Ahuntsic-Cartierville and Saint-Laurent boroughs.

STINSON BUS GARAGE

Construction of the Stinson bus garage and work on its outdoor landscaping progressed briskly throughout 2013, as its opening is planned for January 6, 2014, despite delays caused by weather conditions and work disruptions in the construction industry. Some work, such as landscaping, will only be completed in spring 2014, due to winter conditions.

Located in the borough of Saint-Laurent, this two-storey building quickly took shape and did not go unnoticed. It boasts a green roof and 21 large skylights, and a huge yellow walkway extends the length of the building, housing administrative offices and all mechanical equipment, making the entire operation invisible to neighbouring residents. Another distinct feature is that the 300 buses housed there will circulate entirely indoors and none will be parked outside.

It is also the STM's first building to be constructed according to principles of universal accessibility. Indeed, the STM aims to receive LEED GOLD certification for this building, a first in Canada, as part of its commitment to put sustainable development at the heart of its activities.

iBUS PROJECT

In September 2012, the STM granted a contract for the acquisition and implementation of a computer-aided dispatching and automatic vehicle location (CAD/AVL) system, the keystone of the iBUS project featured in the 2020 Strategic Plan. The contract includes the technology solution (GPS, software, on-board computers, consoles, audio systems), displays, information terminals, radio communication system, and installation. The bulk of the system's design was accomplished in 2013, as well as setting software parameters, acquiring hardware and drafting plans and specifications for the work.

Starting in fall 2014, the STM will gradually install the CAD/AVL system in its buses and service vehicles, at major bus stops, métro stations and on the street, following the design phase and a testing and trial period planned for 2013 and 2014. The construction of two operational centres (main and back-up) began in 2013 and will be completed in spring 2014, before the intensive testing period begins. Moreover, in 2013, the STM overhauled the bus network's operations and passenger information processes and initiated the changes inherently associated with the deployment of such a leading-edge system.

This \$200 million project will allow the STM to improve bus punctuality through real-time management of the fleet, increase revenue service speed in express and reserved lanes, reduce crowding aboard buses, ensure better co-ordination with the métro and commuter train systems, and improve safety for bus drivers and passengers. Furthermore, bus transit users will be better informed about schedule updates and route changes, actual bus arrival times at a given bus stop, service disruptions and

PROJECT EXTRA

To improve the customer experience and performance of paratransit service, the STM is also conducting another such project, known as EXTRA, an operations support system that manages the fleet of vehicles in real-time in order to inform customers of service delivery, optimize the use of vehicular resources and ensure better control over operational costs. In 2013, phase 1 of the project was carried out, which saw improvements to the currently-used system, leading to optimized trip planning and control of fare card validation. Phase 2 involves the acquisition, development and deployment of an operations support and passenger information system (SAIEV). It should be approved in 2014, with implementation expected in 2016.

LIONEL-GROULX TERMINUS

The STM aims to obtain LEED GOLD certification for this building, which would be a first in Canada. This is part of the STM's commitment to put sustainable development at the heart of its activities.

In November, the STM inaugurated its newly renovated bus terminus installations surrounding Lionel-Groulx station. This station is a critical junction in the métro system, insofar as it provides a transfer point between the Green and Orange lines. In turn, it further promotes the use of public transit to reduce traffic congestion from the West Island, as part of the mitigation measures enacted while construction work is taking place on the Turcot Interchange.

The redesigned layout improves the flow of buses along nearby streets and intersections. Improving these facilities makes the terminus safer, more welcoming and user-friendly, while increasing its operational efficiency. The 12 bus lines that converge on it now benefit from a better organization of the space surrounding the station.

Furthermore, since early October, Lionel-Groulx station features a controlled-access parking space – a first in Montréal – that enables cyclists to store their bikes in an enclosure protecting them from bad weather. Access to the bike shelter is controlled by an OPUS card loaded with a special key fare. Over the next year, customers will test the shelter that consists of 16 racks on two levels, for a total capacity of 32 bicycles. Subscription details will be determined following completion of the testing phase.



NEW TRANSIT SHELTERS

On June 4, Quebecor Media Affichage and the STM introduced an 84-inch (2.1-metre) interactive digital transit shelter featuring gesture recognition. Not only will the new state-of-the-art shelters bolster Quebecor Media's positioning as a market leader, they will enhance the commuter experience for STM customers, while helping advertisers reach their target audiences more effectively. Installation of some forty digital shelters began in September across the Island of Montréal. STM users and all Montrealers will be able to check bus timetables, see a detailed map of the bus and métro system, locate their current position in the city, catch up on the latest news and daily weather forecast.

In addition to pushing the bus shelter envelope even further, Quebecor Media has undertaken to add 850 transit shelters to the existing network and to replace all of the approximately 1,870 shelters under its responsibility by 2023. This year, Quebecor Media began installing new transit shelters in all parts of the city, including 40 digital ones. The complete design, developed by the Leblanc + Turcotte + Spooner consortium, winners of a contest organized by Design Montréal in 2010, offers a modern reflection of Montréal's identity.



ELECTRIFICATION OF THE SURFACE NETWORK

In accordance with its goal of acquiring only electric vehicles after 2025, as stated in its *2020 Strategic Plan*, the STM took a number of steps to that end in 2013.

Standard hybrid buses

In July 2012, the STM along with Québec's eight other public transit companies awarded a group purchase contract to Nova Bus, a Québec company, for up to 509 standard buses by 2016 (of which 203 would be for the STM) with an option for 2017 and 2018. These are hybrid diesel-electric buses, a technology tested in 2008-2009 by the STM and the Société de transport de l'Outaouais (STO) thanks to subsidies from Transport Canada and the Ministère des Transports du Québec (MTQ). The results, revealing an average fuel saving of 30% over traditional diesel buses, were so positive that this type of bus is now the standard for all public transit companies in Québec. The STM plans to obtain 203 of these buses over the next three years, with the first buses to be delivered in summer 2014.

From June to October 2013, tests were conducted on a pre-series bus to assess the energy efficiency and reliability of this type of hybrid biodiesel-electric vehicle prior to their delivery to Québec's public transit companies.

Demonstration project – hybrid articulated bus

As part of a joint technological assessment project conducted in 2012, the STM and the Réseau de transport de Longueuil (RTL) operated a hybrid diesel-electric articulated bus from European manufacturer Iveco Irisbus side-by-side with a diesel drive articulated bus produced by Nova Bus to compare their overall performance and environmental impact. Published in July, the results showed a 37.5% reduction in fuel consumption in Montréal compared to a standard drive bus.

City Mobility Program

In the fall, the STM and Nova Bus entered into a partnership agreement to test quick-charging, conductive technology, known as flash-charging. Three fully electric pre-production buses will be operated to conduct out-of-service testing in 2015, followed by a three-year testing period with passengers, from 2016 to 2018, for the purpose of assessing this type of system under actual operating conditions, and collecting relevant technical and operational data. Thus, Montréal becomes the first North American city to take part in Volvo Group's City Mobility Program, aimed at mobilizing key actors into initiating pilot projects that are innovative, integrated and sustainable. The City Mobility Program promotes new technologies designed by Volvo, including hybrid and electric vehicles that improve energy efficiency and lower emissions levels.

Electric service vehicles and maintenance vehicles

Results of testing of two electric vehicles throughout 2012 were so conclusive that the STM plans on pursuing its program to replace service vehicles by energy-efficient ones (electric, hybrid or low fuel consumption) over the next few years. Furthermore, the new utility track vehicles for métro maintenance will also be electric.

Electric mid-size buses

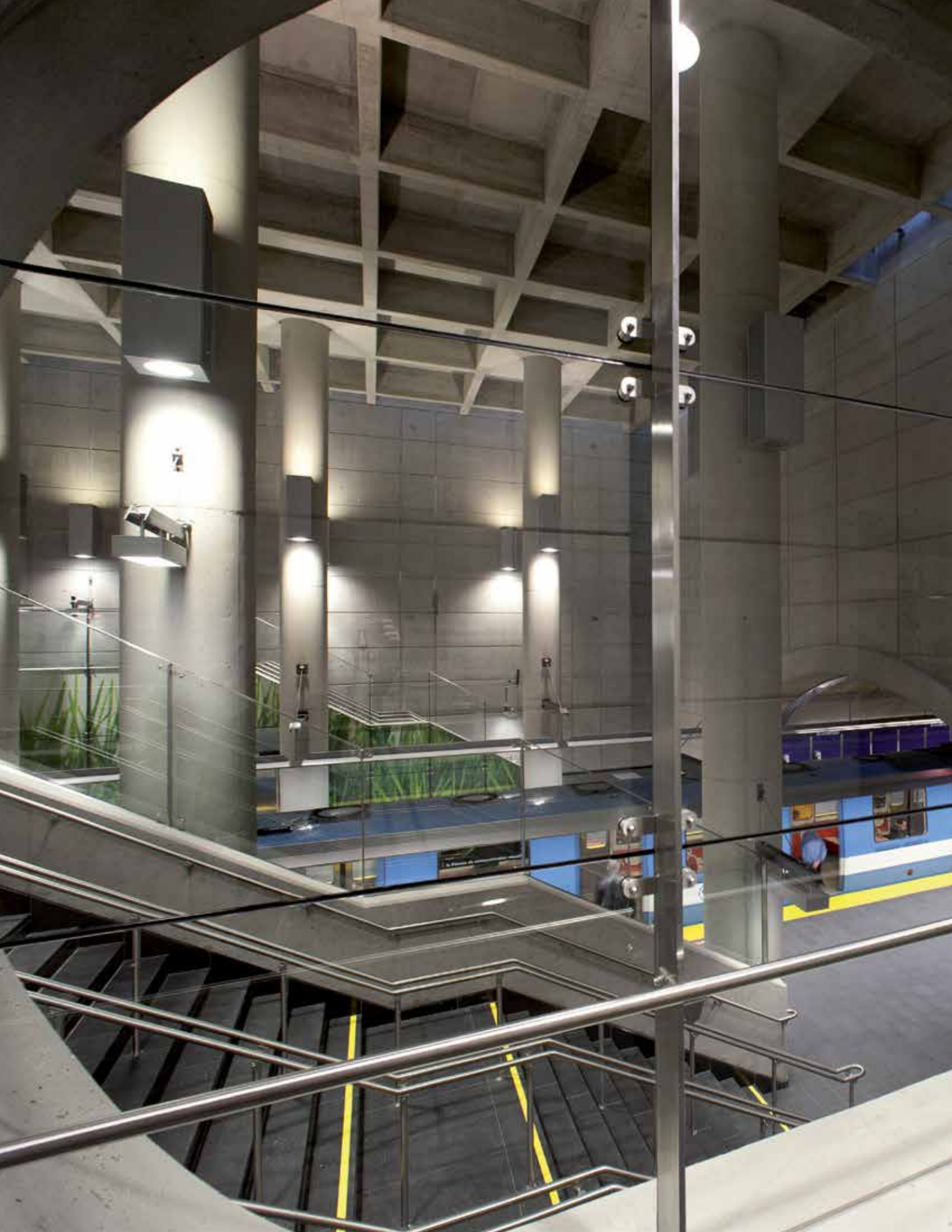
The plan to purchase seven electric mid-size buses (midibus) from DesignLine had to be cancelled as the supplier declared bankruptcy. Indeed, after it filed for bankruptcy protection in an American court in August, under Chapter 11 of the Bankruptcy Code, DesignLine sold off its assets on October 28, 2013. The STM had yet to take delivery of a midibus and, under the terms of the contract, no money had yet been paid out to it.



