

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: August 19, 2014

SUBJECT: Chief Executive Officer's Report – August 2014 Update

ACTION ITEM

RECOMMENDATION

It is recommended that the TTC Board forward a copy of this report to (1) each City of Toronto Councillor and (2) the City Deputy Manager and Chief Financial Officer, for information.

DISCUSSION

The attached report provides a corporate-level focus on the organization's Key Performance Indicators (KPI).

These KPIs are presented in a performance "dashboard" format that allows the reader to view periodic performance in all of these areas at a glance. Targets for each KPI are provided although some are yet to be finalized. In addition, a "traffic light" indicates whether the organization is ahead of target (green), at risk (yellow) or below target (red) for the KPI in question and the trend arrows show whether performance is trending up or down.

In the balance of the report, detailed comments are provided highlighting and explaining issues concerning each of the KPIs.

August 6, 2014

42-81

Attachment: Chief Executive Officer's Report



TORONTO TRANSIT COMMISSION

CHIEF EXECUTIVE OFFICER'S REPORT

AUGUST 2014 UPDATE



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TORONTO TRANSIT COMMISSION – MONTHLY SCORECARD



Key Performance Indicator		Description	Frequency	Latest Measure	Current	Target	Current Status	Trend	Ref. #
CSS		Customer Satisfaction Survey	Quarter	Q2	72%	TBD			2.2
Customer Journeys		Customer Trips	Period	P6	50.146M	50.678M			2.3
Punctuality – Subway and Scarborough Rapid Transit (SRT)									
Line 1 (Yonge-Univ-Spadina)	Headway + 3 minutes	Period	P6	94.5%	96.0%			2.4.1	
Line 2 (Bloor-Danforth)	Headway + 3 minutes	Period	P6	97.2%	97.0%			2.4.1	
Line 4 (Sheppard)	Headway + 3 minutes	Period	P6	99.3%	98.0%			2.4.1	
Line 3 (SRT)	Headway + 3 minutes	Period	P6	98.2%	96.0%			2.4.2	
Punctuality – Bus, Streetcar, and Wheel-Trans									
Bus	Headway +/- 3 minutes	Period	P6	64.8%	65.0%			2.5.1	
Streetcar	Headway +/- 3 minutes	Period	P6	68.6%	70.0%			2.5.2	
Wheel-Trans	Within 10 minutes of schedule	Period	P6	83.1%	90.0%			2.5.3	
Safety and Security									
Lost Time Injuries	Injuries / 100 Employees	Period	P6	2.50	TBD			2.6.1	
Customer Injuries	Injury incidents / 1M Vehicle Boardings	Period	P6	1.84	NA			2.6.2	
Behavioural Safety Index	Safety Focused Behaviour	Period	TBD					2.6.3	
Offences against Customers	Assault, theft, other	Period	P6	37	NA			2.6.4	
Offences against Staff	Assault, threat, other	Period	P6	37	NA			2.6.5	
People									
Attendance	Employee Absence	Period	P6	6.26%	< 6.50%			2.7.1	
Operator Hires	Actual vs. Budget	Period	P6	71	71			2.7.2	

TORONTO TRANSIT COMMISSION – MONTHLY SCORECARD



Key Performance Indicator		Description	Latest Measure	Current	Target	Current	Trend	Ref. #
Device Availability								
Elevators	% Elevators Available	Period	P6	99.8%	98.0%			2.8.1
Escalators	% Escalators Available	Period	P6	96.4%	97.0%			2.8.2
Fare Purchase Opportunity	% TVM's / PVM's Available	Period	P6	94.8%	96.4%			2.8.3
Mystery Shopping and Audits								
Station Cleanliness	Cleanliness Audit Score	Quarter	Q1	71.0%	75.0%			2.9.1
Vehicle Cleanliness	Cleanliness Audit Score	Quarter	TBD					2.9.2
Information MSS	Customer Announcements Score	Quarter	TBD					2.9.3
Staff Helpfulness MSS	Welcoming Staff Score	Quarter	TBD					2.9.4
Financials								
TTC Revenue	Actual vs. Budget	Period	P1-6	\$585.9M	\$593.8M			4.1
TTC Operating Expenditure	Actual vs. Budget	Period	P1-6	\$789.4M	\$807.5M			4.1
Wheel-Trans Revenue	Actual vs. Budget	Period	P1-6	\$2.8M	\$2.9M			4.2
W-T Operating Expenditure	Actual vs. Budget	Period	P1-6	\$55.4M	\$57.2M			4.2
Capital Expenditure – Base	Actual vs. Budget	Period	P1-6	\$393.4M	\$530.2M			4.3
Capital Expenditure – TYSSE	Actual vs. Budget	Period	P1-6	\$104.6M	\$287.7M			4.3

Key to Symbols



On target



Target at risk at current trend



Off target



Positive up from last



Positive down from last



Negative up from last



Negative down from last



No change from last

Note:

The black arrows in the top right corner of the accompanying charts in this report indicate the favourable direction of the Key Performance Indicator (KPI):

↑ Higher (or increasing) values for the KPI are favourable

↓ Lower (or decreasing) values for the KPI are favourable

Part 2 – Commentary and Current Issues

2.1 – Chief Executive Officer’s Commentary

This month starts the final countdown to the introduction of our new, state-of-the-art, low-floor streetcar on August 31. The deployment of new streetcars on the 510 Spadina route will mark a major milestone in our journey to modernize the TTC, delivering new standards of comfort, accessibility, and ride quality for customers.

Introducing a new fleet of vehicles takes years of planning and we are now dealing with the final details to make sure that everything goes right on launch day. Our engineers are conducting final tests, operators and vehicle maintainers are being trained, and our communications team is preparing a comprehensive customer information program. We have worked with our Advisory Committee on Accessible Transit (ACAT) to finalize the many accessibility features on the new cars.

The new streetcars will enter service with onboard single ride and ticket validator machines. Later this fall, we will start fitting the new streetcars with PRESTO smartcard readers, part of the rollout of the new fare payment method in every TTC vehicle and subway station, making tokens, tickets, and paper transfers part of TTC history. Starting on August 31, the entire 510 Spadina route will convert to a Proof of Payment (POP) system, meaning that customers will be able to board and disembark at any door, on any streetcar, on that route. Customer service staff and fare inspectors will be deployed to help customers get used to this new arrangement and to ensure that everyone has a valid proof of payment for their journey.

It was originally intended that the remaining streetcar routes would only convert to the POP system once they received the first of their batch of new streetcars. Subject to discussion with the Board, we propose that ALL remaining streetcar routes convert to POP from January 1, 2015, thereby permitting all-day, all door boarding to speed up dwell times and to remove a major irritant for those with a Metropass or a valid transfer, namely the current need to board at the front.

Clearly, such an expansion of POP will need to be backed by a credible fare enforcement policy to ensure that customer benefits are not outweighed by an increase in lost revenue. To that end, we will be recruiting a team of dedicated fare inspectors to enforce the POP or honour system. We firmly believe that this is the right thing to do as part of a suite of measures to speed up and improve the quality of surface transit routes.

Another long-standing issue that must be tackled is that of bus mechanical reliability. At present, buses break down at far too high a rate, largely due to inadequate maintenance as we squeeze every ounce of availability from our fleet. Our plans envisage a review of the current 18 year life span of our buses and an increased spares ratio to provide maintenance windows closer to industry best practice. This will require us to withdraw three vehicles per division to allow more intensive maintenance but this makes sense in the long term if we are to improve service through less break-downs.

In parallel, we are seeking to expand off-peak service levels to lower crowding levels. While this may sound incompatible when viewed with our plans for increased maintenance, careful juggling of our fleet will enable us to meet both objectives.

By the date of the August Board meeting, another milestone will have been reached, namely the opening of the new second platform at Union Station. This project has presented tremendous logistical, operational and engineering challenges, but the end result is a huge leap forward for customers at one of our busiest locations. Work will now continue through to Spring 2015 to complete the refurbishment of the existing platform and to renovate and rationalize the concourse area.

With new buses, subway trains, and streetcars, a new smartcard and expanded capacity on the way – TTC modernization is in full swing.

Customer journeys (ridership) and passenger revenues were below target. This is a continuing trend that will not enable the 2014 target of 540 million rides to be reached. At this time, it is estimated that year-end ridership will be in the range of 533 to 536 million. This constitutes a 1.5% to 2.0% increase over 2013 as opposed to a 2.7% increase as originally projected.

Subway punctuality on Line 1 (Yonge-University-Spadina) remained below target but is showing steady improvement. Punctuality was above target for each of Line 2 (Bloor-Danforth), Line 3 (SRT), and Line 4 (Sheppard). The continuing improvement in subway performance is pleasing as the new Operations management team has focused on all aspects of running a subway, including detailed analysis of delays and execution of plans to improve.

Bus punctuality fell below target for the period but remains at a high when compared to the last three years. Streetcar punctuality and Wheel-Trans punctuality remained below target with both services continuing to be negatively impacted by extensive construction work across the city.

Employee absence was below target (favourable) and continues to show steady improvement. This reflects the clear direction that I have given to my management team to achieve immediate and sustained improvements in employee attendance.

Elevator availability remained above target; escalator availability fell below target. TVM/PVM availability continued to be below target.

On the financial side, year-to-date revenues were below budget, primarily due to 3.5 million fewer customer journeys than planned and a lower average fare stemming from higher monthly pass sales. Operating expenses were below budget largely due to the timing of certain non-labour expenses. Capital expenditures were below budget due to typically lower project activity early in the year. I have directed my team to maintain tight controls on expenditure with a view to delivering a balanced budget at year-end, in spite of the downturn in revenue.

2.2 – Customer Satisfaction Survey

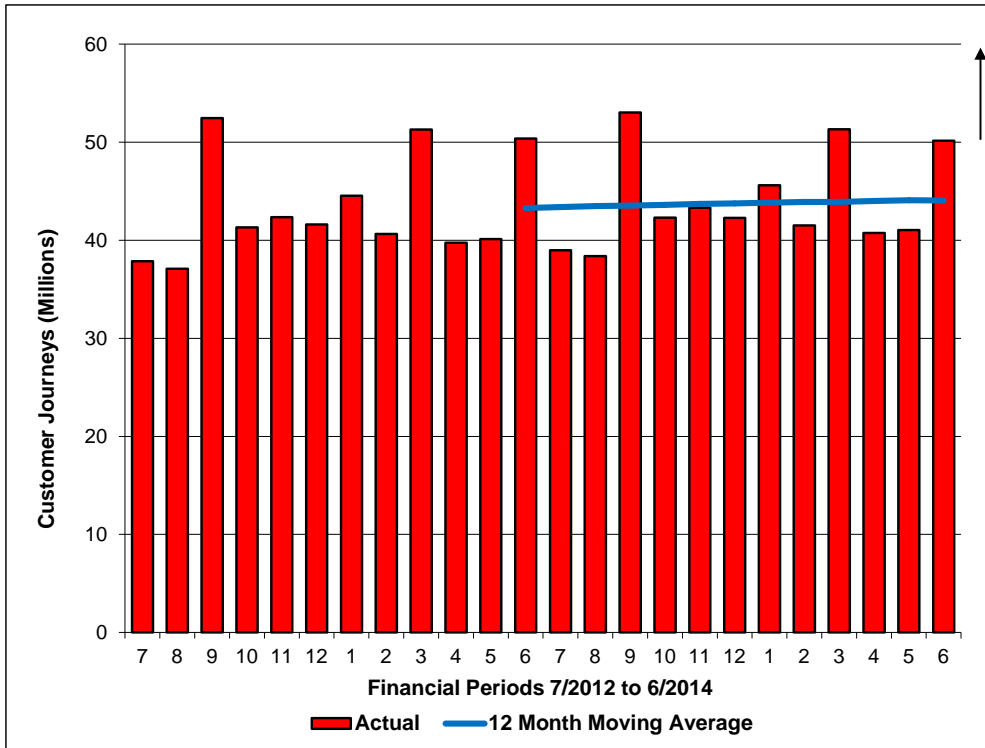
The overall customer satisfaction score in Q2 2014 (72%) was consistent with results observed in the previous quarter yet lower than results observed at the same time last year, when satisfaction peaked at 79%. Despite a brief improvement in Q1, satisfaction with streetcar service has declined in Q2 (63%) and is significantly lower than the trend for other modes.

