



STAFF REPORT INFORMATION ONLY

Chief Executive Officer's Report – September 2015 Update

Date:	September 28, 2015
To:	TTC Board
From:	Chief Executive Officer

Summary

The Chief Executive Officer's Report is submitted each month to the TTC Board, for information. Copies of the report are also forwarded to each City of Toronto Councillor, the City Deputy Manager, and the City Chief Financial Officer, for information. The report is also available on the TTC's website.

Financial Summary

There are no financial impacts associated with this report.

Accessibility/Equity Matters

There are no accessibility or equity issues associated with this report.

Decision History

The Chief Executive Officer's Report was created in 2012 to better reflect the CEO's goal to modernize the look and feel of the TTC in a transparent manner. The new report replaced the previous Chief General Manager's Report, which did not provide a corporate-level focus on the organization's key performance indicators (KPIs) and was not available on the TTC's website in an easy-to-read format.

Issue Background

The Chief Executive Officer's Report presents the organization's KPIs in a performance "dashboard" format that enables the reader to view periodic performance in each area 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 as well as other corporate initiatives.

Contact

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Attachment

Chief Executive Officer's Report – September 2015 Update



TORONTO TRANSIT COMMISSION

CHIEF EXECUTIVE OFFICER'S REPORT

SEPTEMBER 2015 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	79%	TBD			2.2
Customer Journeys	Customer Trips		Period	P7	39.248M	40.495M			2.3
Punctuality – Subway									
Line 1 (Yonge-University)	Headway + 3 minutes		Period	P7	96.2%	96.0%			2.4.1
Line 2 (Bloor-Danforth)	Headway + 3 minutes		Period	P7	97.8%	97.0%			2.4.1
Line 3 (Scarborough)	Headway + 3 minutes		Period	P7	95.0%	96.0%			2.4.1
Line 4 (Sheppard)	Headway + 3 minutes		Period	P7	99.4%	98.0%			2.4.2
Punctuality – Bus, Streetcar, and Wheel-Trans									
Bus	Headway +/- 3 minutes		Period	P7	63.8%	65.0%			2.5.1
Streetcar	Headway +/- 3 minutes		Period	P7	63.8%	70.0%			2.5.2
Wheel-Trans	Within 10 minutes of schedule		Period	P7	87.7%	90.0%			2.5.3
Safety and Security									
Lost Time Injuries	Injuries / 100 Employees		Period	P7	3.11	TBD			2.6.1
Customer Injuries	Injury incidents / 1M Vehicle Boardings		Period	P7	1.46	NA			2.6.2
Offences against Customers	Assault, theft, other		Period	P7	38	NA			2.6.4
Offences against Staff	Assault, threat, other		Period	P7	36	NA			2.6.5
People									
Attendance	Employee Absence		Period	P7	6.35%	< 6.50%			2.7.1
Operator Hires	Actual vs. Budget		Period	P7	28	28			2.7.2

TORONTO TRANSIT COMMISSION – MONTHLY SCORECARD



Key Performance Indicator		Description	Frequency	Latest Measure	Current	Target	Current Status	Trend	Ref. #
Device Availability									
Elevators	% Elevators Available	Period	P7	99.0%	98.0%			2.8.1	
Escalators	% Escalators Available	Period	P7	97.8%	97.0%			2.8.2	
Fare Purchase Opportunity	% TVM's / PVM's Available	Period	P7	98.1%	96.4%			2.8.3	
Mystery Shopping and Audits									
Station Cleanliness	Cleanliness Audit Score	Quarter	Q2	74.6%	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	P1-7	\$682.3M	\$696.9M			4.1	
TTC Operating Expenditure	Actual vs. Budget	Period	P1-7	\$958.5M	\$967.3M			4.1	
Wheel-Trans Revenue	Actual vs. Budget	Period	P1-7	\$3.7M	\$3.6M			4.2	
W-T Operating Expenditure	Actual vs. Budget	Period	P1-7	\$67.0M	\$67.7M			4.2	
Capital Expenditure – Base	Actual vs. Budget	Period	P1-7	\$363.4M	\$620.0M			4.3	
Capital Expenditure – TYSSE	Actual vs. Budget	Period	P1-7	\$223.7M	\$256.0M			4.3	
Capital Expenditure – SSE	Actual vs. Budget	Period	P1-7	\$3.7M	\$24.4M			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

General Overview

When I was appointed to head up the TTC in March 2012, I said at the time that time and funding would be needed to deliver the TTC’s (then) newly developed vision of *a transit system that makes Toronto proud*. The TTC’s inaugural Corporate Plan, launched in 2013, described the plans and initiatives that we would implement to modernize the TTC from top to bottom – its infrastructure, processes and culture.

