

Société de transport de la Communauté
urbaine de Montréal.

C

ANNUAL REPORT 1990

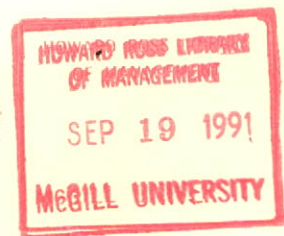


TABLE OF CONTENTS

MESSAGE FROM THE CHAIRMAN OF THE BOARD	4
MESSAGE FROM THE PRESIDENT AND GENERAL MANAGER	6
THE YEAR AT A GLANCE	8
OPERATIONS AND NETWORK IMPROVEMENTS	10
CUSTOMER SERVICE	13
COMMUNICATIONS	16
HUMAN RESOURCES	19
CORPORATE MANAGEMENT	21
FINANCIAL REVIEW	24
THE BOARD OF DIRECTORS	25
THE MANAGEMENT TEAM	26
THE AUDIT COMMITTEE	27
THE COMPLAINTS COMMITTEE	27
FINANCIAL STATEMENTS	29

MESSAGE FROM THE CHAIRMAN OF THE BOARD

The year 1990 was marked by the Government of Québec's announcement that it would no longer finance public transit operating expenses. Uncertainty thus prevailed, particularly given that there have been delays in implementing the 1989 agreement with regard to network development and the financing of capital investments. With details of the assistance program still unknown, several investment projects had to be put on hold during the year.



Nevertheless, the STCUM was able to make a number of innovative moves to the benefit of its clientele. In cooperation with the City of Montreal, we inaugurated the first reserved bus lanes on MUC territory. Counterflow service on Pie-IX Boulevard — a first for North America

as well — has been a major success, as evidenced by a 30% increase in ridership on the bus route.

Three other reserved lanes were instituted in 1990: on Henri Bourassa, Crémazie and Sauvé/Côte-Vertu.

The STCUM also opened its first «park and ride» parking lot at the Radisson metro station. The 300-car lot was such a success that a larger, 1,100-car lot was permanently established and a second parking lot was opened near the Namur station.

Efforts to improve user information services were intensified, and late in the year, a program was undertaken to distribute 800,000 network maps to all homes in MUC territory. These will help make STCUM services better known and encourage public transit use in general.

The year 1990 was also one of productive cooperation. The founding of the Conseil métropolitain de transport en commun (CMTC), which includes the public transit corporations of Laval, the South Shore and the MUC, was a crucial step in the creation of a common vision of public transit for Greater Montreal. The CMTC's first significant accomplishment was the new regional pass that gives bearers access to all three transit systems. The pass has proved highly popular and some 715,000 have been sold, far exceeding initial forecasts.

The STCUM Board of Directors believes that public transit is an extremely viable alternative to the automobile, and a key to the development of the entire Montreal region. What is on the line, not only for the STCUM but for all municipalities in the area, is our common desire to make public transit take real priority over private vehicles.

The only way to put a definitive end to the current decline in ridership and ensure the healthy renewal of public transit is for municipalities and transit corporations to work together: the former making the best use of their planning resources and the latter striving to provide extensive, quality service at an attractive price.

A handwritten signature in black ink, appearing to read 'R. Perreault', with a stylized flourish at the end.

Robert Perreault

MESSAGE FROM THE PRESIDENT AND GENERAL MANAGER

In many ways, 1990 highlighted the difficulties public transit is currently experiencing.

This was a year of consolidation for the restructuring begun in 1989. An essential step involved putting first-level managers in place throughout our operations; we believe they are the most suitable managers for result-oriented teams, and the process was supported by training and development programs. Improving the quality of our management and organizational structure are keys to improving overall performance.



Our efforts have been rewarded by concrete results in a number of areas. As to finances, despite a \$12.2 million shortfall in revenue, the STCUM managed to keep spending within budget and generated \$1 million in income carried forward to 1992. This was made possible by prudent management, specifically with regard to occupational health and safety and absenteeism, where efforts were consolidated.

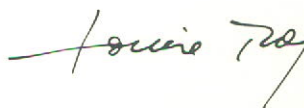
Another significant event in 1990 was the renewal of three collective agreements, including the one governing bus drivers and metro operators. For the first time in twenty years, negotiations were concluded without strikes or work stoppages, and we plan to continue our efforts in this important area.

Nineteen ninety brought to an end our 1987-1990 corporate plan, the main strategy of which was to restructure the corporation in order to bring decision-making as close to the action as possible, and change our management style. We can now say that our organizational objectives have been achieved and that the new management style has begun to show results. Our greatest challenge now is to mobilize all personnel in an effort to improve service and reduce costs.

Indeed, in seeking to win back its clientele and augment ridership within an increasingly difficult economic context, the STCUM worked throughout 1990 on a plan to renew public transit.

Consistency, punctuality, user information and improved service in three targeted markets — downtown, industrial parks and local travel — constitute the basis of this plan, which we intend to implement over the coming years.

Very difficult times are coming, and the STCUM, its managers and employees are going to have to perform better than ever, providing efficient, top-quality service at the lowest possible cost. We believe we have what it takes to meet the increasing demands of our customers and our financial partners, and we therefore head optimistically into this decade, determined to win back public transit users with efficient, professional service.

A handwritten signature in black ink, appearing to read "Louise Roy". The signature is fluid and cursive, with a long horizontal stroke at the beginning and a sharp upward hook at the end.

Louise Roy

THE YEAR AT A GLANCE

THREE FOR THE PRICE OF ONE

The long-awaited regional transit pass came into effect on January 1. For a fixed monthly fare, passengers can now go anywhere within the territories served by the STCUM, the S.T.R.S.M. on the South Shore and the S.T.L. in Laval.

FULL HOUSE

A first experimental metro parking lot designed to encourage people to «park and ride» opened in February and was an instant success. Passenger interest in the 300-space lot next to the Radisson metro station was so high that a permanent lot for 1,100 cars was established.

A HISTORIC EVENT

The STCUM made history in 1990: negotiations with the labour unions representing maintenance staff, bus drivers, metro operators and employees in related departments, as well as office personnel were all concluded successfully, without strikes, for the first time in 20 years.

BETTER...FOR LONGER

Bus transfers have been made over — they're «the same, only better!» The big improvement is that they now show the time at the end, rather than the beginning, of the period of validity. What's more, transfers are now valid for 30 minutes longer than previously, and may be used on all bus routes, regardless of their point of origin or destination.

SUPERKIDS LOVE S.M.A.T.

The STCUM was back in full force at the Salon de la jeunesse to launch the Club des S.M.A.T. (an acronym of the French for Superkids on the Metro, Bus and Commuter Trains). Designed for children 8-14, the Club attracted some 3,000 members in its first few months. Its quarterly magazine, published in conjunction with Shell Canada Ltd., talks to kids about civic responsibility, safety and concern for the common good on the public transit system.

LEADING THE WAY

Public transit users appreciated the STCUM's newly designed practical, simple and attractive maps of the transit network, downtown area, night service and metro system. And the neighbourhood maps put up in all metro stations won a Canadian Urban Transit Association Omnibus Award for their practicality and originality.