Positive trends were evident in the following aspects of customer service (Q2 2013 vs. Q2 2014): cleanliness of subway stations, station staff available to help, appearance of collector booths, cleanliness/lack of litter inside subway trains, maps and information inside vehicles (subway and bus), and ease of hearing announcements (streetcar).

Customer perceptions of value for money continue to show a positive trend, with 92% of respondents providing a score of 'average', 'good', or 'excellent'. Increasing scheduling frequency of TTC service (to reduce overcrowding) continues to be a leading customer suggestion for providing better value for money.

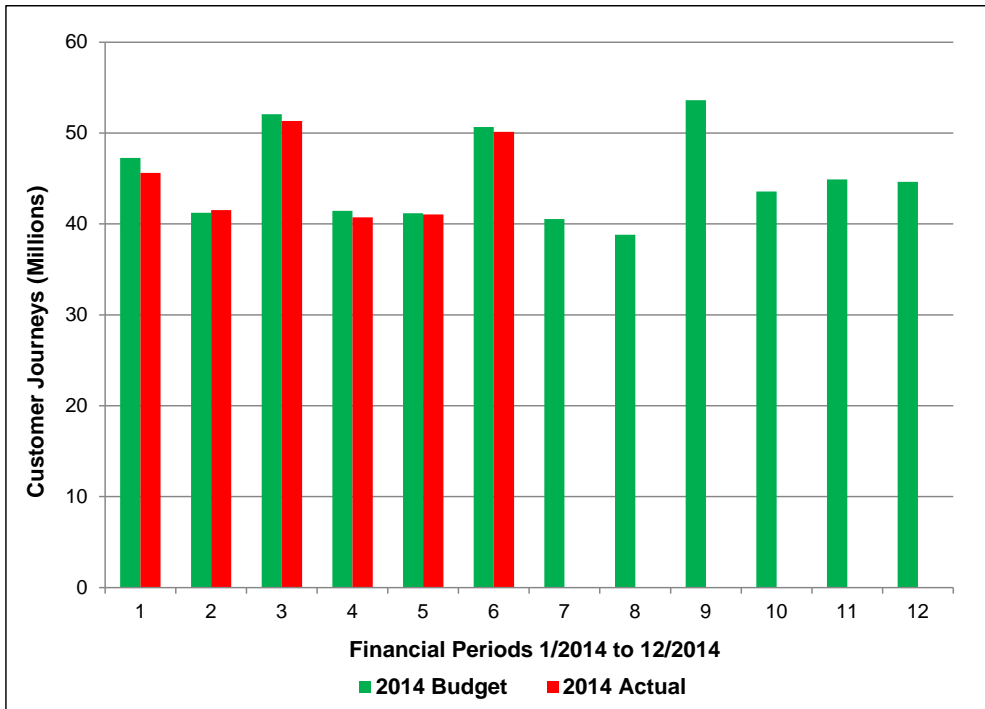
Pride in the TTC and what it means to Toronto has increased significantly since Q1 and is now consistent with the historical trend.

2.3 – Customer Journeys



There were 50.146M customer journeys (ridership) taken during Period 6 2014, which was 0.243M (-0.5%) less than the 50.389M journeys taken during Period 6 2013.

The annual number of customer journeys to the end of Period 6 2014 was 528.744M, which was 9.275M (+1.8%) more than the 519.469M annual journeys taken to the end of Period 6 2013.



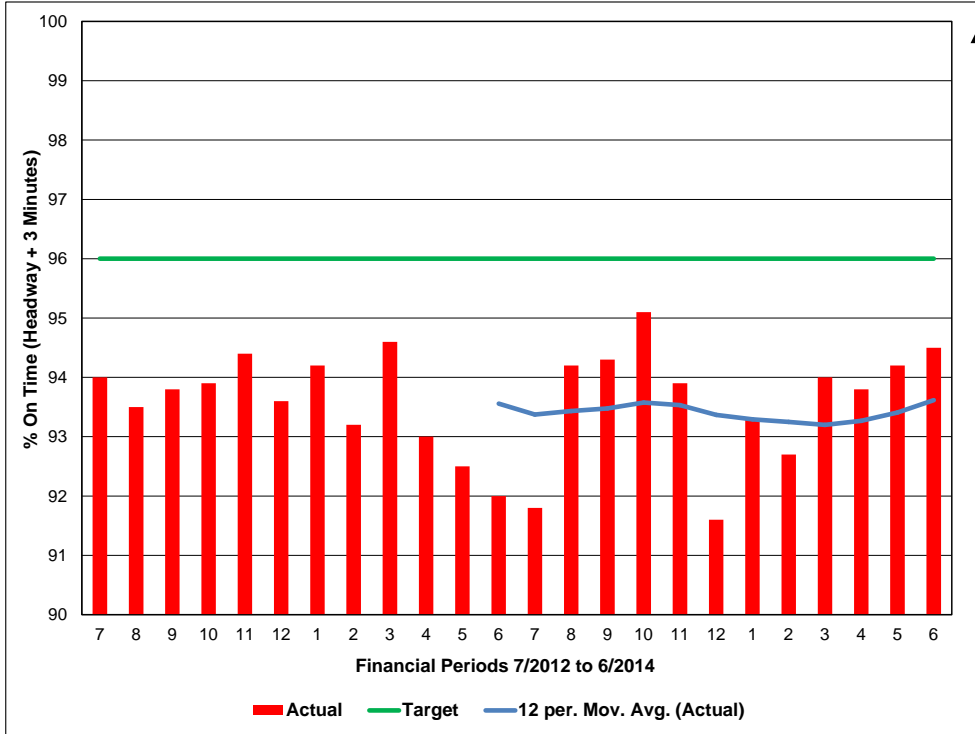
There were 50.146M customer journeys taken during Period 6 2014, which was 0.532M (-1.0%) less than the budget of 50.678M journeys.

The number of customer journeys taken year-to-date to the end of Period 6 2014 was 270.385M, which was 3.494M (-1.3%) less than the budget of 273.879M journeys.

2.4 – Punctuality – Subway and Scarborough Rapid Transit (SRT)

2.4.1 – Subway

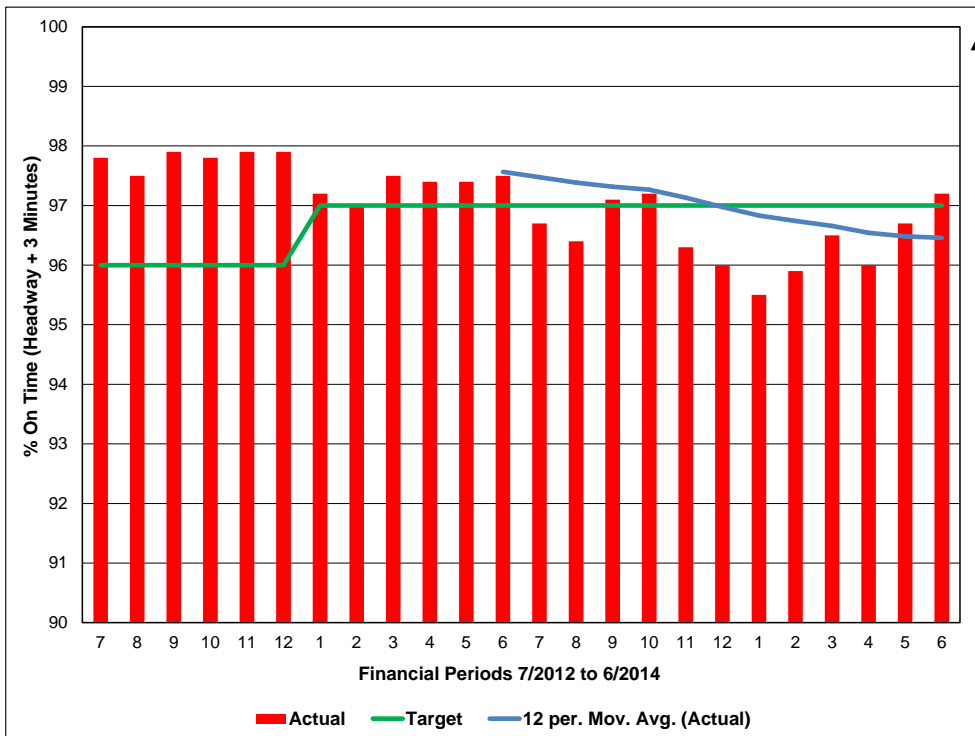
Line 1 (Yonge-University-Spadina)



Performance remained well below target; however, it did increase in Period 6 for the second consecutive period and has shown steady improvement since the beginning of the year.

While peak service headway performance is normally strong, focus is being placed on the impact of delays on the off-peak headway consistency, especially in the evening time periods, where Line 1 typically struggles.

Line 2 (Bloor-Danforth)

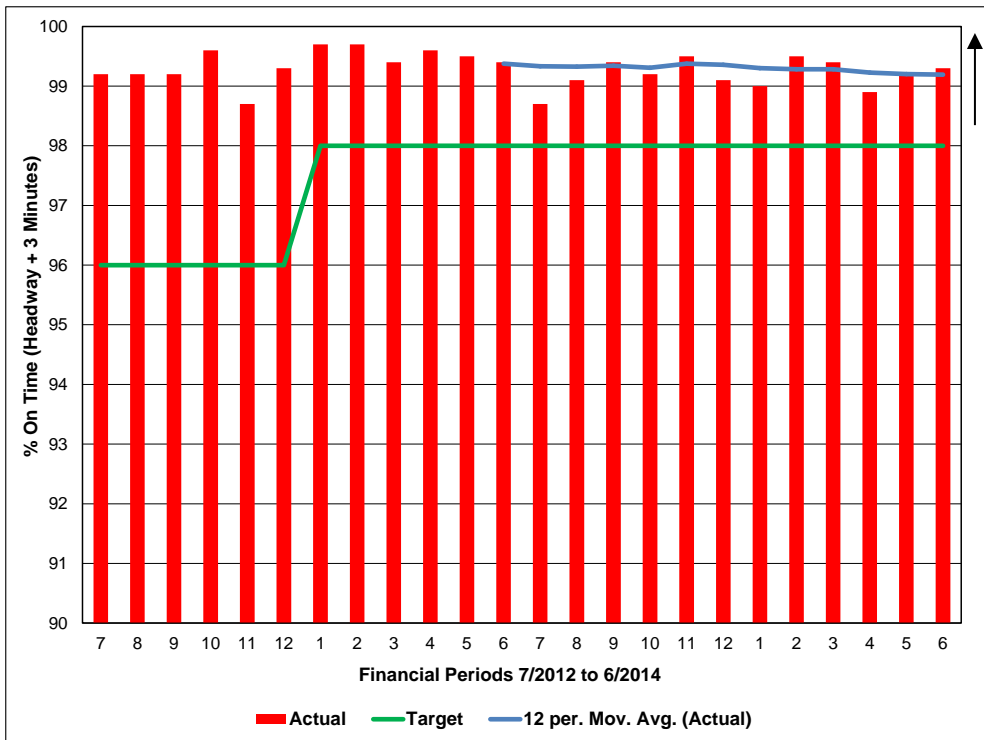


Performance in Period 6 was above target for the first time in eight periods.