Now, just over half way through our plan, there are clear signs of progress, many of which feature in this report and in the presentations that will be given to the Board.

Hot on the heels of a flawless Pan Am /Para Pan Am Games service, it is very pleasing to be able to report achievement of record Customer Satisfaction Survey scores for Q2. While a similar score of 79% was achieved in 2013, this could not be linked with certainty to specific improvement initiatives, as many had only just got under way. Now, however, we are able to say with far greater confidence that improved customer satisfaction is linked to delivery of targeted action plans and that such improvement is, therefore, more able to be sustained.

The Board will receive a presentation that explains the drivers behind the Q2 2015 result, and staff will demonstrate that improved scores are directly linked to areas where we have applied concerted focus of effort. Line 1 performance on the subway is a good example of this, with marked reductions in both delay minutes and delay incidents year over year. Equally encouraging is that the emerging CSS score for Q3 will be at least as high as Q2 – sustained improvement that has not been achieved until now.

Other highlights include a marked reduction in complaints on surface routes where supervision has been added. This correlates to dramatic decreases in short-turning and bunching and this strengthens our resolve to have every surface route scrutinized for corrective action by year end. Staff absence has met target following five consecutive months of improvement, again, the result of sustained focus by my team. Overtime payments have also shown a sharp decline as expected, the result of action taken to break the link between absence and overtime. Finally, subway station cleanliness has hit an all-time high, consistent with customer feedback that the stations have “never been cleaner”.

With additional service being implemented in the September board period and with a new Change Director now on board to help us accelerate and embed cultural transformation, the TTC remains on track to deliver its five year vision. Much remains to be done but, given time and resources, I am very confident for the future.

Delivery of Major Projects

- TYSSE (see page 31)

Good physical progress continues to be made. Stations construction continues apace towards a goal of making all sites watertight by the winter. Meanwhile track work is virtually complete and good progress is being made on communications and other systems installation.

I remain on target to report back by year end on the final cost of the project, once detailed evaluation and negotiation has been undertaken on contractor claims. The detailed forensic analysis required to achieve a fair outcome is continuing to make good progress.

- PRESTO (see page 31/32)

The prototype fitment of PRESTO readers to two legacy streetcars has proved successful and we remain on target to complete fleet-wide fitment by year end. As soon as this is achieved, all routes will convert to the Proof of Payment honor system, thereby speeding up dwell times across the network.

New generation card readers have now been fitted to all gates at Union Station to great acclaim from customers who welcome the faster transaction times and greater ease of use. All other PRESTO deliverables remain on target.

- Automatic Train Control (see page 29)

Good progress continues to be made with the contractor under the new, simplified contract and the project remains on time and on budget. A date is being finalized for the Board demonstration of a train operating under automatic control at our test track at Wilson, later this year.

- New Streetcar Introduction (see page 29/30)

I am pleased to report that Bombardier are now reporting a five day build rate and at the time of writing, nine new streetcars are in service with a tenth on property, awaiting final acceptance.

A significant milestone was achieved on the night of 20/21 September when, for the first time, a new streetcar entered Leslie Barns via Leslie Street under its own power. This followed reopening of Leslie Street by our contractor in August and excellent work by our in-house team to erect the overhead wires to enable this move to take place. We are in discussions with our contractor to finalize a date for partial occupation later this fall.

- Culture Change

I am pleased to announce the appointment of Jody Humble as Director – Change Management, reporting to the CEO. Jody joins us from Deloitte Consulting, where she helped major clients with complicated change programs. I am convinced that we need dedicated support to implement and embed sustainable culture change and Jody will work with the Executive to help roll out complex change such as the transition of Collectors to mobile Customer Service Agents and our plans to introduce one person operation on the subway.

An encouraging sign of our renaissance is that we now regularly receive unsolicited approaches from candidates from blue chip companies, interested in joining the TTC at such a critical time in its transition.

- Accessibility Matters

On 16 September, the TTC hosted the annual Accessibility Forum at Exhibition Place. There was a very good attendance of passionate and well-informed speakers and feedback was generally positive.

While much remains to be done to meet our 2025 target of a fully accessible system, it was encouraging to receive positive feedback about improved call centre wait times and more engaged operators.

Good progress continues to be made on Easier Access projects at Ossington, St. Clair West, Woodbine, and Coxwell Stations.