A NATURAL CONCERN FOR THE ENVIRONMENT

The STCUM is taking a strong environmental stance, beginning with the experimental conversion of a first bus to natural gas. It is hoped that this pilot project, being run in cooperation with Gaz Métropolitain and the federal and provincial governments, will lead to the ultimate conversion of the entire fleet and a significant reduction in pollution in the city.

WITH ALL DUE MODESTY

At the 9th Médiacom Gala, the STCUM won the Affiche d'or for the design and production of its billboard, «Paix dans le métro.»

STRENGTH IN NUMBERS

The members of the Association du transport urbain du Québec took a united position for the first time, pooling their efforts to launch an urgent appeal to both government and the public: «Au secours de ma ville!» Such joint action demonstrates the serious nature of their concern for the future of public transit in Quebec, as well as for the important economic and ecological aspects of its role in urban society.

PERFECT MARKS RIGHT DOWN THE LINE



On June 18, at 6:00 a.m., the first R-Bus headed down Pie-IX Boulevard — next to the median and against the traffic. This experiment in counterflow express lanes during rush hour was a first for North

America and such a success that three other reserved lanes (this time, running beside the curb) were permanently instituted during the course of the year.

OPERATIONS AND NETWORK IMPROVEMENTS

By the end of the fiscal year, 386.4 million passengers had used STCUM bus and metro services, 0.7% fewer than in 1989. A modest 1% increase would have been recorded, had it not been for two factors: pressure tactics employed by maintenance personnel from the end of 1989 through March 1990, following changes to their work schedule, and the impact of the recession.

The demand for public transit is related to a number of activities. Transportation to and from work, for example, accounts for 35% of all travel, and employment was hit hard by the recession in 1990: end-of-year statistics showed unemployment at 12.1% in the Montreal region, a 3% increase over the year before.

The STCUM's primary challenge is to reverse the drop in ridership by increasing service and making improvements to the public transit network. This, in fact, is the focus of the strategy adopted to fulfil its role as an agent of social progress within the community. Encouraging developments in this area in 1990 included such original projects as the reserved bus lanes and «park and ride» lots, which attracted new public transit users, solidly justifying both ventures. Quality service is a greater priority than ever.

Ridership

Although a slight drop in the number of bus passengers was recorded in 1990, ridership on the metro was up by 0.5%, while CP Rail commuter trains continued the progress that began in 1984.

A total of 4.4 million passengers rode the Montreal/Rigaud line, a 10% increase over 1989. Delivery of four rebuilt locomotives and seven new power supply cars helped maintain excellent performance on this line and improved passenger comfort.

The Transit Centre for the Disabled celebrated an impressive tenth anniversary in 1990. Since it was created, more than 4 million minibus and taxi trips have been made over an area of 564 square kilometres, and 9,000 people have been registered as regular or occasional users.

Ridership on the Montreal-Deux Montagnes line was up slightly by 1% at the end of 1990, at 4.3 million passengers.

During the repairs to the Metropolitan Expressway, the STCUM loaned a number of railway cars to the Quebec government to help it establish a special train linking Repentigny and Legardeur to the Sauvé and Côte-Vertu metro stations, via Rivière-des-Prairies and Montréal-Nord. Additional cars were loaned over the summer for a train from Saint-Isidore to Montreal, created when the Mercier Bridge was closed during the Oka crisis.

The Transit Centre for the Disabled celebrated its tenth anniversary during the year. The Centre was founded in 1980 after passage of the Act to secure the handicapped in the exercise of their rights. In the past decade, ridership has increased significantly from 71,000 to more than 800,000 trips a year.

Fares

Following the announcement of the creation of the Conseil métropolitain de transport en commun (CMTC), which includes the public transit corporations of Laval, the South Shore and Montreal, the new regional pass was introduced on January 1, 1990, and has become exceptionally popular.

For a fixed monthly fare, passholders may travel anywhere within the territories served by the three corporations. So far, more than 715,000 passes have been sold, far exceeding initial forecasts. Consequently, sales of STCUM monthly passes dropped from 4.4 million in 1989 to 3.9 million in 1990. At the same time, ticket sales increased by 8%, while cash payments were down by almost 18%.

Lastly, mobile teams visited 158 schools and issued 93,000 student passes, while senior citizens purchased more than 12,000 permanent gold passes. Both reduced-fare passes were completely redesigned in 1990: they are now the size of a credit card and feature a hologram to make forgery more difficult. They also come in plastic anti-fraud pouches.

Service and System Planning

A minor 1.6% drop was recorded in the number of kilometres covered by STCUM buses. However, the 62,000 extra hours of service added during repairs to the Metropolitan Expressway kept figures at 1989 levels, i.e. 4.8 million hours.

The number of kilometres covered by the metro was unchanged, while service remained stable at 2.3 million hours at year end.

More than 1,400 requests were reviewed by the STCUM in 1990, approximately 43% of them having to do with moving, removing or adding a bus stop. A significant 24% were requests for bus shelters and nearly 14% concerned modifications to bus routes.

Most of these requests involved on-site data gathering, as well as presentations to municipalities or consultations with the transit centres concerned.

All metro turnstiles are now equipped with magnetic pass readers. These not only make fare collection easier, they also speed up passenger traffic at station entrances.

As a result, service to Nun's Island was modified, with a consequent 27% increase in ridership in that area. In addition, 36 bus shelters were added throughout MUC territory.

New Services

Beginning in January, the STCUM put a number of projects in motion in order to better meet the needs of its clientele and attract new public transit users.

The first of these was the parking lot at the Radisson metro, designed to encourage motorists headed downtown from Montreal's southern and eastern sections, as well those from outside MUC territory, to «park and ride» for minimal cost. Within three days of its opening, the 300-car lot was filled to capacity. Given such phenomenal success, a whole program was developed to set up similar parking lots beside metro and train stations; in the meantime, a larger, 1,100-car lot was established across the street from the Radisson metro, and a second lot was opened near the Namur metro station.

A cooperative effort involving the STCUM and the Ville de Montréal bore fruit on June 18, when the first buses rolled down Pie-IX Boulevard — against the traffic — in specially reserved lanes hugging the median. Speed and regularity are the key features of this new rush-hour service, and its introduction was an instant success among users. In fact, ridership on Pie-IX buses increased by almost 30%, compared to the same period in 1989.

Other temporary reserved lanes were set up during construction work on the Metropolitan. Located along the curb and in operation during rush hours only, they ran along Henri-Bourassa and Crémazie Boulevards, as well as on Sauvé/Côte-Vertu. Once again, though, the reserved lanes were such a hit that they were made permanent in September.

A group taxi pilot project in Pointe-aux-Trembles and Montreal-Est did not produce the expected results and was consequently abandoned during the year. Although users were delighted with the service, which involved taxi-vans that could take up to six passengers at a time, ridership was not up to anticipated levels. In 1991, the STCUM will reexamine the possibility of such a service, based on current operating costs.

During the 17th Congress of the Union Internationale des Architectes held in May at Montreal's Convention Centre, thousands of people from 89 countries had a chance to admire the new-style bus shelters on the Pie-IX Boulevard reserved lane.

Last, the STCUM worked with the governments of Quebec and Canada, as well as with Gaz Métropolitain on the first stage of a project designed to reduce pollution in the city. The project involves fuelling buses with a mixture of natural gas and diesel, in order to reduce noxious black smoke, carbon monoxide and carbon dioxide emissions by 80%. Conclusive results would produce a strong argument in favour of choosing for public transit to protect the environment.