A reduction in the number of restricted speed zones, in addition to fleet consistency since the last of the H6 cars has been retired from revenue service, are both contributing factors to this improvement.

In addition, Transit Control staff has been improving headway adherence in the AM peak period, which had been on the decline in previous periods.

Line 4 (Sheppard)

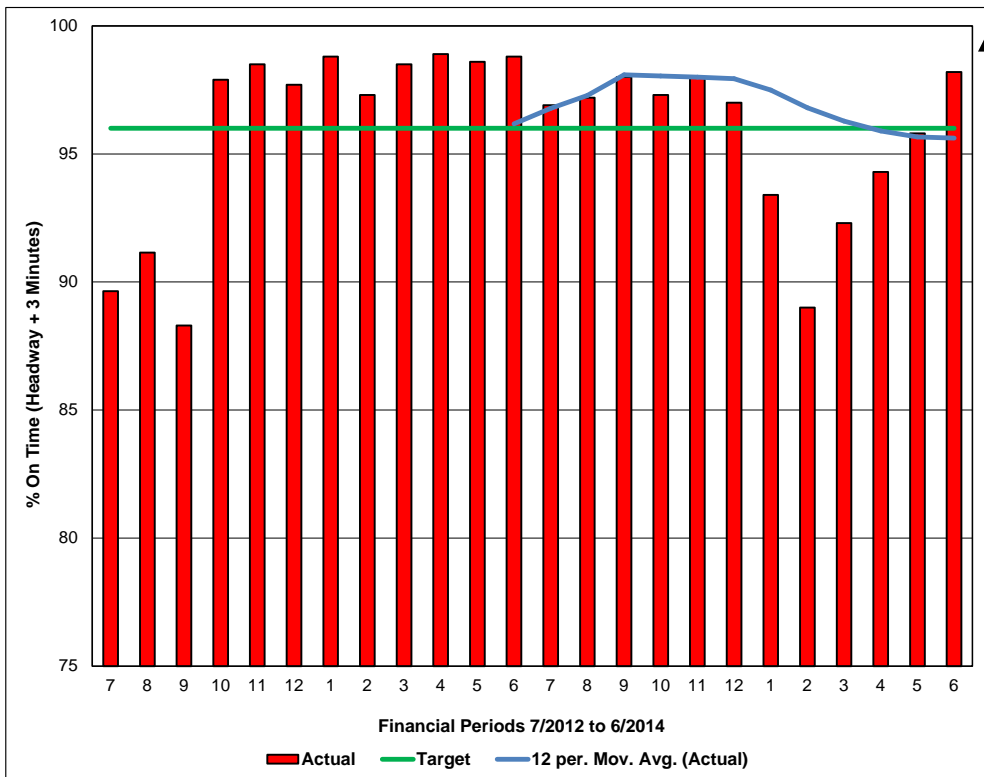


Performance increased in Period 6 and remained well above target.

On time performance remains high on the Sheppard line due primarily to a relatively low volume of delay incidents, minimal impact of inclement weather, and a high level of resilience in the ability to maintain headways when delays do occur.

2.4.2 – SRT

Line 3 (SRT)

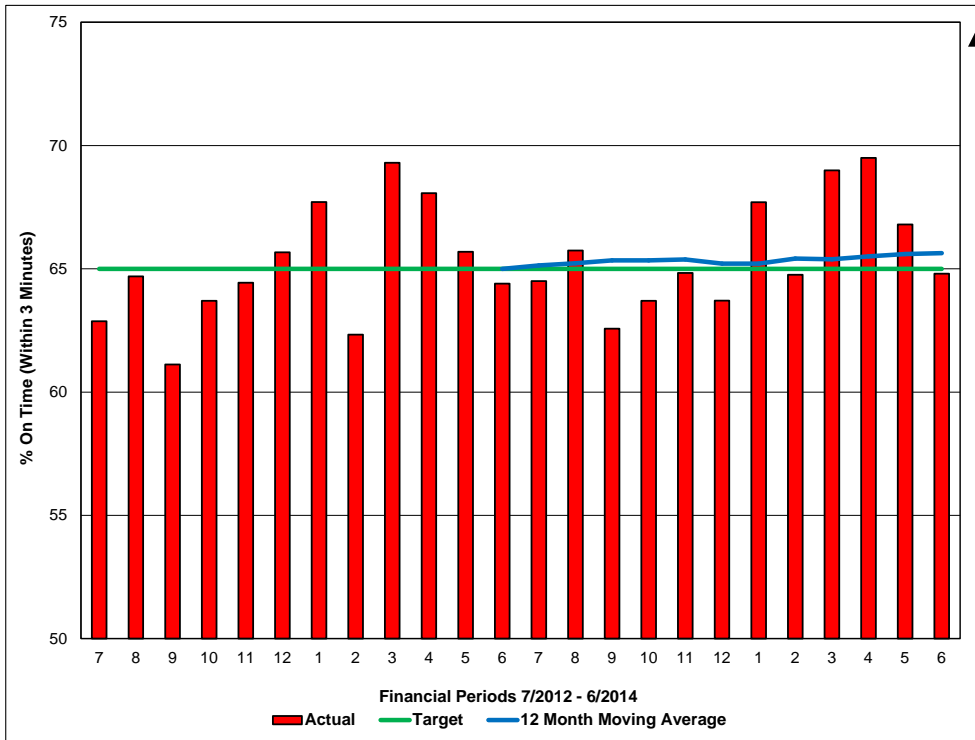


Performance in Period 6 was above target for the first time in six periods and surpassed 98% for the first time in 12 periods.

Continued improvements to rolling stock and staff-related incidents are resulting in improvements in punctuality and headway consistency.

2.5 – Punctuality – Bus, Streetcar, and Wheel-Trans

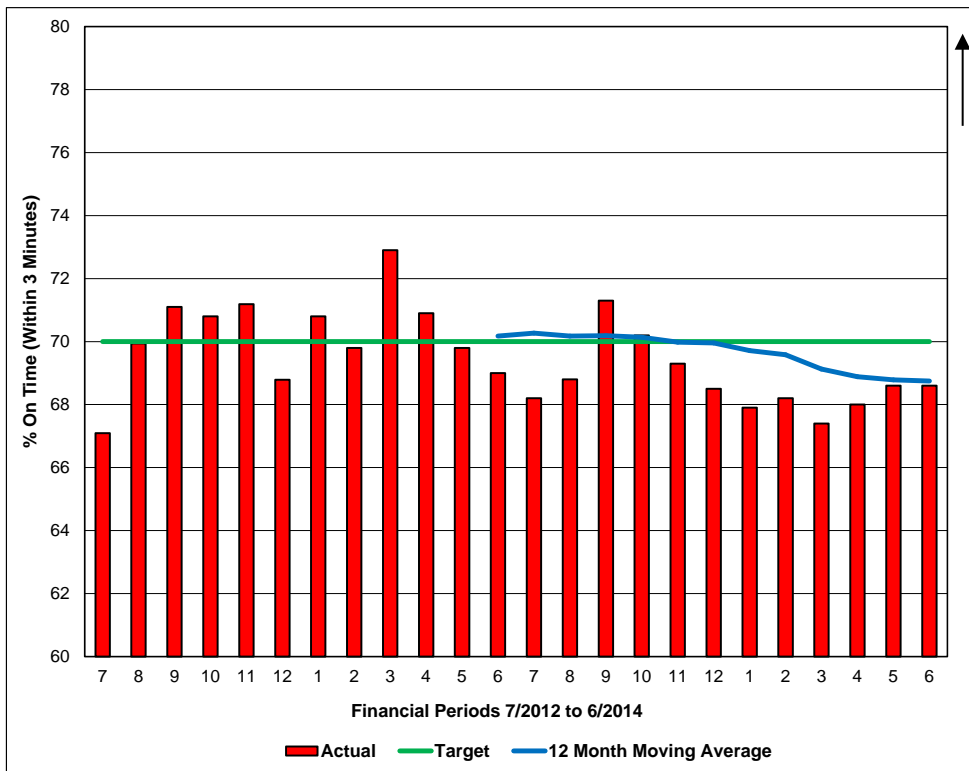
2.5.1 – Bus



Performance in Period 6 fell marginally below target for the first time in four periods.

Steady improvement has been achieved so far in 2014 despite the difficulties encountered with weather, road construction, and the ongoing need to supply replacement services on streetcar routes.

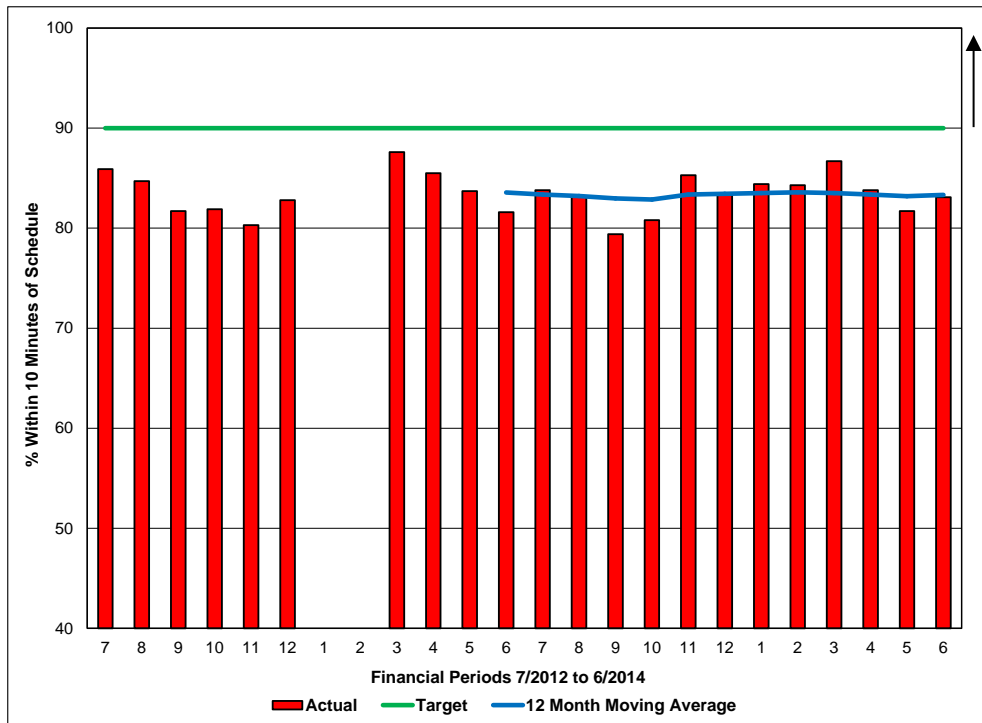
2.5.2 – Streetcar



Performance in Period 6 remained below target for the eighth consecutive period.

Performance continues to be negatively affected by ongoing construction projects on most streetcar routes and by switch incidents resulting from streetcar diversions.