Nova Bus pre-series standard hybrid bus



Irisbus-Iveco hybrid diesel-electric articulated bus



2020 STRATEGIC PLAN

Prepared in compliance with the *Act respecting Public Transit Authorities*, the *2020 Strategic Plan* was first passed by the STM Board of Directors, then by the Montréal agglomeration council, and lastly by the *Communauté métropolitaine de Montréal*. The ambitious plan calls for reaching 540 million passenger rides annually by 2020, thereby ensuring the public's mobility needs are met by one of the best-performing public transit systems in North America, including fully electric métro and surface networks in the long term. The STM is already on the right track: with 416.5 million passenger rides in 2013, it has surpassed the 397.4 million rides aimed for in its *2020 Strategic Plan*.

PRIORITIES		STRATEGIES	
1	Expand services	1	Renovate and expand the métro system and increase service offer
		2	Improve bus service offer and diversify the bus network
		3	Open a first tramway line
		4	Help implement all public transit projects on the island of Montréal
		5	Consolidate paratransit service offer
2	Improve user experience and marketing	6	Develop the <i>Mieux respirer</i> brand image
		7	Implement a service quality program
		8	Improve service reliability and punctuality
		9	Improve the quality of user information
		10	Offer a safe, welcoming and pleasant environment
		11	Implement universal accessibility measures
		12	Diversify transit fare options
3	Attract, develop and mobilize talent	13	Use innovative means to recruit personnel and develop their skills
		14	Maintain efforts to mobilize employees and managers
		15	Maintain our labour relations' collaborative dynamic
		16	Contribute to creating a healthy, safe, and inclusive work environment
4	Optimize investment management	17	Generate added value when renewing assets
		18	Optimize project portfolio management and improve project management
5	Further improve performance	19	Increase and diversify revenue
		20	Closely monitor expenditures
6	Place sustainability at the centre of all decisions	21	Contribute to the government's efforts to move to electrically-powered transportation
		22	Reduce the company's environmental footprint
		23	Promote sustainable development

Bases of the 2020 Strategic Plan

Public transit, the preferred way to travel

The STM's goals follow on the orientations of the MTQ's *Politique québécoise du transport collectif* (2006), the City of Montréal's *Plan de Transport* (2008), the *Montréal Community Sustainable Development Plan* (2010) and *Vision 2025* (2003) of the Communauté métropolitaine de Montréal (CMM), whose chief aim is to make public transit the Montréal region's preferred way to get around.

Strategic role of public transit in reducing greenhouse gas emissions

During the 2005 United Nations Climate Change Conference, the City of Montréal signed the *World Mayors and Municipal Leaders Declaration on Climate Change*, committing itself to reducing greenhouse gas emissions by 30% by 2020. Since 2012, the Government of Québec set a target of a 25% reduction below 1990 levels by 2020. Transportation is Québec's main source of greenhouse gas emissions, representing 43% of emissions in 2010.

Aiming for an all-electric public transit system, a first in North America

Following the Québec government's intention to promote the development of an electric transportation sector and its new 2013-2017 action plan on electric vehicles, the STM plans to have all its new vehicles equipped with electric propulsion from 2025 onward. As a result, its bus fleet would be entirely electric by 2040.

Public transit, a major player in the Québec economy

The STM carries out 97% of its expenditures in Québec. It is at the centre of a major industrial cluster that actively extends to all areas in Québec. The company relies on a network of more than 1,800 suppliers in 14 regions. Moreover, in 2012, it awarded \$578 million in contracts for goods and services, including \$540 million to companies in the province. Almost half of the value of these contracts went to businesses outside Montréal. In 2012, STM activities supported more than 16,500 jobs and injected nearly \$1.4 billion into the Québec economy. In addition, according to a study published in November 2010 by the Board of Trade of Metropolitan Montréal:

- Its impact on the Québec economy is nearly three times greater than that of private automobile transport, owing to its much smaller import rate.
- Cost per passenger-mile is one-third that of private automobile transport, saving Montrealers nearly \$800 million in transportation costs in 2009.
- The overall costs of traffic in the Montréal region were evaluated at \$1.4 billion in 2003, leading to a 10.5% annual increase over the 1998-2003 period.

Influencing factors

To reach its goal of 540 million passenger trips in 2020, the STM will have to continually adapt its services and practices to the various significant factors directly affecting the structure of demand for public transit, and consequently its service offer and ridership: trends in the transportation market, urbanization, demographic factors, changes in the job market, real estate development and Montréal's urban characteristics, increasing household car usage, and increasing gasoline prices.

Four conditions for the success of the 2020 Strategic Plan

1. Dedicated, indexed, and recurrent funding

Over the coming years, the sustained contributions from passengers, the Montréal agglomeration, and other municipalities in the metropolitan region will remain insufficient to reach the goals of the *2020 Strategic Plan*. The company needs to be able to rely on the renewal and increase of current funding sources, and indeed the creation of new, dedicated, indexed, and recurrent funding sources to finance the improvement of its service offer and the deployment of new transit systems.

The continuation and improvement of the Québec government's existing policies and programs, such as the *Politique québécoise du transport collectif*, the program for government aid for the improvement of public transit services, the regular aid programs for public transit and paratransit, and the *Société de financement des infrastructures locales* (SOFIL), are strategically important. In order to reach the goals of its strategic plan, thereby ensuring the quality of public transit services and contributing to the goal of reducing greenhouse gas emissions, the STM will need additional revenue sources to underwrite the costs of maintaining and improving its services.

2. New regional governance

Governance of public transit in the Montréal region must be overhauled to facilitate decision-making and the completion of projects. The STM wants to see the CMM's role in transportation issues consolidated, giving it all the powers necessary to pursue an integrated, multisectorial strategy to ensure the competitiveness of the agglomeration of Montréal and the metropolitan region.

3. Urban development favourable to public transit

By taking appropriate measures in urban development, local and regional authorities can bring balance to the use of public space. They can make central districts more attractive through quality design and layout of urban spaces; ensure more space for public transit on the city's major streets, focusing on the number of people transported rather than the number of vehicles on the road; and move towards patterns of urban development that are more favourable to public transit and other modes of transportation that replace single-occupancy vehicles. As part of the CMM's consultation on the preliminary version of the *Plan métropolitain d'aménagement et de développement*, the STM submitted a brief containing some 20 recommendations, reaffirming its conviction that only a global, integrated approach combining more efficient land usage with public transit measures, will allow the Montréal region to develop in a sustainable way.

4. Measures to manage demand for single occupancy vehicle use

The STM is counting on the municipalities of the agglomeration of Montréal and on the Government of Québec to bring in measures to incite a certain share of motorists to change their transportation habits. In its opinion, the region's road and highway capacity must not be increased, in order to keep public transit competitive. Also, parking lot management must be reviewed so as to increase the demand for public transit.

22B



MÉTRO SYSTEM

Métro indicators

KILOMETRES TRAVELLED
IN 2013

78

MILLION CAR-KILOMETRES
COMPARED TO 78.2 MILLION IN 2012,
AND 77.1 MILLION IN 2011

DELIVERY OF BUDGETED
PLANNED SERVICE IN 2013

99.9%

IN 2013 COMPARED TO 99.7% IN 2012
AND 100.2% IN 2011

RELIABILITY IN 2013

PERCENTAGE OF PASSENGERS
ARRIVING ON TIME

97.5%

IN 2013 COMPARED TO 97.6% IN 2012
AND 100.2% IN 2011

BUSIEST STATIONS (BY NUMBER OF PASSENGER ENTRIES)

	STATION	2013 ENTRIES	2012 ENTRIES
1	Berri-UQAM	12,896,920	12,666,794
2	McGill	11,379,099	11,598,353
3	Guy-Concordia	8,179,826	7,827,880
4	Bonaventure	8,026,205	7,794,853
5	Longueuil–Université de Sherbrooke	7,809,309	7,792,965