Equipment and Facilities

Maintaining and improving its rolling stock and facilities on a tight budget proved a considerable challenge for the STCUM throughout the year.

In view of this fact, a thorough renovation program for all MR-63 metro cars was begun in 1990 and will end in July 1993. The primary aim of this major project is to prolong the useful life of the Corporation's rolling stock by twenty years. The program to redo the floors in the same cars, undertaken in 1987, was completed at the end of the year.

A brand new multi-purpose transit centre will be built in LaSalle, to further rationalize operations and make them more efficient. During 1990, the STCUM acquired land for the centre, which will put the Namur and Saint-Henri garage operations under one roof.

The program to modify bus drivers' work stations continued throughout the year, with the installation of more ergonomic seats, adjustable steering columns and heated, remote-controlled right sideview mirrors that respond more adequately to the drivers' needs.

Preventive and curative maintenance programs mobilized considerable forces and led to the completion of major inspections on both vehicles and STCUM facilities.

The STCUM bought 79 new vehicles in 1990, bringing the total fleet to 1,657.

As well, four rebuilt locomotives and seven new power supply cars were added to the rolling stock on the Montreal-Rigaud line, for a total of 11 locomotives and 73 passenger cars. The Montreal-Deux Montagnes line had 14 locomotives and 64 passenger cars at year end.

Nycol Pageau Goyette, President of the Metropolitan Montreal Chamber of Commerce, believes that public transit is essential to the economic, cultural and social life of Montreal and its suburbs. «Public transit is indispensable to the prosperity of the entire region. Just think of the metro, which keeps downtown business thriving. For a long time, major cities around the world have understood the importance of efficient transit systems; Montreal is no exception.»



CUSTOMER SERVICE

In accordance with its customer service objectives, the STCUM continues to seek ways to improve the frequency of service and decrease waiting time for both bus and metro users.

It has also developed effective means to inform its clientele, and is pursuing efforts to make users feel more secure in the metro.

All the projects and programs implemented over the year were in keeping with the overall strategy designed to change the STCUM from a strictly production- and operations-oriented enterprise into a truly service-oriented transit corporation.

Information Services

In 1990, STCUM users were kept informed in many different ways. First of all, the transit network, downtown, night service and metro maps were updated and redesigned. All are available any time at the ticket booths in all 65 metro stations and fit easily into a pocket or purse.

Neighbourhood maps can now be found near the exits of all metro stations. They show the area immediately around each station, including the main points of interest, pedestrian routes and STCUM properties. Regular users and tourists alike find these easy-to-consult maps very helpful.

The installation of Flashbus panels continued throughout the year. These little panels attached to bus stop poles provide users with information about the route and waiting times between buses. They are also an effective means of informing people about any changes. In 1990, more than 200 panels were added to the existing 400.

Corporate bulletin boards were another new addition in metro station corridors. Featuring such items as Regulation CA-3, the Quebec Charter of Rights and Freedoms, and details of the anti-smoking law, their modern design makes them inviting and easy to read.

A-U-T-O-B-U-S Information Centre operators are helping improve customer service by starting to answer calls an hour earlier each morning. About 350 inquiries come in each day: in 1990, 1.8 million people called the centre for information. As a result of those calls, the STCUM mailed out some 61,000 network, downtown, night service and metro maps, as well as copies of its annual report.

As for the transit centres, they continued to seek involvement in their communities by participating in more than 900 local events. Some of them also held «Open House» days to help young people get acquainted with the many fascinating aspects of the public transit system. Another project aimed at preventing violence on buses has helped improve relations between drivers and their younger passengers.

Complaints Committee

The mandate of the Complaints Committee is to look after STCUM users' interest and ensure that every serious, well-founded complaint is thoroughly investigated in a process that involves both the complainant and the employee concerned. In 1990, Robert Kouri, Chairman of the MUC's Advisory Council on Intercultural and Interracial Relations, succeeded Fo Niemi as Chairman of the Complaints Committee. Mr. Niemi had held the position since the Committee was created.

During this third term, the Committee reexamined its strategies and presented the STCUM with a number of recommendations. With a view to improving the quality of customer relations, Committee members met with groups of employees to introduce themselves and discuss peoples' suggestions and expectations with regard to the Complaints Committee.

In 1990, the Committee reviewed 133 of 2,240 written complaints. Mandated to examine serious complaints only, i.e. those involving dangerous driving, harassment, discrimination, racism, and insulting language or behaviour, the Committee met 12 times during the year.

It should be noted that the STCUM was the first public transit corporation in North America to create a watchdog agency that includes representatives from the general public.

Access to Service

Sybil Murray-Denis and Malcolm C. Knox, both members of the STCUM Board of Directors, chaired a committee formed to improve access to regular STCUM services, and the committee's work was completed at the end of the year.

The committee described and determined the number of users with restricted mobility, identifying the particular difficulties they face. The specific needs of senior citizens were also examined and wheelchair access to regular transit service was studied.

Various recommendations were made, in light of the kind of action the STCUM could take. These range from instituting a priority reserved-seat policy to special training programs to make STCUM personnel more aware of the needs of these particular users.

The STCUM is giving considerable weight to the committee's recommendations, since forecasts now show that the number of senior citizens and people with restricted mobility using public transit services will increase 50% by the year 2000. The conclusions in the committee's report will be very carefully examined in the coming months.

User Comfort and Protection

Throughout 1990, safety and quality control measures were implemented to deal quickly and definitively with irregularities in the metro, the surface network and the major and minor maintenance centres.

New control devices now allow escalators to be started and stopped more gently, for greater user safety. In addition, at year end, 91.5% of all escalators were operational: 5.6% were out of service due to maintenance and prevention, and 3% were down because of vandalism.

The installation of experimental handrails at bus entrance doors was also completed in 1990. The new handrails increase passenger safety and improve the driver's view of the right sideview mirror.

Lastly, new means have been developed to improve the handling of fire emergencies. As a result of the changes, the time it takes to implement emergency measures has been cut dramatically, while the potential for error in verbal communications has been reduced. Fire fighters can also be called more quickly and fare collectors given their instructions in less time. Once again, such improvements demonstrate the STCUM's particular expertise in the field.

Network Security

Security continued to be a prime area of concern in 1990.

The STCUM began equipping all buses with radiocommunications systems that will allow night-shift drivers to call for help quickly. Until installation is completed, drivers can still depend on the 9-1-1 emergency system.

The Surveillance Department undertook a study that will indicate areas where more surveillance may be desirable. Reallocation of resources has allowed the Corporation to increase surveillance in «high-risk» areas, thereby ensuring greater user safety.

Art director **Philippe Hémono** and copywriter **Hugues Choquette** work with a major Montreal advertising agency. Both believe that the metro and the bus are the most efficient ways to get to work quickly, without traffic jams. «*And we never have to worry about parking!*»



COMMUNICATIONS

During 1990, the STCUM pursued its integrated communications strategy, designed to motivate all personnel towards the achievement of corporate objectives, improve the quality of management and human relations, and increase the level of user satisfaction.

Communications projects are designed to involve STCUM staff and make them feel worthy. Such projects also inform users about available services and encourage them to work toward STCUM goals; campaigns promoting proper behaviour are a good example. In this way, everyone is made aware of the STCUM's major challenges and orientations, and all communications operations support each other.