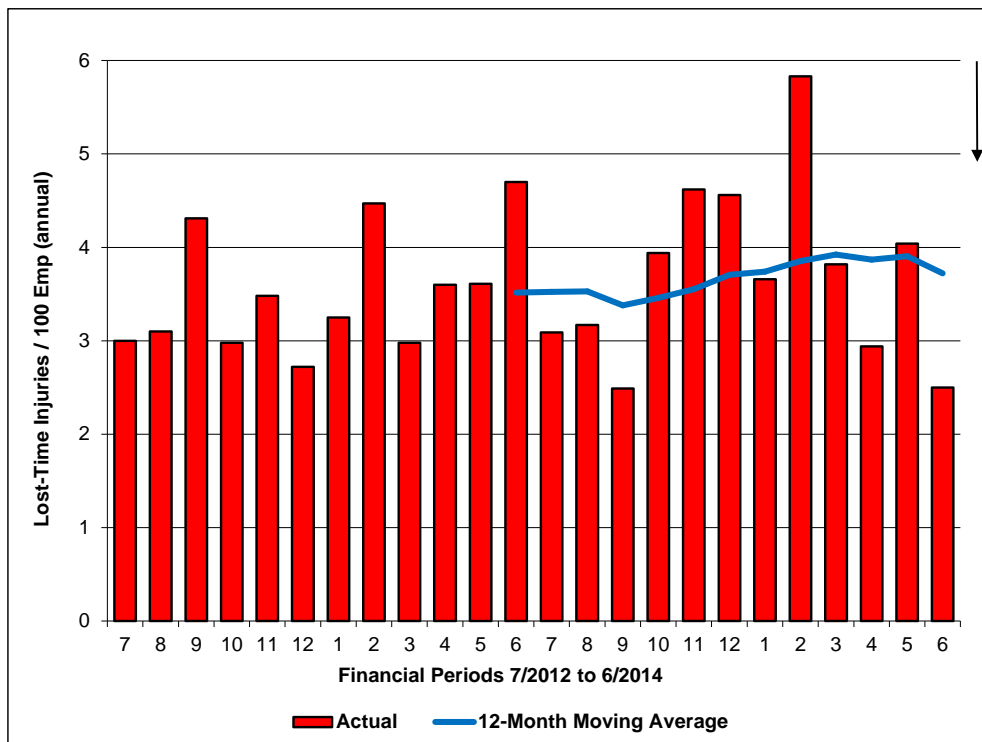
2.5.3 – Wheel-Trans



Performance remained below target in Period 6.

2.6 – Safety and Security

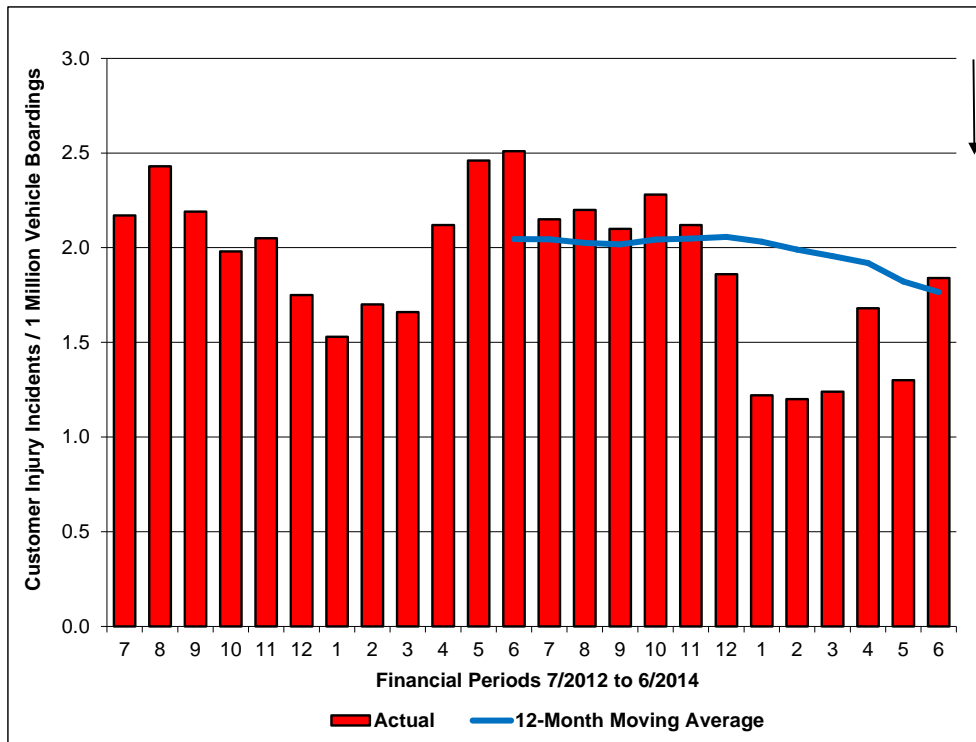
2.6.1 – Lost-Time Injuries (Annual Injuries / 100 Employees)



The annualized lost-time injury rate (LTIR) for Period 6 2014 was 2.50 lost-time injuries per 100 employees, which was 47% lower than the LTIR of 4.70 for Period 6 2013.

The moving annual LTIR to the end of Period 6 2014 was 3.72, which was 6% higher than the corresponding rate of 3.52 to the end of Period 6 2013.

2.6.2 – Customer Injury Incidents (Injury Incidents / 1m vehicle boardings)



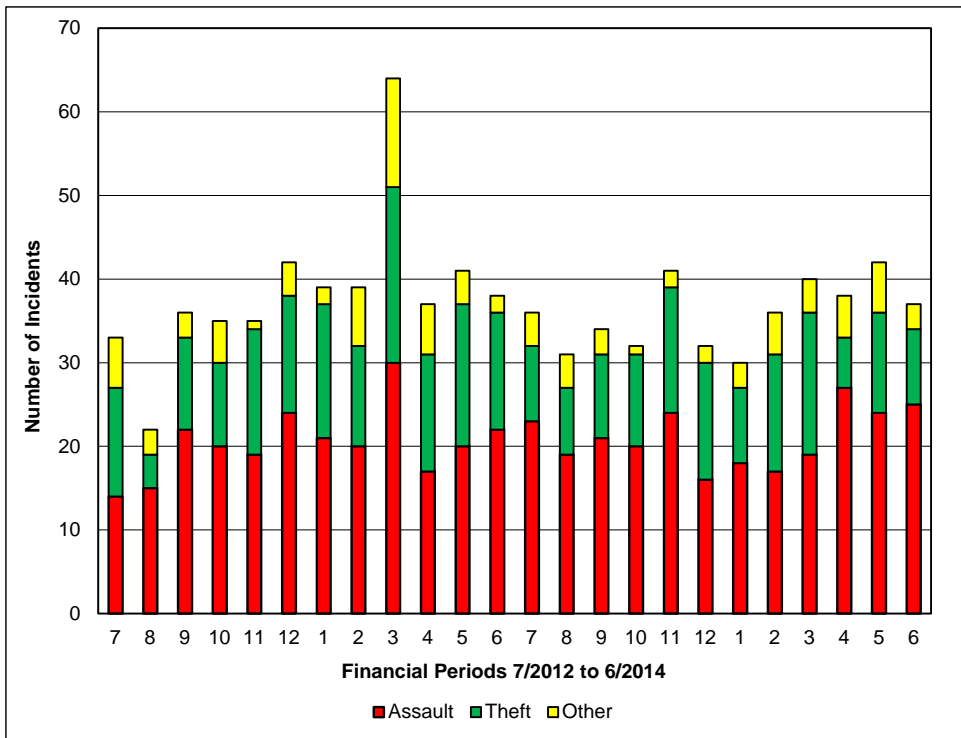
The customer injury incident rate for Period 6 2014 was 1.84 injury incidents per 1 million vehicle boardings, which was 27% lower than the corresponding rate of 2.51 for Period 6 2013.

The moving annual customer injury incident rate to the end of Period 6 2014 was 1.77, which was 14% lower than the corresponding rate of 2.05 to the end of Period 6 2013.

2.6.3 – Behavioural Safety Index

The data for this index are being gathered and calculated. This information will be presented in a future CEO Report.

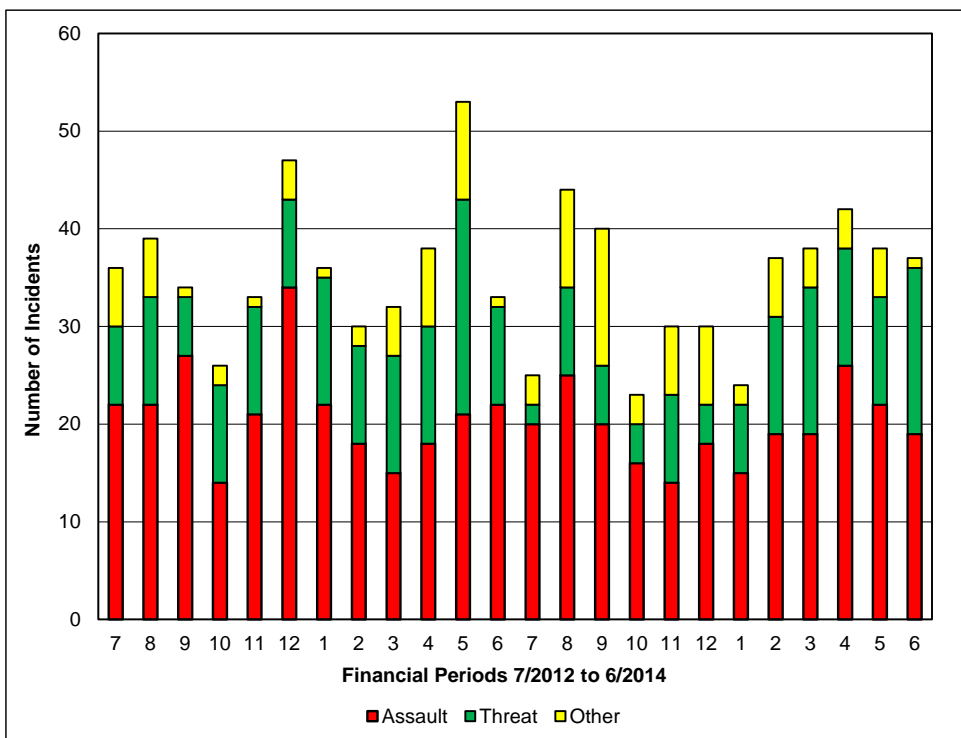
2.6.4 – Offences Against Customers



Total offences against customers decreased in Period 6.

Year-to-date to Period 6, there were 35 fewer offences (223 vs. 258) compared with the corresponding period in 2013. This includes the same number of assaults (130), 27 fewer thefts and robberies (67 vs. 94), and eight fewer 'other' offences (26 vs. 34).