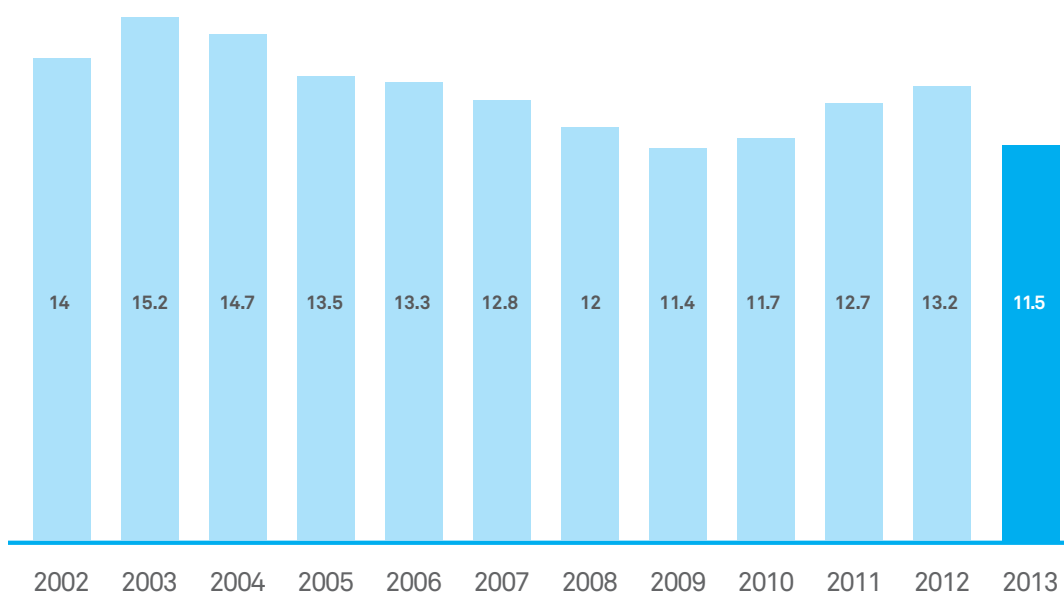
NUMBER OF TRIPS DELAYED BY FIVE OR MORE MINUTES

CAUSES	2013	2012
Misconduct, passenger illness	2,990,454	3,223,138
Rolling stock	1,773,910	1,493,263
Stationary equipment	493,931	361,050
Other	1,092,759	1,109,252
Total	6,351,054	6,182,703

NUMBER OF INCIDENTS LASTING FIVE OR MORE MINUTES

CAUSES	2013	2012
Misconduct, passenger illness	452	508
Rolling stock	235	220
Stationary equipment	66	75
Other	142	227
Total	895	1,030

NUMBER OF SERVICE DISRUPTIONS PER MILLION KM



BUS NETWORK

Bus indicators

KILOMETRES TRAVELLED
IN 2013

89.7

MILLION KILOMETRES
COMPARED TO 90.1 MILLION IN 2012

DELIVERY OF BUDGETED
PLANNED SERVICE IN 2013

98.8%

COMPARED TO 102.4% IN 2012

BUS PUNCTUALITY IN 2013

82.8%

COMPARED TO 81.8% IN 2012

BUSIEST LINES (PER AVERAGE WEEKDAY)

BUS LINE	RIDERSHIP 2013	RIDERSHIP 2012
1 121 – Sauvé/Côte-Vertu	35,586	35,636
2 139 – Pie-IX	33,523	35,238
3 141 – Jean-Talon Est	30,042	30,408
4 165 – Côte-des-Neiges	30,038	29,769
5 51 – Boulevard Édouard-Montpetit	29,289	29,557

Bus maintenance indicators

With the commitment and cooperation of maintenance employees and support services, the STM has continued the work initiated in the company in recent years and obtained excellent results, as demonstrated by the following indicators:

OUT-OF-SERVICE RATE
IN 2013 (% OF FLEET
UNDERGOING REPAIR)

18%

COMPARED TO
16.3% IN 2012

RELIABILITY IN 2013
(AVERAGE DISTANCE
TRAVELLED BETWEEN
BREAKDOWNS)

4,967 km

COMPARED TO
5,182 KM IN 2012

RUSH HOUR AVAILABILITY
IN 2013 (AVERAGE)

1,411 buses

COMPARED TO
1,427 BUSES IN 2012

DOOR-TO-DOOR TRIPS
BY PARATRANSIT IN 2013

3,232,756

COMPARED TO
3,055,937 IN 2012

These results represent an average annual increase of 7.4% since 2006, for a total increase of 65.5%.



THE CUSTOMER EXPERIENCE

Customer satisfaction

In 2013, STM passenger satisfaction dropped slightly due to a series of rush-hour métro interruptions and four complete network stoppages in spring and summer. However, overall satisfaction remained relatively stable at 85%, compared to 88% in previous years.

More specifically, satisfaction with the métro decreased from 84% to 77% in 2013, a drop closely linked to service reliability, whose satisfaction rate slid by six points from the previous year to 76%. Although the number of breakdowns fell significantly in 2013, the series of network-wide interruptions we experienced within a short timeframe had a significant impact on passenger perception. Moreover, satisfaction with the speed at which information is provided during breakdowns also slid by six points to 70%. However, passenger satisfaction with the state of cleanliness inside and outside the métro network, the ease with which entrance building doors open, métro frequency after 6:30 p.m. and the speed of fare sales by booth attendants all improved.

As for the bus network, overall passenger satisfaction since 2012 declined three points to 79%, whereas specific satisfaction with bus cleanliness and punctuality also fell three points to 80% and 71%, respectively. The quality of information drivers provided to passengers received an enviable satisfaction rating of 90%, representing a five-point increase.

User satisfaction was also very high in 2013 for measured communication tools, specifically the *Info STM* page in the *24 Heures* newspaper (87%) and the website (95%). With respect to the telephone information service, all satisfaction indicators topped the 90% mark. Lastly, paratransit's customer satisfaction level remained high at 94%.

Service quality program

In 2010, the STM launched a service quality program consisting of 18 standards covering four major aspects of service: bus punctuality, métro reliability, customer service and information. Of the 18 standards, 16 were evaluated by "mystery customers" who roam the entire network, place phone calls for information and visit the various customer contact points. Over the course of the year, some 2,400 observations were made throughout the transit network to compile a representative sample of the service being provided to users. Bus punctuality and métro reliability were measured by operational systems that provide thousands of readings a year, thus constituting an invaluable data source. The performance witnessed in 2013 not only reached the program's objectives, it surpassed them.

1 BUS PUNCTUALITY

The bus arrives at bus stops less than one minute ahead of the planned schedule or no more than three minutes later than the planned schedule.

OBJECTIVE

83%

RESULT

82.8%

2 MÉTRO RELIABILITY

Travel time does not exceed normal travel time by more than five minutes.

OBJECTIVE

97.6%

RESULT

97.5%

3 HOSPITALITY

A visual contact, a smile, a nod or a verbal greeting. A courteous tone. Users are listened to carefully when they speak. Answers are quick and clear. Hospitality prevails throughout the nine company sectors that have contact with users.

OBJECTIVE

90%

RESULT

94%

4 INFORMATION

Necessary information for trip planning is available at bus stops, in buses, in métro cars and stations, at the fare booth, and via the STM-INFO telephone line. Notices of events affecting service, if known 72 hours in advance, are posted at bus stops.

OBJECTIVE

90%

RESULT

96%

➤ The STM also worked to develop cleanliness standards for métro stations and cars, buses, and bus shelters. In 2013, the elements that define these standards were measured throughout the year. The text and objectives of the new standards will be ratified by the affected departments so they can be officially implemented in 2014.

UNIVERSAL ACCESSIBILITY

The activities included in the three-year universal accessibility plan for 2012-2015 are well on their way to being achieved, as the STM maintained its efforts to constantly increase the accessibility of its network throughout 2013.

The universal accessibility committee was established a little over a year ago to systematically include the needs of disabled customers in all projects, an initiative that was welcomed by representatives of the disabled community. Indeed, the meetings held by the universal accessibility committee served to conduct regular monitoring of projects included in the Plan and helped make universal accessibility measures more widely acceptable.

Here are some examples of recent work for universal accessibility in the system:

- Beginning of work to refit Champ-de-Mars, Snowdon and Jean-Talon stations for elevators
- Improving the reliability of accessible bus service through the integration of arrival times of buses with a front ramp in all customer information tools
- Installation of tactile edge tiles completed in all métro stations
- Improving the accessibility of the bus network by maintaining accessible service during snowstorms
- Installation of yellow stripes on the first and last step of each flight of stairs completed throughout the network
- Launch of the new website and its mobile version, made universally accessible to the largest number of customers as possible
- Continuing development of a new signage system, taking needs of disabled users into account



CUSTOMER SERVICE

The year 2013 was marked by two major adjustments involving customer information, namely the redesign of the website and the in-depth review of information provided during métro service disruptions.

Passenger information

The new website and its mobile version were launched in July 2013, the former replacing the original website that dated back to 1997. Since then, customer satisfaction levels with the information available on the Internet grew by 2%, from 94% to 96%. These tools also won two *Boomerang* awards, thereby confirming these actions were successful.

As for the mobile apps, a major increase in usage has been observed, further proof of their undeniable usefulness and popularity.

TOOLS	2013	2012
AUTOBUS telephone system	5,936,600	7,537,706
Website	16,975,728	17,878,515
Mobile site	1,162,068	364,752
SMS	1,121,263	1,783,154
iPhone app (timetables, routes, etc.)	20,725,210	9,728,254
Android app (timetables, routes, etc.)	7,175,009	1,734,244
Total	53,095,878	39,026,625

Also, a first-time experience with fleeting mobile apps was carried out with the deployment of the STM OPUS Tour app that offered an amusing tool, using augmented reality, which also added the school's tour dates directly into a student's agenda. That initiative was designed to increase the chances that students would keep in mind that important date for quickly and easily obtaining their OPUS card.

Social media content that better meets transit users' expectations

Since June, the STM advises transit users of métro service disruptions lasting 10 minutes or more using all electronic platforms at its disposal (telephone, Internet, mobile apps, subscriptions to email or SMS alerts and Twitter). The policy initially set in 2010 called for notifying passengers about disruptions lasting 20 minutes or more. Information about the cause of such interruptions and their estimated duration are also made public. To make this information more easily accessible for passengers, four Twitter feeds were also created, one for each métro line.

The information on Twitter is enhanced with comments by customers and answers provided by a newly created team monitoring social media. At the end of the year, the STM had 22,593 subscribers to the various Twitter accounts linked to métro lines. The @stminfo account was kept for events affecting bus service and the number of users has kept growing, despite the additional feeds, reaching 43,000 subscribers.

The STM also improved its subscription platform for métro service alerts by reducing the time needed to report disruptions, which resulted in a 114% increase in subscriptions (16,665). The STM is also active on Twitter with its @stm_nouvelles account used for sending out news and press releases to journalists, bloggers, elected officials and other public transit aficionados.

Removing information about service disruptions from Facebook breathed new life into the contents published on that platform. Posts are more about transit users and also provide scoops. The viral success of the video showing Stromae riding the métro is a perfect example. That page experienced a 41% increase for a total of 39,095 Facebook fans. For its part, the STM's YouTube account grew 225% over 2012, for a total of 843,755 viewings for its online videos.