Internal Communications

The Corporation's in-house paper celebrated a quarter-century of publication in 1990. Promenade has been an invaluable information tool, chronicling STCUM accomplishments over the past 25 years and keeping all personnel up to date about everything that's going on. A souvenir calendar noting the most memorable moments of those 25 years in our history was published and distributed to all current and retired employees.

A variety of information campaigns supported projects in different areas, with particular attention paid to labour negotiations. Twenty newsletters were published on the topic and five major information meetings were held to let employees know how things were progressing.

Other projects, such as the anti-smoking campaign, welcoming days, the employee assistance program and the installation of new systems, involved special input in terms of internal communications, while information campaigns were conducted throughout the year concerning the Access to Information Act, amendments to the Quebec Civil Code favouring economic equality between spouses, changes to the pension plan and details of the law regarding software pirating.

External Campaigns and Activities

The year was marked by various awareness campaigns designed to encourage proper behaviour and support strategies developed to improve service.

In its 1990 prevention campaign, the STCUM reminded users that they bore a certain responsibility for their own safety on the escalators or when travelling with children in strollers. Under the slogan, «Votre sécurité est aussi entre vos mains,» the campaign pointed out do's and don'ts, and urged people to help each other, especially when passengers have young children with them.

In the spring, the STCUM went one step further in its cleanliness campaign with an original slogan that simply said «La propreté, un réflexe qui s'étend. Merci!» This humorous campaign was helped by an eye-catching visual, and users with «good reflexes» were rewarded with T-shirts.

Repair work on the Metropolitan Expressway provided the STCUM with an excellent opportunity to promote public transit. «La STCUM, un remède contre la congestion» was the theme throughout the repairs, increasing awareness of the services available.

Another 1990 campaign, developed to promote the benefits of public transit, used busboards to convey four original concepts. The campaign spinoffs included a new corporate signature for the STCUM.

In 1990, an Affiche d'or, a certificate of merit, a special prize and the Vox Populi Trophy awarded by the Société des relationnistes du Québec were added to the already impressive list of distinctions earned by the «Voyager en paix» campaign.

«La STCUM, un choix de Société» implies that public transit is indeed the most logical, economical and ecological choice.

Two new publications were created for users in 1990. One, Transport Contact, is for those who use the STCUM service for the disabled. Photos, interviews, in-depth articles and a reader's column make it interesting and informative, while giving a say to those for whom the paper is intended.

As part of a campaign introduced to promote the «park and ride» concept among cyclists, bicycle stands were installed on the grounds of some 40 metro stations and a dozen train stations. The campaign slogan was «Jusqu'au métro, roulez vélo, jusqu'au boulot, roulez métro.»

The other is a light-hearted little magazine for children under 14, designed to make them respect the STCUM as something that is theirs. Le p'tit S.M.A.T. is published four times a year and distributed to all members of the new Club des S.M.A.T. (a French acronym meaning Superkids on the Metro, Bus and Commuter Train), which was launched at the 1990 Salon de la jeunesse.

Lastly, in December, Quebec transit corporations, all members of the ATUQ (Association du transport urbain du Québec), combined forces for the first time to launch a dramatic campaign, «Au secours de ma ville!» Four messages on that theme appeared on posters, busboards and daily newspapers in every major Quebec city, appealing not only to the public, but also to government, which had just indicated its intention to withdraw financing for public transit.

Other Events

In its desire to be part of the social, cultural and sporting life of the community it serves, the STCUM invited the public to a skating party at the McGill metro station, as a prelude to Montreal's winter festival, the Fête des Neiges. To give people a taste of the thrill of auto racing, three Formula One cars were displayed at the Berri-UQAM station prior to the Montreal Grand Prix. And during the holiday season, metro cars on line 1 were turned into a Santa Claus train, to the delight of passengers young and old.

For several years, now, activities in the metro have been attracting and entertaining public transit users. This year was no exception, and the STCUM maintained enjoyable contact with its passengers through various events.

The STCUM welcomed its female clientele at the Salon de la femme, and met with senior citizens at the Salon international des aînés, listening to suggestions and explaining the many services available to them. At the Salon de la jeunesse, more than 3,000 young people joined the Club des S.M.A.T. They swamped the information booth and presented their entries in the Club's art contest (the winning picture was reproduced on a bus). «Pour rouler en sécurité, il faut bien se tenir» was the theme of an awareness campaign to encourage responsible, safe behaviour among youngsters on the metro, the bus and commuter trains.

Each year, more than 15,000 comments and complaints are passed on to the Customer Relations Section which acts as a barometer of public opinion by indicating the causes of customer satisfaction and discontent; it also makes sure the right people are notified so that corrective measures can be taken, if necessary. **Andrée G. Schoeb**, one of the department's four officers, says the work is anything but routine. «We receive all kinds of calls dealing with everything from broken bus shelter panels to lost items, and all our resources go into making sure our customers get the proper attention they deserve.»



HUMAN RESOURCES

The urgent needs of public transit users call for reliable, skilled and motivated employees who are anxious to provide the best possible service, in keeping with company strategy.

The STCUM team consists of some 8,000 men and women from all walks of life with broad experience in a wide variety of fields. They work hard at their jobs, seeking to fulfil common objectives.

Every day, close to 5,000 of them are in direct contact with passengers, while more than 2,000 others see to the maintenance of facilities and rolling stock. And whether they're in computers, planning, communications or human resources, all these men and women accent the «public» in public transit.

Professional Relations

Early in 1990, three collective agreements governing almost 7,000 of the STCUM's 8,000 employees expired.

For the first time in twenty years, however, negotiations with the labour unions representing drivers, operators and employees in related services, maintenance personnel and office employees, as well as negotiations regarding the STCUM pension plan were concluded without a strike.

In the opinion of all concerned, the negotiations were characterized by an open attitude and the desire to maintain a healthy atmosphere. What's more, all the new collective agreements are within STCUM budget limits.

Previous negotiations with all STCUM unions regarding changes to the pension plan resulted in a new formula that allows employees to retire earlier, if the total of their age and the number of years they have contributed to the plan equals at least 80.

Employees

At December 31, 1990, the STCUM had 8,025 employees, as compared to 8,023 in 1989.

Given the difficult financial situation, the Corporation announced at the end of the year that it would abolish 179 jobs throughout the company. By reallocating resources to the vacated positions, this process will be completed without having to let anyone go, and without affecting customer service.

Employee mobility remained very low in 1990, with a separation rate of less than 2.7%, more than half of which was due to retirements.

Training and Development

From either a technical or organizational standpoint, the growing public demand for better service, the new management style adopted by the STCUM and recent technological developments have created a real need for training in a number of areas.

Thus, the Metro and Commuter Trains Executive Branch has developed a training program designed to integrate new upper-level managers; 20 executives have already completed it. More than 2,000 days were devoted to training metro operators, and 1,000 days to fare collectors; the development of new tools for handling fire emergencies required close to 3,500 hours of training. Metro linesmen also received very particular training on track maintenance.

A number of training programs and integrated management indices were developed by the Surface Transportation Executive Branch, in order to help all personnel integrate the values and orientations of the STCUM's new management philosophy. A «management by interaction» course, designed to improve executives' personnel management skills, was also given.