Safety Performance

The recent Board Audit and Risk sub-committee received a presentation from APTA (American Passenger Transit Association) on their recent audit of our emerging safety, health and environmental management system. The TTC is leading the way among North American transit systems in migrating from a system safety to a modern safety management approach.

Good progress was reported against this initiative which, along with our adoption of enterprise risk and modern program management practices, represents one of the keystones of the “process” part of our TTC modernization program.

Operational Performance

Lines 1, 2 and 4 continue to show improved performance. Line 1 (our busiest) has seen a 26% year over year reduction in daily delay minutes and a 13% reduction in daily incidents. A key driver has been performance of our Toronto Rocket fleet which is now achieving very high levels of performance.

Work continues to overhaul the SRT (Line 3) and this will deliver early improvement.

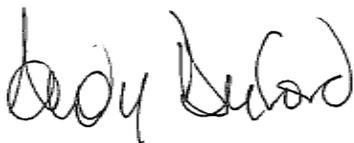
Bus and streetcar performance remain a challenge but are somewhat masked by our deliberate focus on delivery of reliable end to end service via elimination of gapping/bunching, rather than pure punctuality. The Chief Service Officer will update the Board on actions underway to tackle all problem routes.

Elevator, escalator and ticket machine availability all exceeded target.

Financial Commentary

On the financial side, customer journeys (ridership) to the end of July were 5 million (1.6%) below budget and passenger revenue was \$15.8 million below budget. Much of this variance was due to the negative impacts of severe cold temperatures and snow throughout the first quarter and the fare increase on March 1. As with all fare increases, some volatility in ridership results can subsequently occur. During March, ridership was 1.8% below budget. The results rebounded for April (-1.5%) and May (-0.2%) but dipped again in June (-2.2%), July (-3.1%), and August (-2.1%). Given the results of the last three months, at this point, it is estimated that 2015 year-end ridership will be in the range of 538 to 540 million, slightly (about 1%) below the budget of 545 million. This year-end projection excludes any allowance for free rides associated with the Pan Am and Parapan Am Games. Staff will continue to closely monitor ridership results throughout the remainder of the year.

Operating expenses were marginally below budget. Capital expenditures were below budget due to typically lower project activity early in the year.



Andy Byford
Chief Executive Officer
Toronto Transit Commission

2.2 – Customer Satisfaction Survey

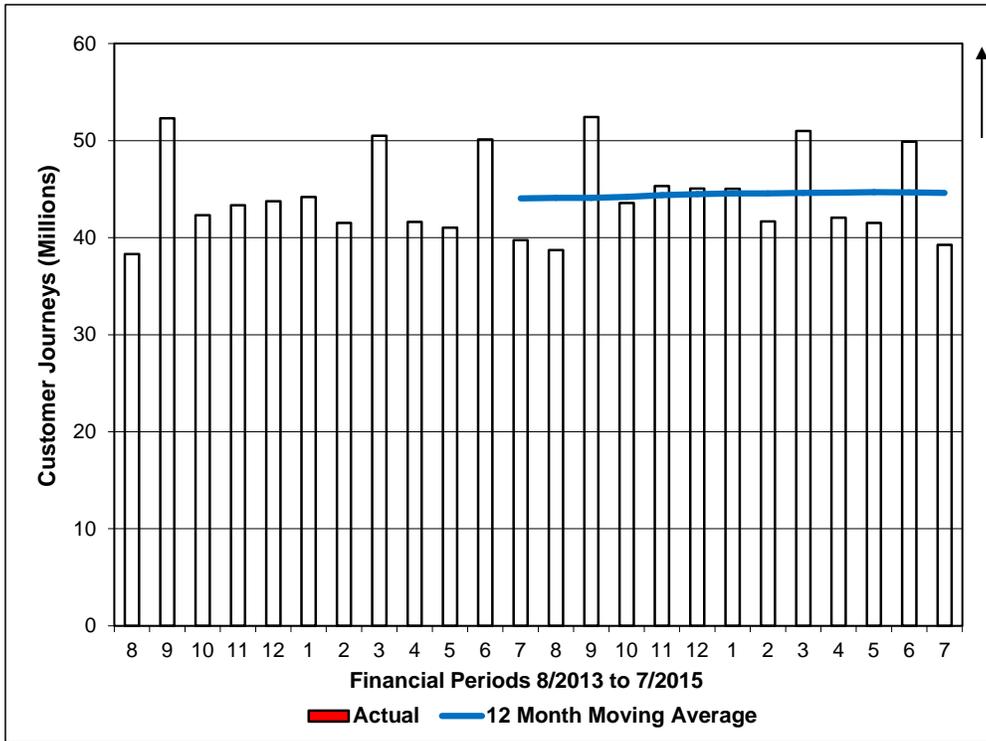
The overall customer satisfaction in Q2 2015 (79%) has increased significantly, compared to results observed in the previous quarter (75%) and in the same time period last year (72%). This positive score is driven by improvements in customer perceptions of the length of time they waited for a vehicle (for all three modes), trip duration (subway and streetcar), and the level of crowding inside vehicles (subway and streetcar). These service attributes are also strong key drivers of customer satisfaction; therefore, improvements in those areas had a positive impact on the overall score. In addition, satisfaction of frequent TTC users has improved significantly (77% in Q2 2015 versus 72% in Q1 2015), which also contributed to a higher overall score.