ENGAGED USERS	2013	2012
Twitter@stm.info	43,410	28,376
Twitter feeds (métro lines)	22,593	-
Twitter @stm_nouvelles	12,408	5,500
Facebook	39,095	27,663
Subscription to métro alerts	16,665	7,784

Comments and complaints

Contact with transit users has been rising over the past few years, thanks to several well-used platforms available to them. The volume of questions, comments and complaints received via the Internet grew 13% in 2013. At the same time, the creation of an information base for call centre staff has helped to efficiently respond to users who contact the STM. In the end, comments and complaints rose 4% in 2013, with a total of 28,472 complaints and 4,094 comments (suggestions, compliments, and others).

COMPLAINTS BY CATEGORY	2013	2012
Employees	8,813	8,822
Delivered service	12,531	11,468
Equipment	2,850	2,955
Customer information	1,901	1,340
Other	2,377	2,718
Total	28,472	27,303

Customer consultation

Over the course of 2013, the STM asked for customer input on more than a hundred subjects, feeding the company's decision-making process regarding the optimization of projects, the satisfaction of customers, and the assessment of service quality.

One year after the launch of the online research panel *My voice, my STM*, more than 8,000 engaged users took the time to contribute in their own way to the development of STM services by answering an average of three surveys each month on subjects as varied as the assessment of partner events, communications tools or campaigns, and even new fares. Panel members were also invited to take part in exclusive pilot projects, like the bike shelter at Lionel-Groulx station and beta testing the new stm.info website.

PROMOTION AND MOTIVATION CAMPAIGNS

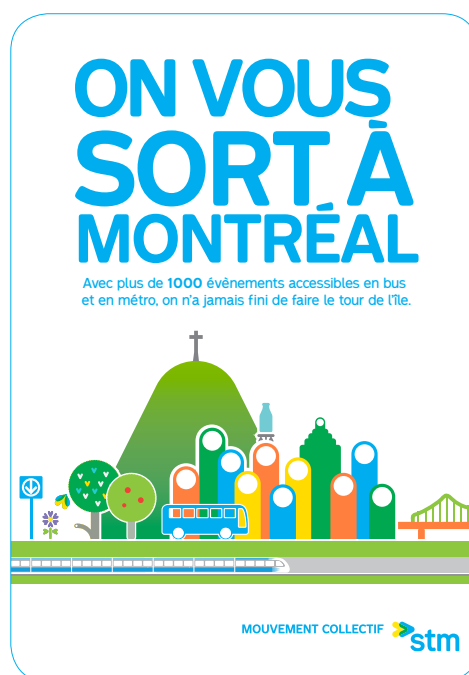
Bolstering public transit use

To breathe new life into the strategy launched in 2009, the STM reviewed its positioning. Maintaining its focus on sustainable development, the positioning was refocused on urban living and the slogan changed from *Respirer mieux (Breathe Easier)* to *Respirer Montréal (Live & Breathe Montréal)*. This development reflects the STM's desire to move from being merely an actor to being a catalyst of Montréal's urban lifestyle.

In this respect, a major summer campaign to promote public transit was launched with the theme *Out and About in Montréal*. The campaign shone the spotlight on the Montréal landscape and the city's icons, focusing on the events, activities and outings easily reached with the STM.

Better still, the STM made a bold move by inviting Montrealers to take part in four interactive treasure hunts as part of the *Unlock Your City* contest. Prizes included free public transit for a year and tickets to some 30 different activities organized by our partners, including the Osheaga festival, Evenko events and Montreal Impact games. Thanks to the treasure hunt, which attracted 700 people, some 45,000 visitors to the campaign's microsite and hundreds of positive comments posted on social networks, this campaign succeeded in raising public transit's profile and nurturing Montrealers' commitment to public transit.

Keep in mind that other communication campaigns were also carried out throughout the year to raise public awareness of certain fare products and encourage their use. The *Family Outings program*, the *Unlimited Evening fare*, the *OPUS à l'année* and *OPUS & cie* subscription programs were all promoted with their own campaigns in order to expand their use.



Thanking riders with the *STM Merci* loyalty program

With the ever-growing popularity of smart phones and social media, the STM transitioned from an era of anonymous transit users to one where it can communicate directly with each and every one of them.

Launched in May 2013, the *STM Merci* program gives riders exclusive offers from partners in three categories: transportation, outings and businesses. These privileges are advertised through the STM's website and mobile site, and through a mobile app developed jointly with SAP as part of a pilot project.

Available for iPhone, the *STM Merci* mobile app provides users with customized information, e.g. only passengers affected by the closure of a given métro station entrance, as well as targeted discounts geolocated in real-time. The app's users are also informed about the ecological impact of their transit use, while OPUS cardholders may also use the app to register their card.

Over 400 partners have joined the program, giving transit users access to special offers for a wide range of cultural and sporting events, restaurants and shops, grocery stores, family activities and much more.

Here are the preliminary results:

- Nearly 45,000 visitors consulted the *STM Merci* section of the stm.info website between May and December 2013
- The mobile app was downloaded from Apple's app store 20,000 times in December
- Nearly half of users completed the OPUS card registration process and provided the profile details needed to receive offers customized according to their preferences
- Over three million offer impressions were sent to the mobile devices of the app's users

Supporting the métro's talented artists

An initiative aimed at improving the user experience and promoting the careers of talented musicians, *Les Étoiles du métro* is becoming increasingly popular. From the 40 artists who participated in the program's 2012 launch, 60 performers were selected in 2013. Management of performances is still handled by MusiMétroMontréal.

The stars perform at strategic sites in the métro indicated by panels with the program's name. The *Étoiles* program is also promoted via Montréal's major festivals, such as the Montréal Bike Fest, the Fête de Montréal, In Town Without my Car, the Fête nationale du Québec, and more.

Nurturing the relationship with our customers

Launched in 2012 with an initial 30,000 customers, the monthly newsletter *Society in Motion* continues to attract more readers with 130,000 current subscribers. The most popular subjects covered in 2013 were the STM's technological tools and major projects, suggestions for outings and contests. The results achieved by the newsletter largely surpass the email industry's standards.

Inviting our customers to move to the beat of Montréal's festivals

The STM has become an essential partner of Montréal's major festivals and contributes greatly to their success. The growing number of partnerships clearly shows that public transit is a key element of their success. In 2013, some 65 partnership agreements were concluded, in addition to 14 *Métro Arts* cultural performances and eight *Les Beaux Dimanches dans le métro* events (dance workshops) held in métro stations. These partners include:

- Défi sportif
- Earth Day
- Festival des Films du Monde
- Festival du nouveau cinéma
- Festival Montréal complètement cirque
- Festival Montréal en lumière – Nuit Blanche
- Festival Nuits d'Afrique
- Fête nationale du Québec
- Fête des Neiges
- Igloofest
- In Town Without My Car
- Journées de la culture
- La Tohu
- McCord Museum
- Montréal Alouettes
- Montréal Bike Fest
- Montréal Canadiens
- Montreal Impact
- Montreal Museum of Fine Arts
- Montréal Museums Day
- Osheaga Music and Arts Festival
- Parks Canada
- Piknic Electronik
- Pop Montréal
- Quartier des Spectacles
- Régie des installations olympiques (RIO)
- Santa Claus Parade
- Space for Life
- Tennis Canada - Rogers Cup

TRICOLORE TON MONTRÉAL

110%

**SERVICE DE
MÉTRO AMÉLIORÉ
APRÈS LA PARTIE
CENTRE BELL**

Lucien-L'Allier • Bonaventure Navette vers l'ouest



Transportation Cocktail

The Transportation Cocktail is the joint use of public transit (métro, bus, commuter train, minibus, shared taxibus) and active and private modes of transportation such as riding bicycles and taxis, renting cars, and carpooling.

As a way of ensuring better mobility, the STM introduced new measures aimed at improving and facilitating bicycle use during summer, such as operating buses outfitted with bike racks on five new lines, extending a pilot project to install bike slides in two more métro stations, and initiating another such project to test a sheltered bicycle parking facility with controlled access at Lionel-Groulx station. The five new bus lines offering bicycle rack are the 34 – Sainte-Catherine, 94 – D'Iberville, 769 – La Ronde, 185 – Sherbrooke and 715 – Vieux Montréal/Vieux-Port. These are in addition to the three lines that were part of the initial pilot project in 2011 and 2012, the 140 – Fleury, 146 – Christophe-Colomb/Meilleur and 180 – De Salaberry, for a total of 65 buses equipped with the bicycle racks.

The company has also signed several partnership agreements with sustainable transportation organizations. For example, the DUO auto + bus program with Communauto and Bixi-bus with BIXI Montréal offer fee discounts and/or reduced rates for these services for STM clients.