2.6.5 – Offences Against Staff

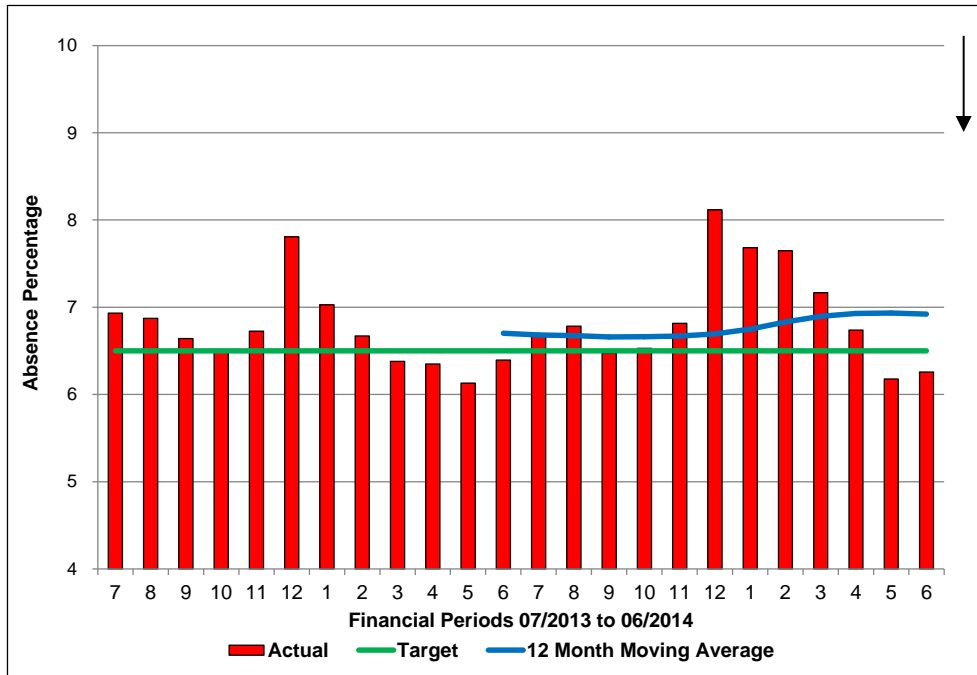


Total offences against staff decreased in Period 6.

Year-to-date to Period 6, there were six fewer offences (216 vs. 222) compared with the corresponding period in 2013. This includes four more assaults (120 vs. 116), five fewer threats (74 vs. 79), and five fewer 'other' offences (22 vs. 27).

2.7 – People

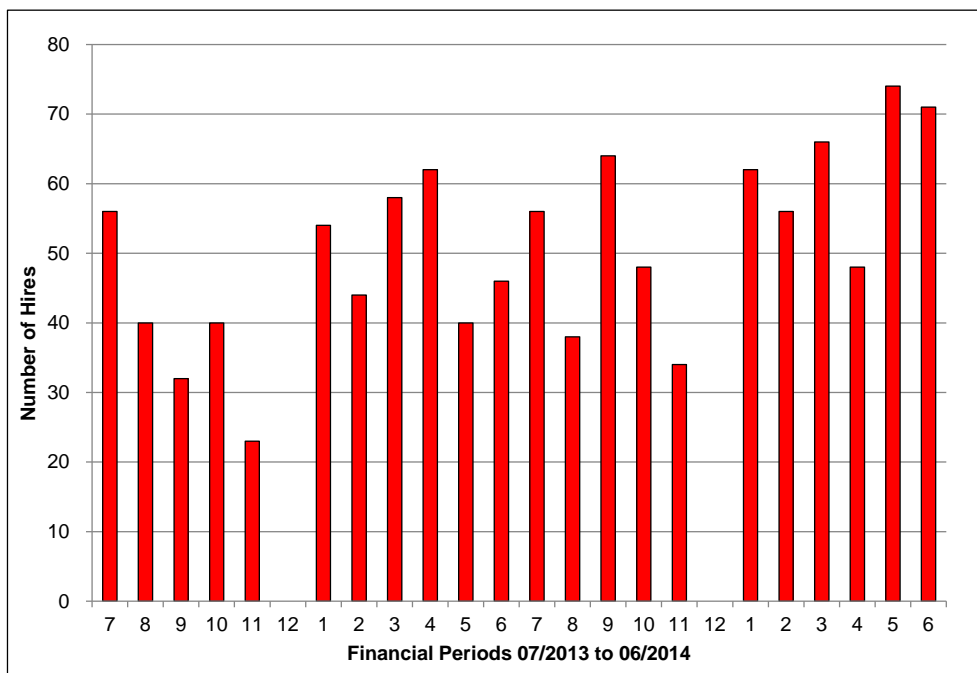
2.7.1 – Attendance



The absence rate increased slightly in Period 6 but was below target (favourable) for the second consecutive period after having been above target for nine of the previous ten periods.

The steady improvement since the beginning of 2014 is attributable to sustained efforts to proactively manage employees with problematic attendance records.

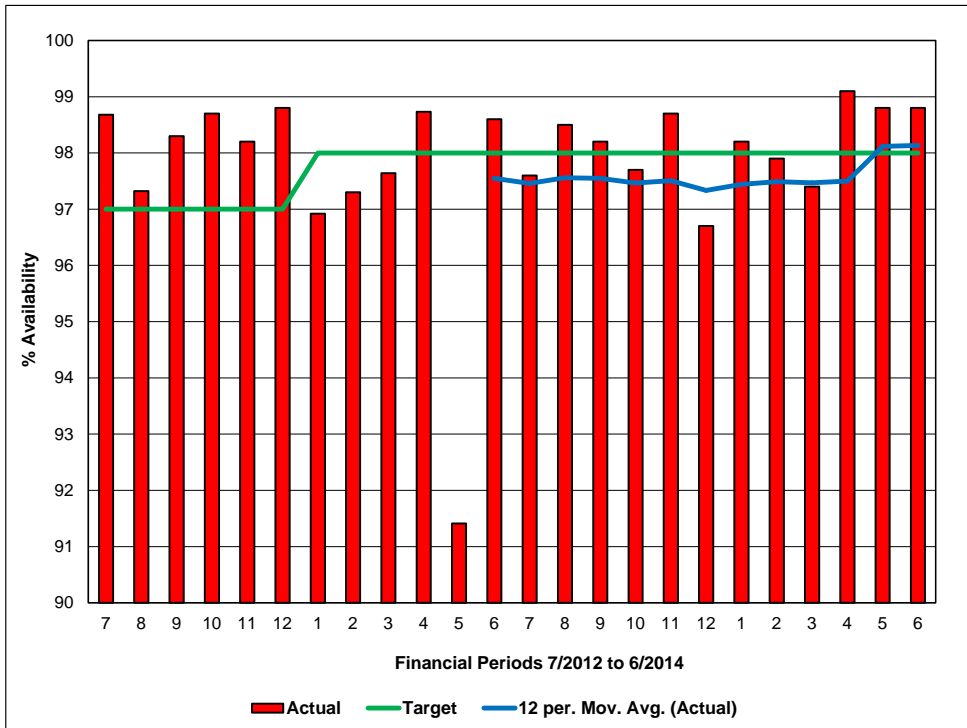
2.7.2 – Operator Hires



In Period 6, 71 Operators were hired and began training.

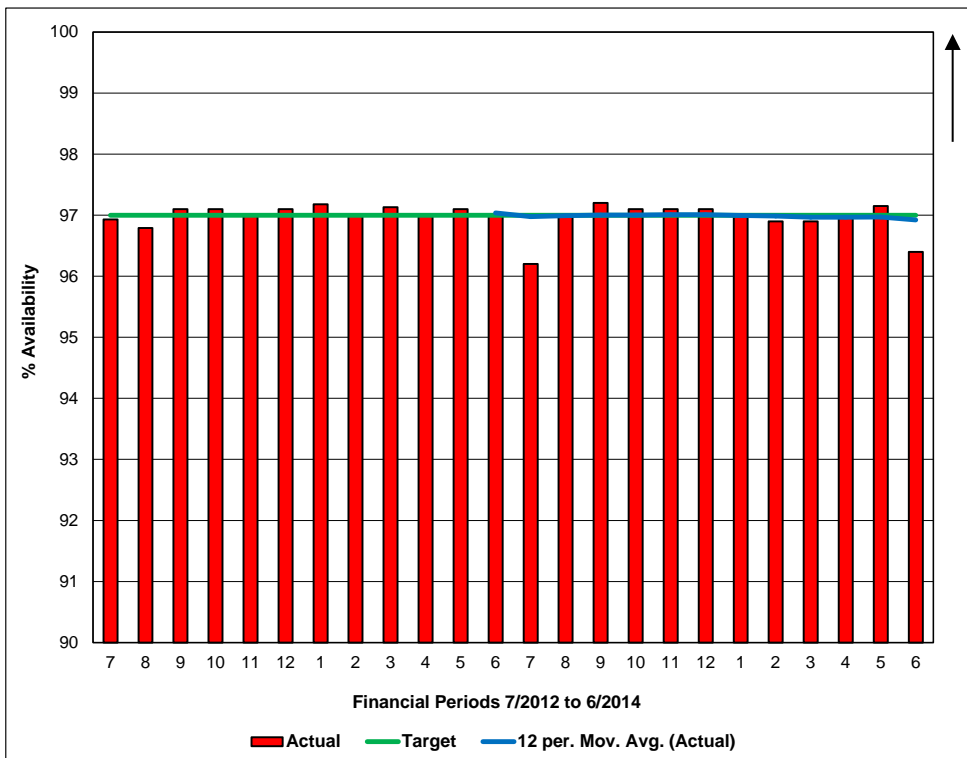
2.8 – Device Availability

2.8.1 – Elevator Availability



Elevator maintenance was completed as planned and scheduled and overall downtime was reduced due to the absence of any major elevator overhaul activity.

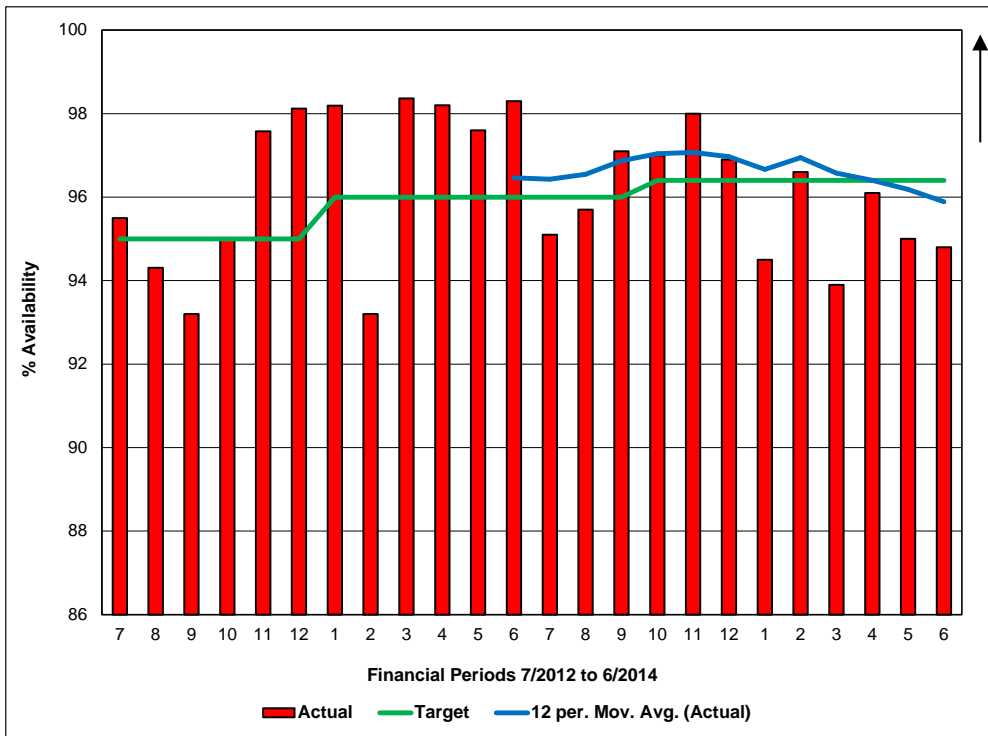
2.8.2 – Escalator Availability



Performance fell below target in Period 6 for the first time in three periods.