Bus and minibus drivers received more than 2,600 days of training, and some 500 days were spent showing upper-level management in Surface Transportation what driving these vehicles really involves. Emphasis was also placed on training maintenance employees in a systematic trouble-shooting process that facilitates information exchange between the maintenance and operations departments. Lastly, sessions dealing with team consolidation were held regularly.

The Construction and Major Maintenance Executive Branch offered 110 different training and development courses to personnel at various levels. Most of these courses were designed to meet needs created by the corporate reorganization. Particular attention was paid to systematic trouble-shooting, while sessions on problem-solving and decision-making were held for upper-level and middle management, and professional staff. All of the latter also received special training on inter-personal management techniques. As in Surface Transportation, the accent was on activities promoting the consolidation of new work teams.

Affirmative Action Plan

The STCUM was the first Quebec company to create an official affirmative action program, in 1987. Since then, efforts have continued to ensure that its personnel accurately reflects the population it serves, and that STCUM services are free of discrimination.

All 1990 hiring objectives were attained: 40% of all job openings for drivers, operators, fare collectors and maintenance personnel were filled by women. No women were hired as security officers, as there were no such job vacancies in 1990. At year end, women accounted for 10% of all personnel, as compared to 8.6% in 1989 — an increase of 9.1%.

In addition, 33% of all vacancies in the categories mentioned above were filled by visible and ethnic minorities, 25% more than the objective set for the year. At the end of 1990, members of these minorities made up 5.7% of all employees.

Welcoming New Employees

In 1988, a corporate welcoming program was created to instill new personnel with a common vision of the Corporation's mission and objectives. This program also aims to develop a sense of belonging among new employees.

Originally designed for upper-level and middle management and professional staff only, the program was completely reviewed in 1990 and now extends to all employees. It takes the form of a one-day session, during which newly hired staff meet and talk with senior management and tour the STCUM's main facilities, in order to get an overall view of operations, specifically those related to user services.

Occupational Health and Safety

The frequency of work accidents dropped from 20.5 per 200,000 hours in 1989, to 19 in 1990, while the number of serious injuries was up slightly, from 500 to 504. The number of person/days lost due to accidents and injuries over the past four years were as follows: 48,241 in 1987, 35,015 in 1988, 35,670 in 1989 and 36,512 in 1990. During the same period, the

Corporation's CSST (Quebec workmen's compensation board) assessment has gone from \$4.48 to \$3.96.

The first STCUM daycare centre, La Petite Station, will open its doors in 1991. The fruit of dedicated efforts on the part of many employees in various departments, the centre has room for 60 children, from infants to age five.

«La santé et la sécurité au travail, on est tous d'accord c'est vital» was the theme for a number of activities emphasizing health and safety throughout the company and promoting Health and Safety Week.

Over the year, the STCUM completed implementation of WHMIS (Workplace Hazardous Materials Information System), a program designed to protect workers who must handle dangerous chemicals or other products. It involves labelling all hazardous materials and filing a material safety data sheet for each one; these must be updated regularly. The program to modify the bus driver's work station according to more ergonomic standards also continued throughout the year, and new handrails were installed on buses to increase passenger safety and give the driver a better view of the right sideview mirror.

Finally, the Health and Safety Division produced a manual describing all activities related to proper health and safety management. This practical reference guide was distributed to all managers concerned.

Anti-smoking Policy

The STCUM's anti-smoking policy is designed to progressively eliminate all tobacco use in the workplace, without actually forbidding smoking. Stricter measures have been added to ensure compliance in areas where smoking is forbidden by law.

As of 1991, surveillance agents will be authorized to hand out warning tickets to anyone caught smoking in a no-smoking area. The warning turns into a fine if the person is caught a second time.

The STCUM also took steps to help those employees who want to quit their habit: an arrangement has been made with an independent organization, under which employees who wish to register for the quit-smoking program may do so at a reduced cost. Those who successfully complete the program also get back \$50 of their registration fee.

«At the moment, there is only one program for cultural communities that is really working, and that's at the STCUM.»

Interview with **Aura Bizzari**, coordinator of the Immigrant Women's Collective, as quoted in «Femmes sans voile,» *Voix*, March 8-15, 1990.



CORPORATE MANAGEMENT

In seeking to offer its users ever better service, modernize its management style and operate more efficiently within increasingly restricted budgets, the STCUM began implementing an extensive restructuring plan in 1988, which was completed at the end of 1990.

In order to fully realize its role in the community, the Corporation has shifted from a production- and operations-oriented organizational model based on category of employment to one based on sector of activity.

This reorganization has changed not only the overall corporate structure, which is now notably simpler; it has also redefined the missions of STCUM departments, affecting the way activities are organized, administrative procedures, and peoples' roles and responsibilities. In addition, it has brought the decision-making process as close to the action as possible, which is the best means for the STCUM to achieve its customer service objectives.

The year 1990 was thus one of consolidation, particularly for the new work teams, who had to develop new methods that would allow them to operate harmoniously and efficiently within the new structure.

By providing itself with the means to achieve its objectives, the STCUM is now in an excellent position to face the many challenges that await it, and meet the needs of an increasingly demanding clientele.

Computer Systems

Two projects initiated by the Finance Executive Branch required steady input from Computer Systems throughout the year.

The first was the implementation of the four-module SIBE plan (General Ledger, Budget Preparation, Budget Follow-up and Commitments). The project was completed by the end of the year and will ensure more efficient budget management overall.

The second project involved SRI, a new integrated payroll system that, in 1991, will replace the old system, in use for more than 20 years. The Surveillance Department was the first to implement the system in 1990. SRI will not only greatly simplify all operations entailed by issuing some 8,000 personalized paycheques each week, it will also offer employees a direct-deposit option at the financial institution of their choice, as well as a new cheque format, more in keeping with today's needs.

Computer Systems also implemented a brand new tool, called FOCUS, designed to give terminal users more independent access to information in the central computer. In addition, the department has created a computer link between taxi companies and the Transit Centre for the Disabled, which greatly facilitates the entire billing system.

A number of changes to existing systems helped the Corporation institute the latest additions to the collective agreements, adapt to the GST and accommodate the new pension fund laws.

The Corporation also developed a new software program called MICRODOC. Initiated by the Secretarial and Legal Department, it is a useful document management program that rationalizes classification and retrieval while ensuring systematic follow-up.

Lastly, in this department, 1990 was marked by a restructuring that better reflects STCUM priorities in the context of budgetary restraint.

Finance Executive Branch

This branch also underwent a thorough review of its organizational structure in 1990. The changes should result in the more efficient accomplishment of its goals and provoke a necessary shift to a more analytical approach. The new structure will also help the branch consolidate its operations and increase productivity.

General Audit

In 1990, the General Audit Department devoted considerable time and energy to the practical implementation of integrated auditing at the STCUM. This concept assures the Audit Committee, senior management and the Board of Directors that financial, human and material resources are managed with the greatest concern for economy and efficiency. A five-year master plan has been completed and three audits in three different areas of the STCUM were undertaken at the end of the year.

To help guide and support the department in its efforts, the Board of Directors appointed Loto-Québec Internal Audit Director Jacques Dubois to the STCUM Audit Committee. This Committee was established to assist the Board of Directors, our independent auditors and the General Audit Department in fulfilling their duties.

During 1990, the department continued to act in an advisory capacity for systems in development, and acquired the means to evaluate the priority of each area.