Partners

Communauto – Vélo Québec - Bixi Montréal – OPUS plus - Voyagez Futé - Faites de l'air



FARE SALES

	REVENUE*			FARES PURCHASED		
	2013	2012	VARIATION 13-12	2013	2012	VARIATION 13-12
REGULAR FARE						
Monthly CAM	205,876,383 \$	197,107,733 \$	4.4 %	2,673,719	2,610,698	2.4 %
CAM hebdo	28,854,220 \$	30,518,686 \$	-5.5 %	1,214,915	1,298,667	-6.4 %
Single trip	72,538,960 \$	71,926,416 \$	0.9 %	24,179,653	23,975,472	0.9 %
2 trips	36,012,606 \$	31,706,935 \$	13.6 %	13,095,493	11,529,795	13.6 %
6 trips	260,278 \$	2,825,261 \$	-90.8 %	109,361	1,187,084	-90.8 %
10 trips	49,837,765 \$	51,582,767 \$	-3.4 %	20,341,945	21,492,819	-5.4 %
1-day pass	11,325,234 \$	11,271,655 \$	0.5 %	1,258,359	1,408,837	-10.7 %
3-day pass	7,737,265 \$	8,635,611 \$	-10.4 %	429,848	539,731	-20.4 %
Unlimited Evening	4,597,203 \$	3,297,548 \$	39.4 %	1,149,301	824,387	39.4 %
Unlimited Weekend	2,189,410 \$	-	-	182,451	-	-
Aéroport P-E Trudeau	702,940 \$	743,789 \$	-5.5 %	78,104	92,974	-16.0 %
REDUCED FARE						
Monthly CAM	68,827,144 \$	66,567,042 \$	3.4 %	1,529,492	1,530,271	-0.1 %
4-month CAM	6,921,014 \$	5,336,567 \$	29.7 %	158,195	130,160	21.5 %
CAM hebdo	1,711,009 \$	1,859,570 \$	-8.0 %	122,215	135,241	-9.6 %
Single trip	2,650,431 \$	2,600,669 \$	1.9 %	1,325,216	1,300,335	1.9 %
2 trips	1,251,633 \$	1,106,900 \$	13.1 %	715,219	632,514	13.1 %
6 trips	17,866 \$	224,818 \$	-92.1 %	12,581	158,322	-92.1 %
10 trips	12,057,413 \$	12,138,149 \$	-0.7 %	8,315,457	8,670,107	-4.1 %
Group fare	275,216 \$	258,739 \$	6.4 %	18,980	18,481	2.7 %
Other fares**	1,599,474 \$	678,128 \$	135.9 %	763,001	406,064	87.9 %

* Revenue from blanket discounts is not included in these fares

** Promotional fares, convention fares, and special event fares

Trends in fare sales and revenues 2012-2013

The fare strategy fostering growth of the market share held by unlimited-travel fare products increased 2013 sales of monthly CAM transit passes by 2.4% over 2012. The increase is mainly attributed to the renewal of Transport Québec-funded promotions that give new subscribers one free month and freeze fares for anyone who subscribed to an annual card program. The *OPUS à l'année* and *OPUS & Cie* programs now have 32,000 subscribers. With respect to reduced-fare monthly passes, the 2012 decrease in student ridership due to the student strike was offset by growth of 1.6% in 2013.

Whereas sales of one- and three-day passes declined, clearly affected by their higher-than-average fare indexing, which made them less advantageous, sales of other short-term unlimited fare products grew sharply in 2013. Sales of the *Unlimited Evenings* fare spiked 39.4%, an increase of 325,000 fares over 2012 figures. The newest member of the fare family, *Unlimited Weekends*, made an impressive debut, with 180,000 fares sold in its first year.

Lastly, a range of fare promotions in 2013 enabled some 2.3 million riders to use the STM for free during off-peak periods. This included the distribution of free-trial OPUS cards funded by Transports Québec to promote adoption of public transit. The cards were given to some 375,000 people in 2013, nearly three times the number distributed in 2012, when 130,000 passengers had used the cards, which were valid in all Montréal-area public transit networks.

FARES

Fare structure

FARE PRODUCT	2013	2012	DISCOUNT (relative to 2012 regular fare)
REGULAR FARE			
Monthly CAM	77.00 \$	75.50 \$	-
CAM hebdo	23.75 \$	23.50 \$	-
Single trip	3.00 \$	3.00 \$	-
2 trips	5.50 \$	5.50 \$	-
10 trips	24.50 \$	24.00 \$	-
1-day pass	9.00 \$	8.00 \$	-
3-day pass	18.00 \$	16.00 \$	-
Unlimited Evening	4.00 \$	4.00 \$	-
Unlimited Weekend	12.00 \$	-	-
Aéroport P-E Trudeau	9.00 \$	8.00 \$	-
REDUCED FARE			
Monthly CAM	45.00 \$	43.75 \$	41.6%
CAM hebdo	14.00 \$	13.75 \$	41.1%
4-month CAM	175.00 \$	164.00 \$	-
Single trip	2.00 \$	2.00 \$	33.3%
2 trips	3.50 \$	3.50 \$	36.4%
10 trips	14.50 \$	14.00 \$	40.8%
Group fare	14.50 \$	14.00 \$	-

Special fare programs

Maestro, the VIP status

Introduced in 2013, this initiative offers customers who have had annual subscriptions for more than one year the opportunity to upgrade to Maestro status, which allows them to be accompanied by a friend who then rides STM transit for free on evenings and weekends when travelling together. This special status also gives customers free access to the Réseau de transport de la Capitale (RTC) at all time. These exclusive privileges are in addition to those given for annual subscriptions, further rewarding the most loyal customers in a significant way. In 2013, more than 3,700 transit users enjoyed the benefits of this status.

New alternatives for occasional transit users

Keen on making more flexible options available to its customers, the STM introduced an alternative for people heading out to the airport who do not have the exact change for their fare. Indeed, these customers can now purchase a ticket for the 747 shuttle by paying for it with a credit card at some Stationnement de Montréal pay stations. Along the same lines and in the wake of a successful pilot project conducted in summer 2012, the disposable smart card *L'Occasionnelle* was added to the range of fare products sold at all retail points of sale (external to métro system). Thanks to this move, retailers can now offer non-OPUS customers a fare card tailored to their occasional needs.

The ongoing Family Outings program

By keeping the *Family Outings* program in effect during the same periods as in 2012, more than 1.5 million children rode the STM transit system for free in 2013. With attractive discounts offered by our partners and free transportation during most school breaks, public transit has become a must for all children-oriented activities.

Public transit on weekends

In its first year, the Unlimited Weekend fare proved hugely successful. Without a doubt, this fare card is now indispensable for many major events in which the STM takes part. In similar fashion, the *Special Edition Weekend* pass, created for events that start earlier in the day on Friday, was particularly appreciated during the Osheaga Music Festival, when all 50,000 fare cards sold out.



HUMAN RESOURCES

2013 in figures

555

NEW HIRES (PERMANENT, TEMPORARY,
AND STUDENT POSITIONS)

IMPROVEMENT IN ACCIDENT RATE,
DECLINING FROM 6.1 IN 2012 TO

5.2

IN 2013

33,774

APPLICATIONS RECEIVED
VIA THE WEBSITE

EMPLOYEE MOBILIZATION
INDEX UP BY 4 POINTS,
FROM 23 IN 2010 TO

27

IN 2013

149,875

HOURS OF TRAINING
COMPARED TO 237,165 IN 2012¹

A DIVERSIFIED LABOUR POOL
THAT INCLUDES OVER **24% OF WOMEN AND
22% OF ETHNIC AND VISIBLE MINORITIES**

Attracting and developing talent

The STM concentrated its efforts on better planning its staffing needs as well as improving the practices it employs to attract and recruit new talent. This constituted a major shift that started in 2012 and continued into 2013, and that helped the STM face the challenges created by the socio-economic situation responsible for staffing shortages in certain job categories.

The labour planning methodology involves two stages covering the more general aspects and the more targeted ones. It begins with an overall assessment of the STM's situation and continues with an analysis of critical and vulnerable sectors.

Moreover, the STM has developed a method for studying possible issues in great depth and painting a more detailed picture of the operational reality regarding human resource management within the organization's departments.

As for improving its ability to attract new employees, the STM rolled out a number of innovative strategies and actions to solidify its positioning as an employer of choice and attract a greater number of strong candidates. It went on to define its "employer brand" so as to better position its message and communicate what sets it apart as a recruiting enterprise.

¹ The drop in the number of hours is explained primarily by:

- The deployment of the new bus maintenance training strategy at all bus garages; this strategy led to the *Juste à temps, juste requis* ("What you need, when you need it") program, offering customized skill targets and training during working hours
- The significant reduction in the number of new drivers hired
- The 10-day shortening of the métro operator training program as a result of the introduction of the E-learning program

To raise awareness of its brand, the STM implemented several strategies, including revamping the architecture and content of its employment website (photos and videos). The company also took part in a number of networking events and established partnerships with various schools and organizations. In 2013, it took part in a dozen events and hosted some 130 interns. Lastly, to reach a wider pool of candidates and recruit the top talents, the STM is now turning to soliciting passive candidates via the LinkedIn platform.

Mobilization levels on the rise

Conducted by SECOR-KPMG in 2013, an employee mobilization index (EMI) survey of all STM employees found the employee mobilization level to be 27, a steady improvement since 2006. These results indicate that the efforts made to consolidate the management style of the STM's managers have paid off and that the organization must continue down this path in order to reach the targets of the *2020 Strategic Plan*.

YEAR	2006	2009	2011	2013
IME	- 4	23	n/a	27
Management style	- 6	22	23	25

Diversity at the STM

At December 31, 2013, demographic data painted a picture similar to the one in 2012.

Women	24.4 %	Aboriginals	0.5 %
Ethnic or visible minorities	22.5 %	Disabled persons	1 %

Diversity awareness-building

- Adopted in 2012, a declaration for diversity and inclusion became the subject of a workplace awareness campaign in 2013 carried out via the STM's intranet, posters and articles in internal publications.
- The STM organizes activities aimed at integrating people with disabilities into the workplace. Of particular note is the Diversity Forum held in June on integration and the retention of people with disabilities, with the theme *A universe of possibilities*. The STM asked over 75 stakeholders from various organizations to come up with innovative ways to integrate people with disabilities into the workplace and help ensure that those already working can keep their jobs. Participants gave the forum a satisfaction score of 100%.
- The STM showed a short video on diversity, respect and racial profiling to a cohort of aspiring transit inspectors and to four cohorts of active inspectors.
- The organization continued with the *SécuriBUS 2* training, which includes three hours of content on diversity for drivers and other first-line employees. To date, over 3,000 drivers and 500 other employees—managers, clerks, inspectors and advisors—have been trained.
- A forum on diversity was held for human resources staff. The 80 participants received training to enable them to serve as ambassadors of the STM's values in their day-to-day activities.

Improving management style: Developing leadership in managers

To provide managers with effective help in bolstering their skills, the STM implemented a mixed development strategy that relies on various learning activities, such as leadership development programs, management coaching and mentoring.

Developed jointly with Université de Sherbrooke's Longueuil campus and launched in February 2013, leadership development programs were created to help 254 managers optimize their management style. Another 610 first- and second-level managers are expected to complete the program by spring 2015. To date, the participant satisfaction score is 97%.

Also, third- and fourth-level managers have begun a program developed for them in conjunction with HEC Montréal. This eight-day program started with a training session in September. The satisfaction score was 98.5%.

A drop in the frequency of workplace accidents

The STM invested substantial efforts in health and safety in partnership with union representatives. In 2013, those efforts resulted in a 15% reduction in the frequency of accidents with lost time over 2012 figures.