Maintenance programs were completed as planned and scheduled; however, the availability target wasn't achieved due to flooding in nine escalators at three subway stations.

2.8.3 – Fare Purchase Opportunity

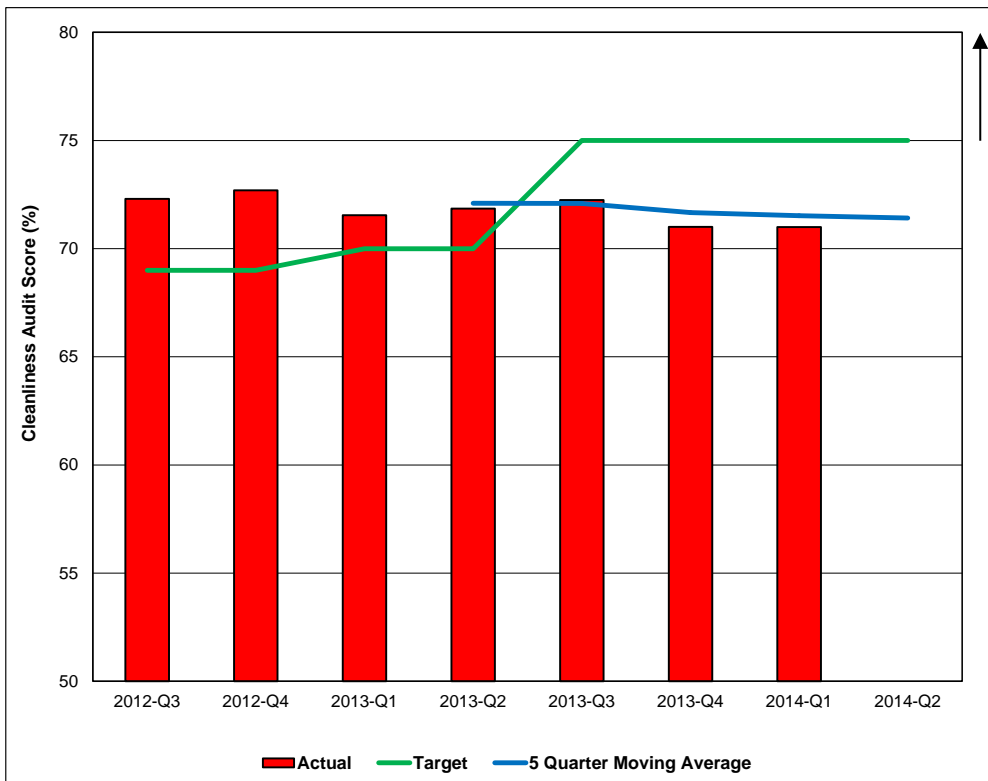


Performance in Period 6 was below target for the fourth consecutive period.

Software improvements and additional maintenance training resulted in improved reliability of Pass Vending Machines. The overall target continues to be negatively affected by vandalism of Token Vending Machines. Security efforts are underway to address this issue.

2.9 – Mystery Shopping and Audits

2.9.1 – Station Cleanliness



Q2 2014 results are unavailable due to expiry of the contract with the independent auditor. Results should be available at the beginning of Q3.

2.9.2 – Vehicle Cleanliness

The existing cleanliness audit process for vehicles was developed and implemented throughout 2012 and 2013. The audit process is under review to identify improvements in data collection and assessment that will allow a more effective means of identifying root causes and developing action plans to increase vehicle cleanliness. The results of this review are being incorporated into a revised cleanliness audit contract specification. The revised cleanliness audits for buses, streetcars, and subway cars will begin in Q4 2014. A revised performance chart will be provided in this section when the results for Q4 2014 are available.

2.9.3 – Information MSS

The data for this index are being gathered and calculated. This information will be presented in a future CEO Report.

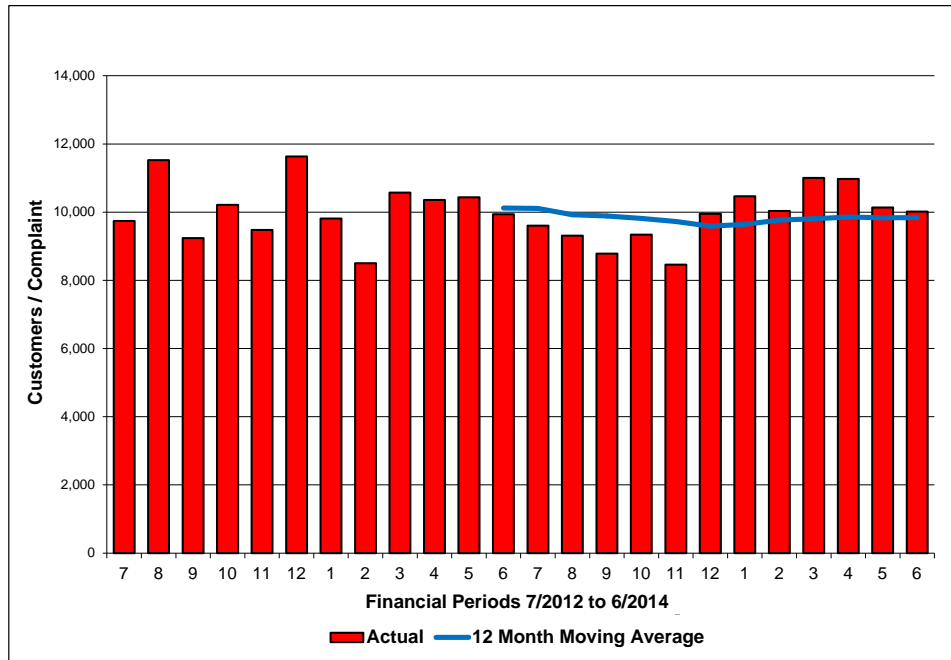
2.9.4 – Staff Helpfulness MSS

The data for this index are being gathered and calculated. This information will be presented in a future CEO Report.

Part 3 – Customer Measures and Improvement Program Progress

This section provides information on various customer-related issues, including trends for customer complaints and compliments, customer satisfaction improvement initiatives, and current major closures.

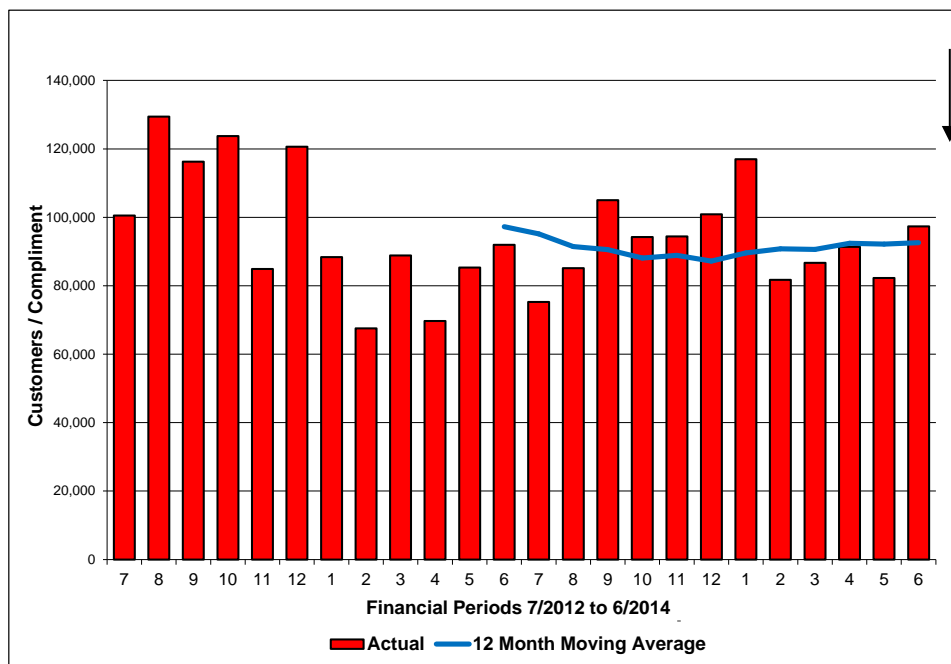
3.1 – Customer Complaints



Customers per complaint decreased (unfavourable) slightly in Period 6; however, performance still fell within the twelve month average.

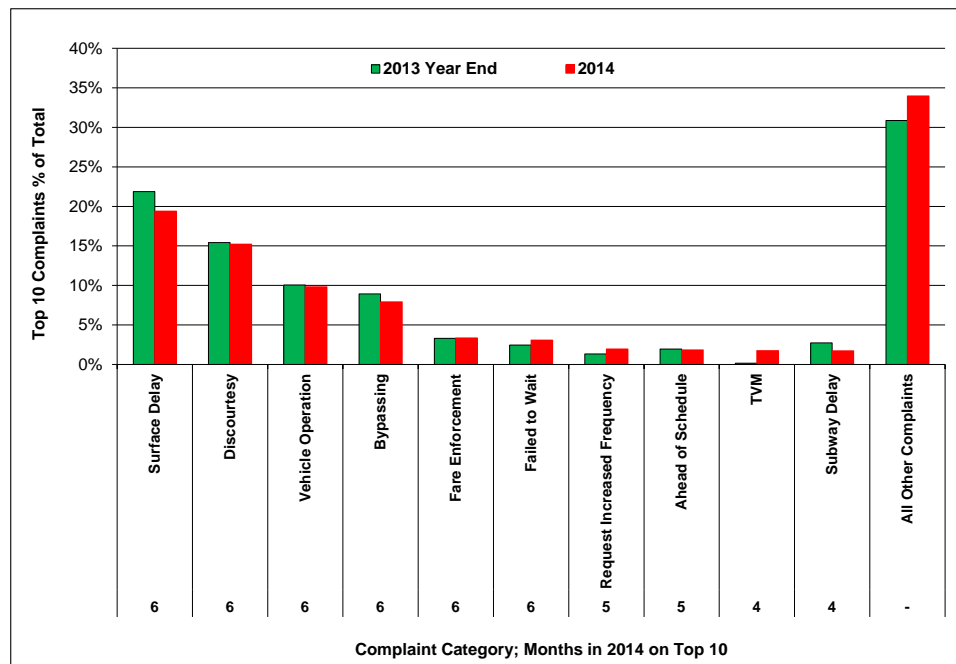
The Top 10 complaint categories were consistent with the last period with an improvement noted in Surface Delay complaints.

3.2 – Customer Compliments



Customers per compliment increased (unfavourable) in Period 6 and was slightly higher than the twelve month running average.

3.3 – Top Ten Complaints



Top 10 complaints were consistent with last period.

Increases were seen in the Failed to Wait and Request Increased Frequency categories.

Decreases occurred in the Surface Delay and Subway Delay categories.

3.4 – Commentary on Customer Satisfaction Improvement

In February, the TTC unveiled its 2014 Customer Charter. It's comprised of 39 time-bound commitments that includes improved service reliability, better customer communications and information, modern equipment and vehicles, continued advancements on customer accessibility, and cleaner vehicles and stations. The 2014 Charter and quarterly progress reports are available on the TTC website.

The TTC achieved 10 of 11 Customer Charter commitments for Q2 2014. The ten initiatives included: post two explainer videos online; review new wayfinding signage at Bloor-Yonge and St. George Stations; review new stop pole design used for the 94 Wellesley pilot; establish a special task force to seek long-term capital and operating funding; roll-out of a new uniform to all operators and collectors; all of our collectors will accept debit or credit cards to buy a wider range of tickets, tokens and passes; all pass vending machines will also accept credit cards; fully implemented the support person's identification card program; upgrade speakers in five subway stations; the construction of the St. Clair West Station easier access project will begin; wash and replace bulbs on 25 per cent of the platform lighting.