Corporate Affairs

The STCUM Board of Directors held twelve regular public meetings during 1990, attended by members of the Secretarial and Legal Department.

These meetings took place in different locations in the MUC, in order to allow the greatest possible number of users to attend and participate in the management of their public transit corporation. In all, 270 motions were presented and 270 resolutions were passed.

Exporting Expertise

In 1990, the STCUM joined with the French firm COFIE, in order to present offers to market its expertise in the field of centralized subway controls. Among other things, this association led to a cooperation agreement regarding work on the Mexico City and New York City subway systems in 1991.

Part of the year was devoted to exploration of the American market, to find out which transit companies were in the process of modernizing their control centres.

The Washington Metropolitan Area Transit Authority showed the most interesting potential, and an offer of services will be presented in 1991.

In November, a group of people from the Régie Autonome des Transports Parisiens (the public transit authority of Paris, France), involved in the construction of the Eurotunnel between England and France, consulted STCUM ventilation specialists for their expertise in the field of fire safety.

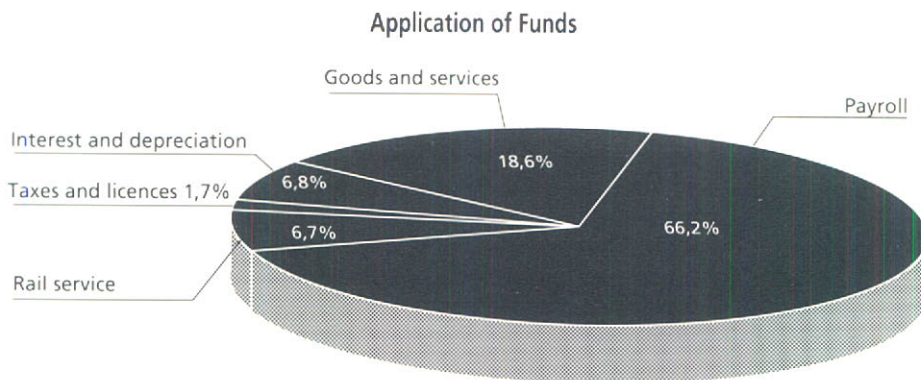
Finally, work continued throughout the year on the contract to supply Éner-Aux software for the Los Angeles subway. This software governs the various functions related to power supply along electric track and regulates the operation of all auxiliary subway equipment.

For two years, now, STCUM teams have been meeting regularly with elected municipal officials to discuss their expectations and make them aware of the many aspects of public transit. **Jean-Michel Lévesque** of the Consultation and Service Planning Department is in charge of organizing the meetings and ensuring follow-up. Such encounters have helped the parties understand each others' constraints.



FINANCIAL REVIEW

STCUM expenditures totalled \$604.9 million in 1990. Total revenues for the year were \$606.1 million, resulting in a modest surplus of \$1.2 million.

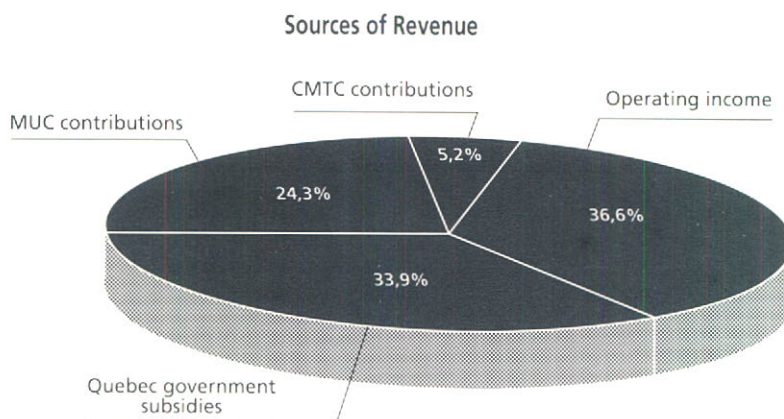


Operating income was down slightly, from \$230.4 million in 1989 to \$221.8 million in 1990. Sales of regional transit passes are included in the Conseil métropolitain de transport en commun (CMTC) contribution, consequently reducing operating income.

Quebec government subsidies amounting to \$205.5 million were added to operating income in 1990. Total subsidies were 2.5% less than the previous year.

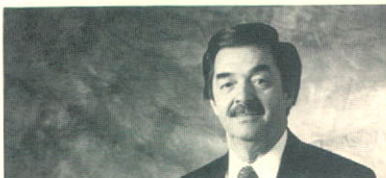
The 29 MUC municipalities served by the STCUM are responsible for making up the deficit that occurs when total expenditures exceed total revenues and subsidies. MUC contributions in 1990 were \$147.3 million.

Total CMTC contributions were \$31.5 million in this first complete year of its existence.



THE BOARD OF DIRECTORS

Robert Perreault
Chairman
Montreal City Councillor



Raymond Savard
Vice-Chairman
Mayor of Verdun



Michel Hamelin
Chairman of the Executive
Committee, MUC



Yvon Labrosse
Mayor of Montréal-Est



Malcolm C. Knox
Mayor of Pointe-Claire



Abe Limonchik
Montreal City Councillor



Ginette L'Heureux
Montreal City Councillor



Sybil Murray-Denis
Montreal Citizen
Representative



Yvon Marsolais
MUC Citizen Representative

THE MANAGEMENT TEAM

Louise Roy
President and General Manager

Francis Therrien
Senior Executive Director
Quality and Resource Development

Xavier Ceccaldi
Executive Director
Planning and Marketing

Roger C. Choquette
Executive Director
Metro and Commuter Trains

Robert Dion
General Auditor

Martin Girard
Director
Office of the P.G.M.

Claire Monette
Treasurer
Executive Director
Finance

Daniel Robert
Secretary and Director of
the Legal Department

Jacques Rompré
Executive Director
Construction and Major Maintenance

Michel Ste-Marie
Executive Director
Surface Transportation

THE AUDIT COMMITTEE

Yvon Marsolais

Chairman

Member of the STCUM Board of Directors

Malcolm C. Knox

Member of the STCUM Board of Directors

Jacques Dubois

Director, International Audit, Loto-Québec

Henri Bessette

Former Director of the STCUM

THE COMPLAINTS COMMITTEE

Robert Kouri

Chairman

Chairman of the MUC Advisory Committee
on Intercultural and Interracial Relations

Normand Parisien

Transport 2000 Representative

Fran Riley

Ethnic Community Representative

Yvonne Morissette

Senior Citizens' Forum Representative

André Haddad

Director, Administration and Human Resources
Surface Transportation

Hans Sontag

Director, Station Operations (Lines 2 and 5)
Metro and Commuter Trains

Pierre-André Duchesneau

Director, Surveillance

Roxanne Corbeil

Committee Coordinator

Head of the Customer Relations Section

FINANCIAL STATEMENTS

TABLE OF CONTENTS

Auditors' Report	31
Financial Statements	
Revenue and Expenditures Operating Fund	32
Balance Sheets	
Operating Fund	34
Sinking Fund	35
Fixed Assets Fund	36
Long-term Debt Fund	37
Change in the Reserve for the Redemption of Debentures Sinking Fund	38
Notes to Financial Statements	39

AUDITORS' REPORT

To the Members of the Board of Directors of
Société de transport de la
Communauté urbaine de Montréal

We have audited the balance sheets of the Operating Fund, the Sinking Fund, the Fixed Assets Fund and the Long-term Debt Fund of Société de transport de la Communauté urbaine de Montréal as at December 31, 1990 and the statements of revenue and expenditures of the Operating Fund and the changes in the reserve for the redemption of debentures of the Sinking Fund for the year then ended. These financial statements are the responsibility of the Société's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Société as at December 31, 1990 and the results of its operations for the year then ended in accordance with generally accepted accounting principles and fund accounting principles.