Renewal of collective bargaining agreements

The fifth agreement, the one covering division clerks, was renewed in 2013. The STM also signed an agreement with the same union to create a system for organizing work on the iBus project.

Training news

The year 2013 was marked by the arrival of new training technology. The métro operator training program is now delivered in the form of e-learning videos combined with hands-on training on table-top MR-73 simulators. A simulation program for training AZUR métro train operators will eventually be put into service. Of course, members of the training staff are always on hand to guide employees as they learn. This new strategy will lead to a drop in the number of training days required, from 36 to 26, while the quality of the training remains stable or improves. Fifty-six operators completed the various stages of the program in 2013.



ART AND THE MÉTRO

More than a mere public transit system, the Montréal métro is an essential part of the city's heritage. The métro is home to no fewer than 85 art installations located at some 50 stations: murals, sculptures and painted glass panels of every shape and colour, which make the métro a veritable art gallery.

To preserve these gems for future generations, the STM has long entrusted its artworks to the multidisciplinary team of restoration professionals at the *Centre de conservation du Québec*. Most of the work is carried out with the financial support of the province's department of culture and communications.

Thus, approximately \$400,000 was invested in 2013 in restoring artworks at a number of stations: Crémazie (the mural by Georges Lauda, Paul Pannier and Gérard Cordeau), LaSalle (mural by Peter Gnass), Longueuil–Université-de-Sherbrooke (murals by Jean Dumontier), McGill (painted glass by Nicolas Sollogoub), Mont-Royal (vertical bands by Charles Daudelin) and Sherbrooke (mosaic by Gabriel Bastien and Andrea Vau).

Much effort has been dedicated to showcasing the collection's artworks via the creation of a new gallery on the website (in the About section) and the installation of new identification plaques at certain stations. In the near future, all artworks in the métro will be labelled in the same way.

The STM also collaborated with Télé-Québec on the creation of a series of seven videos, each on a different work of art in the métro. Available on the STM website and from *Fabrique culturelle*, these videos shine the spotlight on artists Claire Sarrasin, Hélène Rochette, Guy Montpetit, Jean Mercier, André Léonard, Peter Gnass and the late Frédéric Back, whom we had the privilege of meeting shortly before his death.

A cultural exchange was organized by the STM and the authorities of the Brussels Metro, which will be celebrating its 40th anniversary in 2016, while Montréal celebrates the 50th anniversary of its own métro. The exchange, which received support from Québec's Government Office in Brussels, is preceded by an exchange that was carried out with the *Régie autonome des transports parisiens* (RATP) and culminated in 2011 with the installation of the mosaic entitled *La Voix lactée* by Geneviève Cadieux at Saint-Lazare station of the Paris métro.

In addition to its artworks, the Montréal métro is renowned the world over for the quality and variety of its spaces, which were designed by an impressive number of architects. That is why all major repair and renovation work undertaken in the Montréal métro must respect the architectural heritage of each station. For example, at Préfontaine station, the new roof installed in 2013 reproduced the design of the old roof.

Lastly, in 2013, the métro hosted a number of cultural activities organized within the framework of the Métro Arts partnerships program. Métro riders were offered free dance lessons as part of the STM's *Les Beaux Dimanches dans le métro* program, as well as a host of other activities presented by *Art Souterrain*, *Bust a Move*, *Centaur Theatre*, *Les Grands Ballets Canadiens*, *Journées de la culture*, the Montreal International Documentary Festival (RIDM), Montréal Zombie Walk, *Opéra de Montréal*, and *Tangente*.

ANNUAL GENEROSITY CAMPAIGN

A golden jubilee for a tradition of generosity

The STM's commitment to the Montréal community has been unwavering for the past 51 years. The first time that company employees were called upon to show solidarity for their fellow citizens was back in 1962. And so a tradition of helping others was born...

Over the years, a few signature activities were added to the fundraising campaign directed at employees and retirees. Indeed, the Christmas basket drive began in 1997, followed by an annual benefit golf tournament in 2006.

In addition to these mainstays, employees push the envelope to find creative new ways of collecting funds from colleagues, while simultaneously communicating a sense of belonging and pride among groups of employees.

In 2013, an unprecedented tragedy struck the Lac-Mégantic community. STM's top management and employees immediately joined forces to organize a fundraising drive in métro stations, which enabled the company to hand over \$50,000 to the Red Cross.

Another record-setting year

The efforts provided throughout the year and thousand of hours volunteered by employees and retirees helped to raise a record sum of \$1,109,164, which was entirely distributed among the charitable organizations supported by the STM, namely:

- \$394,111 for *Réchaud-bus*, a disused bus transformed into a mobile canteen that annually serves close to 8,000 hot meals and snacks to children in underprivileged neighbourhoods in Montréal, at 52 schools and 38 youth centres
- \$197,444 for Centraide of Greater Montréal
- \$229,814 for the Canadian Red Cross, Québec chapter
- \$153,765 for Partenairesanté Québec
- \$50,000 for the *Les petits trésors* foundation at the Hôpital Rivière-des-Prairies in exchange for their support in the administration of the benefit golf tournament
- \$84,028 for the Christmas food basket drive for 600 underprivileged families referred by local organizations, with funds collected through a three-day drive in métro stations and an in-house raffle, through the volunteer work of more than 600 employees and retirees

GOVERNANCE

Board of Directors

The STM's Board of Directors is appointed by the Montréal agglomeration council from among the city councils of Montréal and the other municipalities in the agglomeration. In addition, three members of the board are chosen from among agglomeration residents, including two public transit users and one paratransit user. The designation of two public transit users must ensure that at least one person under age 35 at the time of nomination is included on the Board of Directors.

The Board of Directors exercises the functions and powers of the STM and sets its major orientations. It adopts the strategic plan for the development of public transit on the territory it serves; adopts the budget, the staffing plan and the three-year capital expenditures programs (CEP) on an annual basis; establishes the various fare products and price structure; and approves, cancels or replaces public transit routes and approves permanent changes to the routes.

Following the municipal elections held November 3, 2013, the Montréal agglomeration council designated the new board's ten members, including its chair and vice-chair. The members are:



Philippe Schnobb

Chairman
Public transit users' representative



Jean-François Parenteau

Mayor of the Borough of Verdun



Marvin Rotrand

Vice-chairman
Montréal city councillor – Borough of
Côte-des-Neiges–Notre-Dame-de-Grâce



Nathalie Pierre-Antoine

Borough councillor
for Rivière-des-Prairies–
Pointe-aux-Trembles



Francesco Miele

Montréal city councillor –
Borough of Saint-Laurent



Marie Plourde

Borough councillor for
Plateau – Mont-Royal



Edward Janiszewski

Mayor of the City of
Dollard-des-Ormeaux



Marie Turcotte

Paratransit users' representative



Pierre Gagnier

Mayor of the Borough of
Ahuntsic-Cartierville



Claudia Lacroix Perron

Public transit users' representative –
member under 35

The Board consists of seven elected municipal officials and three users' representatives, including four women and six men. Its composition reflects the company's values of diversity and plurality, and its Chairman, Philippe Schnobb, serves on a full-time basis.

These nominations took effect at once when a resolution in that regard was adopted at a regular meeting of the Montréal agglomeration council on November 28, 2013. Between January 1, 2013 and that date, the Board members were:

Michel Labrecque, chairman

Marvin Rotrand, vice-chairman

Francesco Miele

Edward Janiszewski

Bernard Blanchet

Richard Bergeron

Elsie Lefebvre

Monica Ricourt

Marie Turcotte

Claudia Lacroix Perron

Committee work in 2013:

- 15 meetings of the Board of Directors
- 45 meetings of the Board's technical committees and 11 subcommittee meetings
- 332 issue files reviewed
- 6 loan bylaws approved, totalling \$222,267,231.00
- 211 contracts awarded for the purchase of goods and services, totalling \$481,961,861.21

Board committees and their role

In order to aid in the proper governance of the STM and help it execute its mandates, the Board of Directors maintains a number of technical committees, each in a specific field of endeavour. These committees were formed for the most part between 2006 and 2008, as part of the governance rules review process.

The committees consist of members of the Board of Directors and independent external experts. The chairman of the board is an ex officio member of all committees. The secretary general or deputy attends the meetings and serves as permanent secretary of each committee, without actually being a member.

On December 18, 2013, the Board of Directors modified the number of its technical committees and their role. However, as no meetings were called between the time new members were nominated and the end of the year, the committees' composition and mission in effect until such date are presented below. The information is an accurate reflection of the work done in 2013.

CUSTOMER SERVICE COMMITTEE

This committee's mandate is to study the needs, means and optimal solutions with regard to the STM's public transit services, and makes recommendations to the Board of Directors. Two subcommittees have been created to deal more specifically with accessibility and diversity issues. The committee organizes public consultations at its discretion to keep abreast of passengers' opinions.

Marvin Rotrand
Committee chair

Elsie Lefebvre
Committee member

Marie Turcotte
Committee member

Suzanne Sauvage
External member

Chantal St-Pierre
External member

Denise Vaillancourt
Executive director –
Planning, Marketing and Communications
Committee coordinator

HUMAN RESOURCES COMMITTEE

This committee's mandate is to study the needs, means and optimal solutions with regard to human resources management at the STM, and to submit its recommendations to the Board of Directors.

Every year, the committee studies and assesses the Director General's performance relative to specific, pre-established personal and corporate objectives, and establishes his annual compensation within the limits set by the Board of Directors. When required, the committee calls on external experts to study the salaries paid to STM executives and bring them into line with those earned by senior managers at Québec's public corporations and at public transit companies in North America.

The committee also determines, on recommendation by the Director General, the performance assessments and annual compensation of management committee members according to pay scales and internal management rules or, as the case may be, the parameters established by the Board of Directors.

Marie Turcotte
Committee chair

Edward Janiszewski
Committee member

Monica Ricourt
Committee member

Gilles Dulude
External member

Linda Gosselin
External member

Alain Brière
Executive director –
Human Resources and Shared Services
Committee coordinator

FINANCE COMMITTEE

This committee's mandate is to study the needs, means and optimal solutions with regard to the management of the STM's financial activities, and to submit its recommendations to the Board of Directors.