Acceptance of debit and credit cards to buy a wider range of tickets, tokens, and passes has begun as a pilot at Coxwell, Bathurst, and Davisville Stations. The integrated point of sale system developed by the contractor did not pass initial certification tests and modifications are underway by the contractor. A revised schedule will be developed and full roll out is expected by year-end.

In March, the TTC launched the trial of new wayfinding signage at Bloor-Yonge Station as part of its efforts to improve and ease navigation of the subway system and its stations. Improved wayfinding is part of the TTC's Customer Charter and can be located under "Informative".

In October 2013, the TTC board endorsed a presentation by staff to apply already-existing line numbers and colour-coding to the four subway and RT lines, make greater use of pictograms, and improve station entrance signage across the city. Applying line numbers and colours already in use to existing line names will make navigating the TTC that

much easier for frequent, occasional, and first-time riders, as well as those whose first language is not English.

To measure the effectiveness of the new signage, the TTC hired an independent research company to conduct pre-installation and post-installation intercept surveys at Bloor-Yonge Station. The results were positive – almost two thirds of customers noticed that the wayfinding signs had been recently changed and of those who noticed the change, 77% said the signs have been improved. The majority of respondents also felt the new signs were clear (80%), helpful (85%), simple (89%), legible (93%), and projected a positive and friendly image for Toronto's subway system (91%).

St George Station is currently in progress to receive new wayfinding signage. Once the installation is complete, the intercept surveys will be conducted at St. George Station to measure customer satisfaction with the new wayfinding system.

In July, the TTC made it easier for customers to purchase TTC merchandise with the establishment of an online store at shop.ttc.ca. Prints of vintage TTC posters and authentic in-car subway maps are now for sale, with an expanded range of products becoming available in the coming months. TTC merchandise is still available in person at the Customer Service counter located at Davisville Station, ground floor.

The TTC continues to conduct Meet the Managers sessions at subway stations. So far this year, sessions have been conducted at the following stations: Union, St. Andrew, St. Clair, Eglinton, Bloor-Yonge, Kipling, Finch, Downsview, Lawrence, Queen, Main, Chester, Runnymede, and Osgoode. In addition, a Meet the Managers session was held at the People in Motion exhibition. Feedback was received from customers on a variety of issues, both positive and negative. These sessions will continue at other stations throughout the remainder of 2014, with the schedule posted on the TTC website.

3.5 – Current Major Closures

Line 1 (Yonge-University-Spadina) - North Yonge Segment

Throughout 2014 and 2015, subway service north of Eglinton Station will end early at approximately 12:30 a.m., Sunday through Friday, for tunnel structural repair work. Regular service will continue to be maintained from Downsview Station to Eglinton Station.

During the nightly early closures, a replacement bus shuttle service will be available from 12:30 a.m. to 2:30 a.m., servicing the bus terminals at Eglinton, Lawrence, York Mills, Sheppard-Yonge, and Finch Stations.

Yorkdale Commuter Parking Lot

The TTC commuter parking lot located at Yorkdale Shopping Centre is being demolished for redevelopment. As a result, TTC commuter parking at Yorkdale will be unavailable for approximately 18 months beginning in January 2014. The TTC commuter lots at Wilson, Downsview, and Finch Stations are alternatives during construction. The new TTC commuter parking lot at Yorkdale is expected to open in the fall of 2015.

Streetcar and Subway

Mode	Area Affected	Dates	Reason
Streetcar	Queens Quay Union Stn to Yo Yo Ma Lane	Jul 29/12 – Oct 11/14	Waterfront Toronto Queens Quay Reconstruction
Streetcar	Spadina Ave and Queens Quay including Loop	May 13/13 – Aug 30/14	Platform Upgrades & Track Replacement
Streetcar	Dundas St and Spadina Ave intersection and Spadina Stn	Jul 14/14 – Aug 30/14	Track Replacement & Station Platform Upgrades
Streetcar	Broadview Ave – Queen St to Broadview Stn	Jul 20/14 – Aug 30/14	Track Replacement & Overhead Wiring Upgrades
Subway	Line 1 (Yonge-University-Spadina) Union Stn to St. Andrew Stn	Aug 16/14 – Aug 17/14	Union Station Second Platform Construction
Subway	Line 1 (Yonge-University-Spadina) Bloor Stn to Eglinton Stn	Aug 23/14 – Aug 24/14 Sep 6/14 – Sep 7/14* *Tentative	ATC Project & Infrastructure Maintenance
Streetcar	Lake Shore Blvd – Humber Loop to Long Branch Loop	Aug 31/14 – Dec 20/14	City of Toronto Gardiner Expressway Rehabilitation

Detailed information on alternative services available during all closures is provided on the TTC's website.

Part 4 – Financial Commentary

This section provides detailed information about the TTC and Wheel-Trans Operating Budgets. Progress on the TTC's Capital Program and specific information about selected capital projects is also provided.

4.1 – TTC Operating Budget

2014 Year-to-Date Results

To the end of Period 6 (July 5), total revenues were \$7.9 million (1.3%) below budget primarily due to 3.5 million (1.3%) fewer customer journeys than planned and a slightly lower average fare (0.56¢ or 0.3%) stemming from marginally higher monthly pass sales. Over the same time period, expenses were \$18.1 million (2.2%) below budget largely due to the timing of certain non-labour expenses.

2014 Year-End Projections

(millions)	Projected	Budget	Variance
2014 TTC Operating Budget			
Customer Journeys (Ridership)	536	540	(4)
Revenue	\$1,157.4	\$1,166.5	(\$9.1)
Expenses	\$1,596.5	\$1,597.6	(\$1.1)
Subsidy Required	\$439.1	\$431.1	\$8.0
Subsidy Available	\$431.1	\$431.1	-
Surplus/(Shortfall)	(\$8.0)	-	(\$8.0)

The currently projected year-end subsidy shortfall of \$8 million primarily reflects the following variances. This estimate does not include any potential budgetary impact of the recently settled union contract negotiations. For 2014, the total estimated impact is \$13.5 million. The majority of these costs will be covered by the City's operating budget non-program provision of \$9.4 million and the TTC Capital Budget. The balance (\$2.6 million) will be addressed through discussions with the City Manager and every effort will be made to identify efficiencies and costs savings throughout 2014.

Passenger Revenues: \$10 million decrease

The number of customer journeys for the year is expected to be about 4 million below target largely due to the severe cold temperatures experienced in January, February, and March, and the impact of planned system closures, particularly for the Automatic Train Control resignalling work on Line 1 (Yonge-University-Spadina) and the Union Station Second Platform project. Additionally, as noted throughout 2013, higher than anticipated monthly pass sales continue to cause a slight decline in the average fare. Consequently, at this time it is anticipated that passenger revenues will fall about \$10 million below budget by the end of the year. It should be noted that the currently projected 4 million drop in customer journeys could potentially grow to 7 million (along with a commensurate decline in passenger revenues) if current ridership trends continue. Staff continues to monitor both ridership and revenue performance and will provide updates in future reports.

Diesel: \$2.4 million decrease

To date, the price paid for diesel fuel has generally been lower than budget.

Other: \$0.4 million increase

All other projected changes in other expenses add up to this unfavourable variance from budget.

4.2 - Wheel-Trans Operating Budget

2014 Year-to-Date Results

To the end of Period 6 (July 5), total revenues were marginally (\$123K or 4.2%) below budget. This reflects slightly reduced revenue from 5K (0.3%) fewer customer journeys and a lower average fare (\$0.07 or 3.9%). Over the same period, expenses were \$1.8 million (3.2%) below budget primarily due to reduced diesel fuel requirements as fewer than anticipated bus trips were provided, and workforce gapping savings.

2014 Year-End Projections

(millions)	Projected	Budget	Variance
2014 Wheel-Trans Operating Budget			
Customer Journeys (Ridership)	3.066	3.066	-
Revenue	\$5.7	\$5.7	-
Expenses	\$112.1	\$112.1	-
Subsidy Required	\$106.4	\$106.4	-
Subsidy Available	\$106.4	\$106.4	-
Surplus/(Shortfall)	-	-	-

There is currently no projected year-end subsidy variance.

4.3 - Capital Program

2014 Year-to-Date Results

Capital expenditures to Period 6 typically reflect lower project activity as early efforts are focussed on setting up schedules and tendering work. Current period activities also include continued progress on vehicle and construction contracts already in place. Significant variances in the current period stem from under-spending on delayed facility contract work and vehicle deliveries.

2014 Year-End Projections

(millions)	Projected	Budget*	Variance
2014 Capital Program Budget			
Base Program	\$1,049.8	\$1,084.0	(\$34.2)
Toronto-York Spadina Subway Extension (TYSSE)	\$379.9	\$527.6	(\$147.7)
Scarborough Subway Extension (SSE)	\$14.5	\$14.5	-

*Excludes additional carry forward spending on Base Program and TYSSE (\$197.7M & \$150M respectively)

Base Capital Program Expenditures: \$34.2 million under

The current projected spending on the Base Capital Program is estimated at \$1,049.8 million, which is within the 2014 approved budget of \$1,084 million. There is typically significant variability in the early estimates of various programs which, if continued, will result in staff requesting budget re-allocations from programs with under-spending to those with higher needs.

Subway Track: \$23.5 million under

The projected under-spending is due to the Davisville Area Rehabilitation Project (DARP). While the detailed design work by consultant will continue, the schedule for main construction and commissioning of DARP is set for 2016 due to time and logistical constraints, availability of buses/operators, co-ordination issues, and conflict with other major City events.

ATC Resignalling: \$19.2 million under

The under-spending is primarily due to supplier delays relating to Computer Based Interlocking (CBI) between Union, Bloor, and Davisville interlocking; hiring new TTC installation crews deferred to end of 2014.

Purchase of Subway Cars: \$69.5 million over

Mainly due to slower train delivery schedule which resulted in \$51million slipping from 2013 to 2014 and future years for project milestones and other related costs.

TYSSE Program Expenditures: \$147.7 million under

The project schedule has been negatively impacted by less than expected contractor performance among other issues as noted in previous CEO Reports. Schedule concerns remain a factor on all major facilities contracts. Staff is continuing with efforts to minimize the impacts of potential schedule delays and to improve overall contractor performance.

Part 5 - Critical Projects

5.1 Toronto Rockets and Rail Yard Accommodation

Under the TR/T1 Rail Yard Accommodation project, major expansions are planned to address storage and maintenance of the Toronto Rocket on the YUS line and consolidated storage of the T1 trains on the BD line. The work includes:

- Wilson Yard: carhouse expansion, storage tracks and corresponding ladder tracks, runaround tracks, signal system, substation, T&S building renovation;
- Davisville Yard: carhouse expansion, consolidation of T&S facility;
- Keele Yard: facility rehabilitation for storage of T1 trains;
- Kipling Station: storage track; and
- Greenwood Yard: conversion of CN delivery track to storage and T&S building renovation.

To date, fifty-six trainsets have been accepted into revenue service. This marks the acceptance of the 17th trainset for the 21 H6 replacement trainset option after the acceptance of trainset 39 from the base order on August 6, 2013.

The established delivery schedule calls for commissioning of two trainsets per month. Due to technical issues in manufacturing and unsatisfactory service (albeit improving), reliability of the new trains, a delivery gap exists which resulted in the 2013 year-end quantity target as unachieved. A revised delivery schedule will need to be established after the current Unifor labour strike in Bombardier's Thunder Bay plant. The strike started on July 14, 2014.