Raymond, Chabot, Martin, Paré

Chartered Accountants

Montréal
March 28, 1991

OPERATING FUND

REVENUE AND EXPENDITURES YEAR ENDED DECEMBER, 31, 1990

(Stated in thousands of dollars)

REVENUE

	1990		1989
	Initial Budget	Actual	Actual
	\$	\$	\$
Transportation			
Passengers - STCUM territory (Note 3a)	223,700	204,869	209,815
Outside the territory services			1,091
Sight-seeing and charter services			886
Railway services	7,500	6,034	6,780
	231,200	210,903	218,572
Other operating revenue	12,000	11,491	11,804
Total operating revenue	243,200	222,394	230,376
Contribution from the Conseil métropolitain de transport en commun (CMTC) (Note 3)	18,500	31,468	
Subsidies (Note 4)			
Operating			
STCUM territory	144,400	144,474	137,423
Railway services	6,900	6,906	6,571
Capital expenditures	28,400	25,098	24,841
Transportation for the handicapped	13,000	11,900	11,264
Study and demonstration projects	100	292	210
Railway services residual deficit	19,300	16,563	25,492
Special contribution for the effects of overflow			5,000
	212,100	205,233	210,801
Deferred income from previous year		2,463	2,194
Contributions from the municipalities served			
Bus and metro services	135,100	135,100	120,952
Railway services	9,500	9,500	9,131
	144,600	144,600	130,083
Total revenue	618,400	606,158	573,454

The accompanying notes are an integral part of the financial statements.

EXPENDITURES

	1990		1989
	Initial budget	Actual	Actual
	\$	\$	\$
Operating	412,021	417,624	383,180
Administration	51,238	52,714	49,691
Taxes, permits and contribution	18,223	10,218	15,298
Rental of office space	3,431	4,088	2,996
Energy	33,419	33,930	31,152
Financing costs	42,605	44,801	37,462
Less Interest income		(3,456)	(2,091)
	42,605	41,345	35,371
Capital expenditures	5,560	2,903	4,691
Railway services			
Operating	40,264	39,287	37,919
Major repairs	2,500	1,319	24,655
Subsidies			(14,593)
	42,764	40,606	47,981
Contingencies	9,139	1,494	631
Total expenditures	618,400	604,922	570,991
Excess of revenue over expenditures*		1,236	2,463

* This surplus is shown in the liabilities of the Operating Fund's balance sheet under "Deferred income to the next year".

OPERATING FUND

BALANCE SHEET

December 31, 1990

(Stated in thousands of dollars)

	<u>1990</u>	1989
	\$	\$
Assets		
Cash	2,186	620
Bank acceptance, at amortized cost	9,977	696
Deposit certificate, at cost	10,000	
Receivables	10,926	11,522
Subsidies receivable	72,849	86,613
Contribution receivable from the Conseil métropolitain de transport en commun	29,010	
Deficit to be recovered from municipalities outside the territory		3,414
Inventory of supplies and replacement parts	14,934	12,890
Deposit for insurance fund	201	201
Due from Fixed Assets Fund	705	25,256
	150,788	141,212
Liabilities		
Short-term loans	83,100	58,361
Accounts payable and accrued liabilities	55,413	50,097
Commitments payable	7,860	21,195
Due to Sinking Fund	3,179	9,096
Deferred income to the next year	1,236	2,463
	150,788	141,212

The accompanying notes are an integral part of the financial statements.

SINKING FUND

BALANCE SHEET

December 31, 1990

(Stated in thousands of dollars)

	<u>1990</u>	1989
	\$	\$
Assets		
Investments		
Deposit certificates and term notes, at cost	4,832	6,382
Bonds, at amortized cost (market value \$ 16,776; \$15,048 in 1989)	16,921	15,360
	21,753	21,742
Cash	469	
Due from Operating Fund	3,179	9,096
	25,401	30,838
Liabilities		
Reserve for the redemption of debentures	25,401	30,838

The accompanying notes are an integral part of the financial statements.

FIXED ASSETS FUND

BALANCE SHEET

December 31, 1990

(Stated in thousands of dollars)

	<u>1990</u>	1989
	\$	\$
Assets		
Fixed assets, at cost (Note 5)	434,116	391,656
Liabilities		
Method of financing		
Due to Operating Fund	705	25,256
Fixed assets acquired and financed by		
Operating Fund	215,907	198,470
Subsidies	36,604	36,533
Long-term debt	180,900	131,397
	434,116	391,656

The accompanying notes are an integral part of the financial statements.

LONG-TERM DEBT FUND

BALANCE SHEET

December 31, 1990

(Stated in thousands of dollars)

	<u>1990</u>	<u>1989</u>
	\$	\$
Assets		
Amounts available in Sinking Fund for redemption of debentures	25,401	30,838
Amounts of revenue to be provided for the redemption of long-term debt assumed by Municipalities served	54,142	13,788
Québec Government	101,357	86,771
	<u>180,900</u>	<u>131,397</u>
Liabilities		
Long-term debt (Note 6)	180,900	131,397

The accompanying notes are an integral part of the financial statements.

SINKING FUND

Changes in the reserve for the redemption of debentures year ended December 31, 1990

(Stated in thousands of dollars)

	<u>1990</u>	1989
	\$	\$
Balance, beginning of year	30,838	23,700
Debt repayment	(11,498)	
Contributions and interest	6,061	7,138
Balance, end of year	<u>25,401</u>	<u>30,838</u>

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

1 - GOVERNING STATUTES

The Société de transport de la Communauté urbaine de Montréal is incorporated under the Act of the Communauté urbaine de Montréal. Under Section 301 of the Act, all property, including the metro, belongs to the Société as agent of the Communauté urbaine de Montréal.

2 - SUMMARY OF ACCOUNTING POLICIES

Financial statements

The financial statements of the Société do not include metro assets and related borrowings. The cost of servicing the debt relating to these borrowings is an obligation of the municipalities of the Société territory.

Fund accounting

In accordance with fund accounting practices, the Société uses an operating fund to record regular budget transactions, a sinking fund to provide for the redemption of certain debentures upon maturity, a fixed assets fund to record all fixed assets and a long-term debt fund to record debts relating to the acquisition of fixed assets.

Revenue and expenditures

Revenue and expenditures are recorded on the accrual basis with the exception of employee sickness benefits and contributions to the supplementary pension plan which are recorded on a cash basis. In addition, financing expenses include principal and interest payments on long-term debt.

Inventory of supplies and replacement parts

The inventory of supplies and replacement parts is valued at cost. Cost is determined by the average cost method.

Commitments payable

Commitments are accounted for as expenditures at year-end when the Société is committed to third parties, thereby allowing for budgetary control.