Claudia Lacroix Perron
Committee chair

Michel Labrecque
Committee member

Marvin Rotrand
Committee member

Robert Juneau
External member

Daniel Leclair
External member

Luc Tremblay
Executive director – Finances and Control
Committee coordinator

AUDIT COMMITTEE

This committee's mandate is to supervise the functions of the STM's Auditor General (internal and outside auditors, and to follow up on their recommendations. The ultimate aim is to contribute to improving the means and solutions for ensuring, on behalf of the Board of Directors, that the STM's operational and administrative affairs are being conducted effectively, efficiently, and economically, and making available all information required to accurately reflect the company's activities and results. The STM has had an Auditor General since 1982.

Yves Gauthier

Committee chair
External member

Michel Labrecque

Committee vice-chair

Francesco Miele

Committee member

Yves J. Beauchesne

External member

Suzanne Bourque

Auditor General
Committee coordinator

GOVERNANCE AND ETHICS COMMITTEE

This committee's mandate is to study the needs, means and optimal solutions with regard to governance and ethics in the management of the STM's activities, and to submit its recommendations to the Board of Directors.

Francesco Miele

Committee chair

Marvin Rotrand

Committee member

Richard Bergeron

Committee member

Diane Girard

External member

Karin Marks

External member

Sylvie Tremblay

Secretary General and Executive director –
Legal Affairs
Committee coordinator

ASSET MAINTENANCE, MAJOR PROJECTS, AND ENVIRONMENT COMMITTEE

This committee's mandate is to study the needs, means and optimal solutions with respect to the maintenance of STM assets (operating equipment and systems, computer equipment and infrastructure). It is also charged with studying all major projects supporting the implementation of the STM's business plan, and with overseeing the company's environmental policy. It then submits its recommendations to the Board of Directors. A subcommittee has been formed to deal specifically with information technology issues.

Bernard Blanchet

Committee chair

Richard Bergeron

Committee member

Elsie Lefebvre

Committee member

Roland Gagnon

External member

Jean-Guy René

External member

Pierre Dauphinais

Executive director – Major Projects
Committee coordinator

OPERATIONS COMMITTEE

This committee's mandate is to study the needs, means and optimal solutions with respect to the management of STM operations, and to submit its recommendations to the Board of Directors.

Bernard Blanchet

Committee chair

Richard Bergeron

Committee member

Elsie Lefebvre

Committee member

Roland Gagnon

External member

Jean-Guy René

External member

François Chamberland

Executive director – Technical Services
Committee coordinator

ARTS AND HERITAGE COMMITTEE

This committee's mandate is to promote the integration of art in the STM network and to deal with the protection, conservation, proper use, and enhancement of the artistic heritage assets under the STM's stewardship, and to submit its recommendations to the Board of Directors.

Monica Ricourt

Committee chair

Claudia Lacroix Perron

Committee member

Francesco Miele

Committee member

France Vanlaethem

External member

Louise Desseault-Letocha

External member

Odile Paradis

Senior director – Public Affairs
Committee coordinator

TRANSGESCO S.E.C. (COMMERCIAL ACTIVITIES)

The Board of Associates of Transgesco S.E.C., which includes three members of the STM Board of Directors, is charged with establishing Transgesco's orientations, adopting its strategic development plan, appointing external auditors, and reviewing its financial statements.

Limited partner's representatives

Michel Labrecque

President

Bernard Blanchet

Carl Desrosiers

Administrator

Sylvie Tremblay

Secretary

Pierre Rocray

Administrator

Denise Vaillancourt

Administrator

Alain Fraser

Treasurer

Meetings of Board of Directors committees in 2013 and main topics of discussion

COMMITTEE	MEETINGS	MAIN TOPICS
ARTS AND HERITAGE	3	<ul style="list-style-type: none"> ➤ Renovation of Préfontaine, Berri-UQAM and Angrignon stations ➤ Cultural exchange with Bruxelles Mobilité ➤ Art competition for Champ-de-Mars and Jean-Talon stations ➤ New bus shelter design ➤ STM statement regarding métro station names ➤ New STM website with an artwork section ➤ <i>The artists of the Orange line</i> exhibit
FINANCE	5	<ul style="list-style-type: none"> ➤ Four-month review (April 2013) ➤ Remote recharging project – Agreement with transit operating authorities ➤ Project portfolio management (PPM) – Benefits management ➤ The reasons for modifying a loan program ➤ Draft of the 2014 – 2016 Capital Expenditures Program (CEP) ➤ Assessment of the maintenance deficit ➤ 2014 borrowing regime ➤ Examination of the Léonard report ➤ Financial impacts of the D'Amours report ➤ 2013 financial statements ➤ 2014 financial framework and budget
GOVERNANCE AND ETHICS	2	<ul style="list-style-type: none"> ➤ Study of a proposed corporate policy covering donations, philanthropic contributions and corporate fundraising in order to provide recommendations to the Board ➤ Development of a campaign for fostering awareness and discussion of ethical issues among employees
ASSET MAINTENANCE, MAJOR PROJECTS AND ENVIRONMENT	6	<ul style="list-style-type: none"> ➤ Sustainable development report ➤ Réno-Systèmes program – Phases 1, 2 and 3 ➤ Réno-Infrastructures program – Phase 1 ➤ Berri-UQAM station upgrade ➤ Métro operating systems ➤ Stinson bus garage ➤ Rebuilding of the Crémazie plant ➤ New AZUR métro cars (MPM-10) ➤ Roll-out of the iBUS vehicle scheduling and real-time passenger information system ➤ Hastus software migration ➤ Trolleybus network ➤ Métro extension ➤ Project portfolio management (PPM)
OPERATIONS	3	<ul style="list-style-type: none"> ➤ Road safety – Results of the APTA Peer Review ➤ Presentation of the new STM uniforms ➤ Bus driver seats ➤ Modification of the ticket booth attendant's role ➤ Hazardous materials disposal ➤ Purchase of bus parts ➤ Results of the reserved bus lane roll-out ➤ Passenger support missions ➤ Indicators – Highlights (métro, bus and paratransit)

COMMITTEE	MEETINGS	MAIN TOPICS
HUMAN RESOURCES	4	<ul style="list-style-type: none"> ➤ Targeted attraction planning and strategies ➤ Performance management – Compensation ➤ Review of management position postings ➤ Staffing process – Candidate experience ➤ MPM-10 training ➤ Action plan – People with disabilities ➤ Agreement – Maintenance performance improvement ➤ Employee assistance program ➤ Executive leadership development – Follow-up on programs ➤ D'Amours report ➤ Optimization of the training management process ➤ Management forum and meetings of first-level managers
CUSTOMER SERVICE	7	<ul style="list-style-type: none"> ➤ Service standards ➤ Development and tweaking of services ➤ 2013 Bus Priority Measures (BPM) program ➤ Vision for the <i>Navettes Or</i> shuttle service ➤ Côte-Vertu bus rapid transit (BRT) ➤ Safety of travel by bus and car ➤ Paratransit service strategies ➤ Accessible bus network action plan ➤ Bike shelter pilot project ➤ Transportation Cocktail prospects ➤ Motivational campaigns promoting public transit use ➤ Bus behaviour campaigns ➤ Passenger satisfaction survey ➤ Signage project – Test results ➤ Approach to partnerships ➤ Social fare scheme ➤ New website ➤ Remote recharging – VRAD project ➤ Creation of a loyalty program (<i>Merci</i> program)
AUDIT	8	<ul style="list-style-type: none"> ➤ Follow-up on the recommendations stemming from the annual STM audit and those of external auditors ➤ Financial statements and external auditors' reports ➤ Work related to construction and engineering contracts ➤ Audit report on: <ul style="list-style-type: none"> ➤ Certification of the rate of passenger fraud ➤ Management of a human resources contract

Remuneration of Board members

The remuneration of all members of the company's Board of Directors is set in accordance with the provisions of the *Act respecting the remuneration of public officials*, the *Act respecting public transit authorities*, and Bylaw R-076, *Règlement établissant les règles de gouvernance applicables à l'accomplissement de diverses fonctions par les membres du conseil d'administration* (bylaw establishing the rules of governance applicable to the accomplishment of various functions by the members of the Board of Directors).

In addition to the annual remuneration paid for their participation on the Board of Directors, members receive an attendance allowance of \$175 each time they take part in the work of a technical committee. This fee rises to \$300 when a member acts as committee chair.

NAME	ANNUAL SALARY ^(a)	ATTENDANCE ALLOWANCE ^(b)
Philippe Schnobb ^(d)	\$11,091.07 ^(c)	
Marvin Rotrand	\$27,223.84	\$2,800.00
Francesco Miele	\$21,779.07	\$2,175.00
Edward Janiszewski	\$21,779.05	\$525.00
Marie Turcotte	\$21,779.07	\$3,450.00
Claudia Lacroix Perron	\$21,779.07	\$1,850.00
Jean-François Parenteau ^(d)	\$1,177.39	
Pierre Gagnier ^(d)	\$1,177.39	
Marie Plourde ^(d)	\$1,905.67	
Nathalie Pierre- Antoine ^(d)	\$1,905.67	
Michel Labrecque ^(e)	\$116,192.12 ^(c)	
Bernard Blanchet ^(e)	\$19,056.66	\$3,775.00
Monica Ricourt ^(e)	\$19,964.12	\$2,200.00
Elsie Lefebvre ^(f)	\$18,149.20	\$1,750.00
Richard Bergeron ^(f)	\$5,007.72	
Dominic Perri ^(g)	\$1,814.92	