Retrofit work for trains that missed the ATO-readiness cut-in date in the Thunder Bay production line was completed in May 2014. All TR trains on property are now ATO-ready.

A reliability improvement plan comprised of component and system testing is largely completed. Retrofit work has been progressing well. An attainable schedule to install low ceiling handholds, exterior door chimes and an additional bungee cord for the inter-car barrier has been established. Production prototypes have been completed. Key train performance indicators and reliability are improving.

The overall 70 trainset Toronto Rocket project consists of 39 trainsets for replacement of H4 and H5 series cars, 21 trainsets for replacement of H6 cars, and 10 trainsets for the Toronto-York Spadina Subway Extension (TYSSE) needs.

At the January 2014 City Budget Meeting, an additional ten (10) trainsets were approved. The contract has been subsequently awarded, implementation of the procurement, including improvements and lessons learned from the active contract, are underway.

5.2 Streetcar Program and Maintenance & Storage Facility

Streetcar Procurement and Implementation

The final design phase of the low floor streetcar procurement project is largely complete. The three test vehicles (4400, 4401, 4402) have undergone extensive testing in Thunder Bay and throughout the Toronto streetcar network, as well as at the National Research Council in Ottawa for comprehensive hot/cold environment testing. The year-long series of tests have allowed engineering teams to collect necessary technical data, understand

real-world performance of these custom-designed vehicles, confirm functionality of systems and components and make improvements, develop specialized operational procedures, and prepare for safe, reliable, and efficient service of the new accessible fleet.

In addition to testing all systems and features onboard the streetcars, there have also been comprehensive human factor assessments including evaluation by members of the Advisory Committee on Accessible Transit (ACAT) Design Review Subcommittee. The demonstrations have been a culmination of years of consultation with the committee and the public. Further input was collected during an evaluation session for continued dialogue with ACAT and engineering design changes were initiated to further improve the transition between the accessibility ramp and the vehicle floor through the door threshold allowing people with mobility devices to use the new streetcars with greater ease.

Based on the test results, operational experience and defined design improvements, a production vehicle configuration has been established and production manufacturing of the vehicles is commencing. The first production vehicle was delivered on May 31, 2014; the second vehicle arrived on TTC property on July 4th. Commissioning activities for the new streetcars has commenced. Program efforts such as vehicle-wayside interface, fare collection system, training for maintenance employees and operators and operational policy development are underway to ensure a smooth launch and transition to the new fleet for our customers and internal staff.

Due to the Unifor labour strike in Bombardier's plant in Thunder Bay since July 14, 2014, production and delivery of streetcars have been interrupted.

Despite the labour strike situation, revenue service of the new streetcars remains on schedule for August 31, 2014 on the 510 Spadina route. Deployment will then carry on incrementally to the other streetcar routes in the following order: 511 Bathurst, 509 Harbourfront, 505 Dundas, 501 Queen & 508 Lakeshore, 504 King, 512 St. Clair, 502 Downtowner, 503 Kingston Rd, and 506 Carlton as more new streetcars are delivered and as the planned network upgrades are completed. Completion of the 204 vehicle order from Bombardier and the eventual conversion of the whole streetcar fleet will be in 2019.

Leslie Barns Streetcar Maintenance & Storage Facility Project

The Leslie Barns project consists of four major contracts. A description and the status of each major contract are as follows:

1. Soil Removal and Capping

The site preparation contract was completed in January 2012.

2. Hydro One Cable Relocation

The contract was completed in July 2013.

3. Leslie Barns Maintenance and Storage Facility

This contract consists of the construction of the maintenance facility and storage yard on the site. The contract was awarded on April 12, 2012. The contract was initially expected to be completed in June 2014; however, construction delays have resulted in expected completion in early 2015.

4. Leslie Street Connection Track

This contract consists of the construction of the streetcar tracks from the Leslie Barns site entrance to the existing streetcar network on Queen Street, associated utility relocations, road reconstruction, streetscape enhancements on Leslie Street and Queen Street, and the perimeter landscaping of the Leslie Barns site. The contract was awarded on April 8, 2013. Work is progressing towards completion by end of 2014 and the connection track will be ready for use early 2015.

The landscape enhancements will be completed by the end of 2014 as part of the Leslie Street Connection Track Contract.

The City of Toronto's Notice of Approval Conditions (NOAC) requires decorative hydro transmission poles and compatible decorative street light poles that integrate with the streetscape design. The design details are being finalized with the City of Toronto and Toronto Hydro.

The Construction Liaison Group (CLG), comprised of local businesses and residents, school representatives and local councillors meets on a monthly basis to address construction issues for residents and businesses. The next meeting is scheduled for August 14, 2014. Safety walks to identify specific concerns to cyclists and pedestrians are planned after every new construction stage and as required. The latest safety walk was held on June 18, 2014.

The Leslie Twitter page and project website are being used on a regular basis to provide construction updates and to promote local business. Additional initiatives to help promote the Leslieville BIA include a project postcard issued in April, posters for businesses explaining access during the Queen/Leslie intersection closure, advertising of events on the Leslie Barns website, promotional signage and incorporating the BIA benches into the streetscape design on Queen Street. The Community Liaisons have continued their outreach efforts by continuing to hold one-on-one meetings with local businesses and residents and respond to emails, phone calls and walk-in questions and concerns from the community. The next issue of the project newsletter is scheduled for late summer 2014.

5.3 Station Enhancements

Union Station

The new concourse was partially opened to the public in May 2013 and the excavation completed in October 2013. The east portion of the second platform and concourse was structurally completed in March 2014 and internal finishing has commenced. Monthly stakeholder meetings are held to keep adjacent businesses informed. New platform is expected to open to the public summer of 2014. Project is on schedule for completion in early 2015.

Dufferin Station

The second exits on Russett Avenue were opened to the public on August 28, 2013. The newly enlarged west entrance was opened to the public on December 23, 2013. The east side entrance to Dufferin Station was reopened to customers on April 5, 2014. The project is expected to be completed in 2014.

Pape Station

Elevators to make the station accessible were put into service October 31, 2013. The second exit opened to the public December 24, 2013.

Easier Access

The elevators at St. Andrew and Pape Stations were opened for service on June 20, 2012 and October 31, 2013 respectively. Dufferin Station elevators are expected to be completed in 2014. The elevator construction at Lawrence West Station is ongoing with completion slated for 2014. Work is ongoing at Woodbine Station for elevators and the second exit. The St. Clair West contract was awarded and on-site mobilization is ongoing. The contract for Ossington Station was awarded in June 2014. The contract for Coxwell Station was tendered in June 2014 and construction of enabling works is ongoing.

5.4 Automatic Train Control Project (ATC)

To achieve capacity increases, Line 1 requires modernization. This will happen with the introduction of ATC. A limited conventional signalling system (CBI) will be provided to allow mixed mode operation and as a back-up to the ATC system. Life expired signalling equipment and updating of the current communications network must also be addressed. Project scope also includes provision of ATC equipment on the new Toronto Rockets.

ATC on TYSSE is now part of the Line 1 ATC Project scope and will be implemented as a separate phase on completion of ATC on Line 1.

The ATC project is currently working within the January 2014 approved budget of \$562 Million. No increase is requested in the 2015 budget submission.

Communication Based Train Control system (CBTC) for Line 1 and TYSSE is scheduled to be in revenue service across the entire line by December 2019.

TTC staff is currently working on Union CBI commissioning with a completion date of October 13, 2014, revised from July 27th. The revised date was caused primarily by the supplier who missed; delivery of training for maintenance staff, provision of as built drawings to TTC and clarification of several outstanding technical issues.

To date, there has been schedule slippage to Union CBI caused by the supplier. These delays have had a knock on effect to Bloor and Davisville CBI's, which was reflected in the recently accepted baseline schedule. However, the latest updated schedule demonstrates that the Bloor May 2015 and Davisville October 2015 commissioning dates are now at significant risk. The revised schedule has also impacted project plans to start a second construction team, which is now delayed.

5.5 Toronto-York Spadina Subway Extension Project (TYSSE)

To date, the TYSSE project is on budget with a total budget of \$2,634 million. The in-service date is targeted for the fall of 2016; however, the project is facing a serious schedule challenge.

Work to complete concreting within the tunnels is nearing completion. Track work started in June 2013 and is advancing well.

Work on the major facility contracts consisting of six stations and attendant infrastructure (emergency exit buildings, three track structure, etc.) is advancing at different paces with three stations, York University, Steeles West (Pioneer Village), and Hwy 407, not maintaining schedule. At this time, the progress on these stations poses the most serious schedule challenge to the overall project schedule. Efforts to have the contractors on these stations improve their schedule performance are intense and have been ongoing for some time. Sheppard West (Downsview Park) likewise is not maintaining its schedule but due to its early contract award and good performance at the beginning, work is well advanced and current progress is not expected to impact the overall project schedule. Vaughan Metropolitan Station schedule faltered beginning around October last year to late April this year with indications of improvement starting in late April. Work on Finch West Station is currently progressing well.

Design of the various system components is complete or well underway. Delivery of some systems equipment to site has started.

5.6 PRESTO / TTC Farecard Project

The legal agreement for implementing PRESTO at the TTC has been completed. The agreement includes a commitment to develop a detailed project schedule for the overall project through to final implementation and operation and will consist of two major phases: Wave 1 and Wave 2.

A schedule for the Wave 1 release of PRESTO has been developed. The Wave 1 scope includes fare payment functionality on-board the first 50 new streetcars and off-board at selected streetcar transit stops for the 510 Spadina, 511 Bathurst, 505 Dundas, and 509 Harbourfront routes. The Wave 1 release will also replace the current PRESTO equipment at 14 stations currently equipped with PRESTO fare payment equipment while adding PRESTO equipment to 12 additional subway stations.

TTC staff is working with Metrolinx to confirm the system design details, operational impacts and implementation plan for the back-office software and PRESTO equipment that will be rolled out for Wave 1. The equipment being installed is primarily based on the hardware deployed at other PRESTO enabled transit agencies. However, the machines for accepting coins and tokens, on and off-board streetcars and for adding value to the PRESTO card within subway stations are new devices, and their development is driving the implementation timeline for the Wave 1 release.

The timeline required to design, develop, manufacture, test and install the equipment and software required for Wave 1 results in PRESTO devices being available for the new streetcars as of November, 2014. Since the new streetcars will be introduced into service on the 510 Spadina route starting on August 31, 2014, the TTC is developing an interim solution for fare payment equipment that will accept tokens and cash, and issue POP receipts to customers. In addition, ticket validator machines for child, student and senior tickets will also be available on the new streetcars for the August 31 launch of the new streetcars.

The testing of the new PRESTO devices has commenced and involves the following test activities in preparation for revenue service in November 2014:

- Acceptance testing at the manufacturer's facility (May and June 2014);
- Lab-based testing at PRESTO operations offices (February – September 2014); and
- Testing on new streetcars that are not in revenue service (June – October 2014).

Discussions between Metrolinx and TTC continue towards developing an overall schedule for Wave 2 and the full implementation of PRESTO at the TTC.

Field studies to determine whether sufficient power is available at TTC subway stations to support PRESTO equipment are now completed. The design of the required electrical upgrades at subway stations has been completed for 28 subway stations and the electrical construction work to upgrade the power configuration has been completed at 15 stations. In addition, Museum Station was selected as the initial test station to validate the timelines and process for installing the PRESTO power and communications infrastructure. This work is now complete for Museum Station.