Fixed assets

Acquisitions of fixed assets pursuant to loan by-laws or from the operating fund are accounted for progressively in the Fixed Assets Fund. Depreciation for wear and tear and obsolescence of fixed assets has not been provided in the accounts.

3 - CONTRIBUTION FROM THE CONSEIL MÉTROPOLITAIN DE TRANSPORT EN COMMUN

Pursuant to the powers granted to the Conseil métropolitain de transport en commun under the Loi sur le Conseil métropolitain de transport en commun (L.Q. 1990, C.41), the Société is eligible, for the year ended December 31, 1990, to receive contributions, totalling \$31,468,000, including the following:

- a) An amount equal to regional monthly pass sales by the three transportation corporations (Société de transport de la Ville de Laval, Société de transport de la Rive-Sud de Montréal, Société de transport de la Communauté urbaine de Montréal) based on a sharing by-law adopted by these three corporations, and subject, according to the law; to the approval of the minister of Transportation. As of the date of signing the financial statements, this approval had not yet been received by the minister.

The sales of regional monthly passes presented under the heading of "Contribution from the Conseil métropolitain de transport en commun" decrease the heading "Passengers - STCUM revenue";

- b) An annual subsidy, determined by the Québec Government in the amount of \$26,492,760 for the year 1990. The receipt of this subsidy is conditional upon the approval by the minister of Transportation, of the sharing by-law mentioned in the previous paragraph.

4 - SUBSIDIES

Subsidies

- a) Public Transportation Assistance Program

Pursuant to the Québec Government's Public Transportation Aid Program, the Société is eligible to receive certain subsidies for 1990. The principal subsidies are:

- An operating subsidy indexed annually and a subsidy equivalent to the residual deficit of railway services on the Montréal/Deux-Montagnes line and the Montréal/Rigaud line for the first six months of 1990. The subsidy for the residual deficit of railway services includes an amount of \$1,200,000 pertaining to expenditures arising on major repairs;
- A subsidy equivalent to 60% and 75% of the financing cost of related debt for the purchase of buses and the construction of buildings respectively;
- A subsidy for studies and special projects.

- b) Transportation for the handicapped

- In accordance with the powers granted to the Minister of Transportation by order in council 2071-79, the Société is eligible to receive; a subsidy equivalent to 75% of the budgeted costs for special transportation for the handicapped. However, these costs must obtain the prior approval of the Minister of Transportation.

5 - FIXED ASSETS FUND

(Stated in thousands of dollars)

	<u>1990</u>	<u>1989</u>
	\$	\$
Fixed assets acquired prior to 1966	23,675	23,675
Fixed assets acquired since 1966		
Land	9,156	2,060
Buildings	52,249	50,732
Office furniture and equipment	59,085	44,211
Automotive equipment - buses	220,021	202,223
Automotive equipment - other	17,219	14,669
Suburban trains	45,995	40,500
Expropriated property	4,679	4,679
Encumbered assets	2,037	8,907
	<u>434,116</u>	<u>391,656</u>

6 - LONG-TERM DEBT

(Stated in thousands of dollars)

	Authorized and issued	<u>1990</u>	<u>1989</u>
	\$	\$	
Retractable debentures			
Bank acceptance rate plus 0.5%, maturing September 15, 1992	36,000	9,000	13,500
Sinking fund debentures			
12.50%	20,000		20,000
8%, due on December 1, 1992 ⁽¹⁾	2,500	500	750
12.125%, due on March 27, 1991	20,000	20,000	20,000
12.75%, due on April 25, 1992	20,000	20,000	20,000
Debentures, \$33,000,000			
9.50%	2,756		2,756
9.75%, due on November 19, 1991	14,069	14,069	14,069
10%, due on November 19, 1996	9,322	9,322	9,322
Debentures, \$31,000,000			
10.50%	1,854		1,854
10.50%, due on March 2, 1991	2,058	2,058	2,058
10.50%, due on March 2, 1992	2,284	2,284	2,284
10.50%, due on March 2, 1993	2,535	2,535	2,535
10.50%, due on March 2, 1994	13,255	13,255	13,255
10.75%, due on March 2, 1999	9,014	9,014	9,014

6 - LONG-TERM DEBT (CONTINUED)

(Stated in thousands of dollars)

	Authorized and issued	1990	1989
	\$	\$	\$
Debentures, \$30,000,000			
12.00%, due on July 17, 1991	1,710	1,710	
12.00%, due on July 17, 1992	1,914	1,914	
11.75%, due on July 17, 1993	2,144	2,144	
11.75%, due on July 17, 1994	2,402	2,402	
11.75%, due on July 17, 1995	2,690	2,690	
11.50%, due on July 17, 2000	19,140	19,140	
Debentures, \$39,500,000			
11.00%, due on December 14, 1991	2,306	2,306	
11.00%, due on December 14, 1992	2,571	2,571	
11.00%, due on December 14, 1993	2,867	2,867	
11.25%, due on December 14, 1994	3,196	3,196	
11.25%, due on December 14, 1995	11,969	11,969	
11.50%, due on December 14, 2000	16,591	16,591	
Term notes, \$8,500,000			
12.00%, due April 5, 1991	2,519	2,519	
12.00%, due on April 5, 1992	2,821	2,821	
12.00%, due on April 5, 1993	3,160	3,160	
Total of the debentures and term notes		180,037	131,397
Obligation under capital leases, payable in monthly instalments of \$38,727, due on January 1, 1993		863	
		180,900	131,397

⁽¹⁾ Rather than making the required payment to the Sinking Fund, the Société may redeem and has been redeeming debentures in the amount of \$250,000 annually from this issue since 1983.

These debentures are a direct and general obligation of the municipalities of the Société territory. These municipalities are jointly and severally liable with the Société for the principal of the debentures, term notes and interest thereon.

6 - LONG-TERM DEBT (CONTINUED)

The instalments on long-term debt for the next five years are as follows:

	Other obligations and term notes	Obligations under capital leases
	(Stated in thousands of dollars)	
1991	42,662	484
1992	39,090	484
1993	10,706	133
1994	18,853	
1995	14,659	
1996 and subsequent years	54,067	
Total of the debentures and term notes	180,037	
Total minimum lease payments		1 101
Interest included in minimum lease payments		238
		863

7 - COMMITMENTS

a) Sickness benefits

As at December 31, 1990, accumulated sickness benefits are estimated at \$27,782,959 on the basis of salaries paid as of that date. Employees are entitled to receive in cash the value of their accumulated sickness benefits when they leave the Société.

b) Long-term leases

The Société has entered into long-term leases which call for lease payments aggregating \$10,400,710 for office space and equipment.

Leases for office space expire from January 31, 1991 to April 30, 1996. Leases for equipment expire from September 30, 1991 to January 1, 1993.

Minimum lease payments for the next five years are \$4,592,187 in 1991, \$3,940,077 in 1992, \$1,133,346 in 1993, \$570,040 in 1994 and \$122,835 in 1995.

8 - CONTINGENCIES

The total amount of claims for bodily injuries, damage to equipment and other litigations is \$12,851,649. The Société has made a provision as at December 31, 1990 for these claims and all additional payments to the provision which may result from the settlement of these claims will be charged to earnings in the year in which they occur.

Printed in Canada

Dépôt légal
Bibliothèque nationale
3^e trimestre 1991
STCUM 140691-113002

Ce rapport est disponible en français