(a) Compensation received for service as a member of the Board of Directors

(b) Amounts received for participation in the Board's technical committees

(c) The Chairman of the Board's position is full-time

(d) Arrived in November 2013

(e) Left in November 2013

(f) Arrived in February 2013 and left in November 2013

(g) Left in February 2013

Management committee



Carl Desrosiers
Director General



Odile Paradis
Senior Director
Public Affairs



Michel Lafrance
Executive director
Commercial
Activities



Sylvie Tremblay
Secretary General and
Executive director
Legal Affairs



Stéphane Forget
Executive director
External Relations
and Strategic
Planning



Luc Tremblay
Secretary General
and Executive
director
Legal Affairs



Pierre Dauphinais
Executive director
Major Projects



Dominique Lemay
Executive director
Métro System



André Poisson
Executive director
Bus Network



François Chamberland
Executive director
Technical Services



Alain Brière
Executive director
Human Resources
and Shared
Services



Denise Vaillancourt
Executive director
Planning,
Marketing, and
Communications

Remuneration of management committee members

NAME	TITLE	2013 ANNUAL SALARY	REIMBURSEMENT OF EXPENSES INCURRED WHILE CARRYING OUT OFFICIAL DUTIES
Carl Desrosiers	Director general	\$313,212.12	\$72.07
André Poisson	Executive director – Bus Network	\$238,129.84	\$172.44
Dominique Lemay	Executive director – Metro System	\$220,837.76	\$99.38
François Chamberland	Executive director – Technical Services	\$188,691.88	\$172.31
Denise Vaillancourt	Executive director – Planning, Marketing, and Communications	\$243,812.40	\$1,484.80
Pierre Dauphinais	Executive director – Major Projects	\$226,826.08	\$202.57
Sylvie Tremblay	Secretary general and Executive director – Legal Affairs	\$219,192.48	\$774.71
Alain Brière	Executive director – Human Resources and Shared Services	\$234,094.64	0
Luc Tremblay	Executive director and Treasurer – Finance and Control	\$225,162.08	0
Michel Lafrance	Executive director – Commercial Activities	\$211,162.64	0
Stéphane Forget	Executive director – External Relations and Strategic Planning	\$187,508.88	\$1,668.22
Odile Paradis	Senior director – Public Affairs	\$169,305.76	0

International relations and research and development missions

With the goal of improving its performance, sharing its expertise, and exchanging ideas on best practices, the STM is a member of various national and international public transit organizations, in which management and Board representatives sit on various policy and technical committees. Over the past year, STM representatives participated in the Annual Conference and other conferences held by the Canadian Urban Transit Association (CUTA), as well as in the conventions and technical committees of the American Public Transportation Association (APTA) and the International Association of Public Transport (UITP). The company is part of the Nova group (benchmarking) of Imperial College London.

Expenses incurred for research and development missions by members of the Board of Directors

NAME	PURPOSE OF TRIP	DESTINATION	AMOUNT
MICHEL LABRECQUE	Unveiling of AZUR at La Pocatière factory facilities	La Pocatière	\$163.32
	Conference by CarSharing Association	Toronto	\$723.13
	Meeting with MTQ	Québec	\$310.16
	Public transit awareness day held at the National Assembly and organized by ATUQ	Québec	\$252.34
	Meeting of UITP's Executive Council and presenting Montréal bid as host for 2017	Hamburg	\$3,690.97
Total			\$5,139.92
MARVIN ROTRAND	UITP World Congress	Geneva	\$4,259.81
Total			\$4,259.81
BERNARD BLANCHET	APTA Legislative Conference	Washington	\$2,015.86
	CUTA Annual Conference	St. John's	\$2,337.45
	APTA Transit Board Member Seminar	Austin	\$1,957.47
Total			\$6,310.78
CLAUDIA LACROIX PERRON	UITP World Congress	Geneva	\$3,199.59,
Total			\$3,199.59
MARIE TURCOTTE	Receiving CUTA award of excellence	Calgary	\$1,965.74,\$,
Total			\$1,965.74,\$,
GRAND TOTAL			\$20,875.84

Expenses incurred for research and development missions by members of the management committee

NAME	PURPOSE OF TRIP	DESTINATION	AMOUNT
CARL DESROSNIERS	APTA Nominating Committee	Dallas	\$1,089.11
	Meeting of UITP's Executive Council and presenting Montréal bid as host for 2017	Hamburg	\$3,621.60
	Public transit awareness day held at the National Assembly and organized by ATUQ	Québec	\$550.24
	ATUQ annual symposium	Gatineau	\$453.23
	Meeting with Bombardier Transport	La Pocatière	\$636.26
	Meeting with MTQ	Québec	\$604.37
	Unveiling of AZUR at La Pocatière factory facilities	La Pocatière	\$612.21
Total			\$7,567.02
DENISE VAILLANCOURT	Receiving two awards by the International Association of Business Communicators (IABC)	New York	\$1,126.11
	Total		\$1,126.11
DOMINIQUE LEMAY	APTA Annual Conference	Chicago	\$3,072.98
	Unveiling of AZUR at La Pocatière factory facilities	La Pocatière	\$609.03
	UITP Metro Assembly	London	\$4,156.98
Total			\$7,838.99
FRANÇOIS CHAMBERLAND	Program of meetings and industrial tours - City Mobility	Göteborg London	\$6,489.79
	UITP Metro Committee and World Congress	Geneva	\$8,196.60
	UITP Rolling Stock Subcommittee	Prague	\$3,654.49
	Tour of Bombardier's Primove facilities	Frankfurt Moscow	\$4,288.02
Total			\$22,628.90
LUC TREMBLAY	UITP Finance Committee	Hamburg	\$2,142.99
	Meeting with MTQ	Québec	\$529.97
Total			\$2,672.96

NAME	PURPOSE OF TRIP	DESTINATION	AMOUNT
ODILE PARADIS	Unveiling of AZUR at La Pocatière factory facilities	La Pocatière	\$221.07
	Cultural exchange process with Bruxelles Mobilité and STIB (<i>Société des transports intercommunaux de Bruxelles</i>), and meeting with Société du Grand Paris	Brussels & Paris	\$3,629.60
Total			\$3,850.67
PIERRE DAUPHINAIS	Unveiling of AZUR at La Pocatière factory facilities	La Pocatière	\$221.07
	Meeting with Bombardier Transport	La Pocatière	\$243.11
Total			\$464.18
STÉPHANE FORGET	ATUQ annual symposium	Gatineau	\$737.15
	CUTA Annual Conference	St. John's	\$2,272.95
	CUTA Fall Conference and Trans-Expo	Calgary	\$2,092.98
	Public transit awareness day held at the National Assembly and organized by ATUQ	Ottawa	\$869.57
	Mission regarding electro-mobility	Munich, Dresden	\$3,802.81
	Meeting with MTQ	Québec	\$551.71
	Meeting with Bombardier Transport	La Pocatière	\$263.21
	CUTA Executive Committee meeting	Ottawa	\$309.90
	Total		\$10,900.28
SYLVIE TREMBLAY	AAPI (<i>Association sur l'accès et la protection de l'information</i>) conference	Québec	\$489.73
	ATUQ annual symposium	Gatineau	\$220.75
	APTA Transit Board Member Seminar	Austin	\$1,801.72
	Corporate governance training session	Québec	\$446.42
Total			\$2,958.62
GRAND TOTAL			\$60,007.73

Ethics at the STM

The STM has now had its own code of ethics for 25 years. The first version was adopted on November 17, 1988, and was most recently updated in 2011.

The code of ethics is based on the company's five values:

- teamwork
- conscientiousness
- respect
- accountability
- transparency

IT MUST BE USED TO GUIDE ETHICAL DECISION-MAKING BY:

- employees of the STM and its subsidiary Transgesco S.E.C.
- the administrators and external members of the various committees of its Board of Directors

In addition, any person doing business with the STM or providing services to it must also respect the code of ethics.

AMONG OTHERS, THE CODE OF ETHICS LAYS DOWN THAT THE STM:

- accords its highest priority to customer service
- considers personal safety to be essential and does not accept any compromise that might endanger anyone's safety
- does not tolerate any form of racial profiling.

THE CODE ALSO INDICATES THE COMPANY'S EXPECTATIONS OF ITS EMPLOYEES IN REGARDS TO ETHICS:

- complete compliance with the STM's commitment to its users, by acting as the STM's ambassador
- serving users with respect and dignity
- sensitivity to the realities of the diverse and multicultural population served by the STM

The Board of Directors is responsible for adopting the code of ethics and its contents. The Secretary General and Executive director – Legal Affairs is the first responder to ethics issues. She supports the work of employees, managers, the Board of Directors, and its committees in this area.

CONCRETE ACTIONS PROMOTING ETHICAL BEHAVIOUR

A strong sense of ethics is deeply rooted in the STM culture. Every year, the Secretariat General – Legal Affairs establishes a series of strategies to ensure that the code of ethics serves as food for thought for employees. Specifically, this involves:

- Presentation of the code of ethics during compulsory training for new managers
- An ongoing training program on the legal and administrative aspects of the STM in which over 2,960 employees have taken part so far, a first at the municipal level in Québec
- Discussion and awareness sessions on ethics, hosted by representatives of the Secretariat General, to provide answers to questions posed by employees from employee groups faced with ethical issues
- A rigorous process for auditing contract management activities
- The roll-out of user-friendly tools on the STM intranet explaining the procedures employees should follow when making decisions on ethical issues; this includes a series of situations arising in employees' day-to-day activities, in which ethical questions arise and need to be considered; the situations are presented in the form of questions and answers

CONFLICT OF INTEREST DISCLOSURE AND REVIEW PROCESS

The STM has established a rigorous conflict of interest disclosure process whose scope has widened over the years. The following people complete a document to disclose relevant information used in order to reconcile their personal interests with their official duties at the STM:

- Members of the Board of Directors and external members of the STM's committees (since 2009)
- Senior managers (since 2010)
- All staff at STM subsidiary Transgesco S.E.C. (since 2010)
- Key members of the personnel at the STM's project offices' partner firms

Certain categories of employees whose positions are linked to the contracting process (on a voluntary basis since 2013)

The Secretariat General analyzes every conflict of interest disclosure statement and, when one contains situations involving ethical issues, contacts the person in question to provide guidance and support.



PENSEE EST COULEUR DE LUMIERES LOINTAINES
FOND DE QUELQUE CRYPTE
AUX VAGUES PROFONDEURS

A-T-ON LE DROIT DE FAIRE LA NUIT
NUIT SUR LE MONDE ET SUR NOTRE COEUR
POUR UNE ETINCELLE

Bas-relief mural by Georges Lauda,
Paul Pannier and Gérard Cordeau

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stm.info

You can also view

the *2013 Sustainable Development Report*,

the *2013 Financial Report*, as well as the *2014 Budget*,

the *2013-2015 Three-year Capital Expenditures Program*

and the *2020 Strategic Plan* on our website.