Areas of highest customer satisfaction (80%+) included: personal safety for subway/ bus/ streetcar, ease of getting to the train platform, quality of announcements per stop (subway), maps and information inside the subway, helpfulness of maps and signs at subway stations, ease of buying tokens/tickets, wait time for the subway train, cleanliness in the subway vehicle, cleanliness of the subway station, appearance and helpfulness of bus and streetcar operators, ease of hearing announcements on buses and streetcars, and helpfulness of announcements on buses and streetcars.

Perceived value for money remained consistent, with 90% of TTC customers providing 'average', 'good', and 'excellent' ratings. The main suggestions to improve value for money were to increase the frequency of service to reduce overcrowding and to keep to the schedule times.

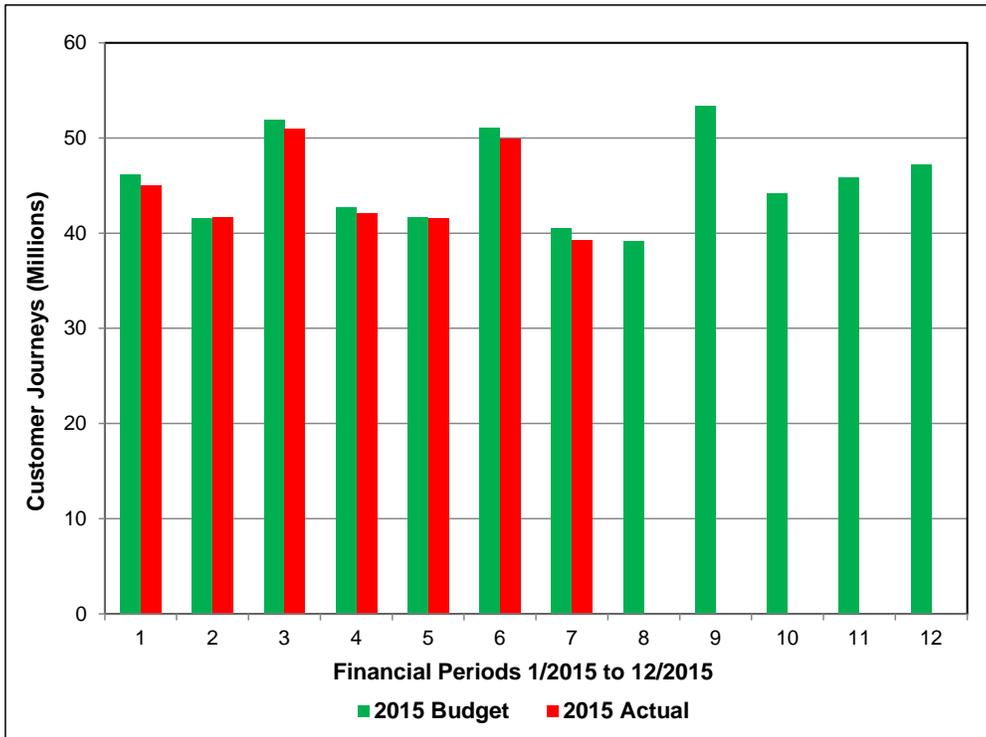
Pride in the TTC and what it means to Toronto (69%) is rebounding after achieving a low score of 66% last year.

2.3 – Customer Journeys



There were 39.248M customer journeys (ridership) taken during Period 7 2015, which was 0.485M (1.2%) less than the 39.733M journeys taken during the comparable period in 2014.

The annual number of customer journeys taken to the end of Period 7 2015 was 535.479M, which was 6.782M (1.3%) more than the 528.697M annual journeys taken to the end of the comparable period in 2014.

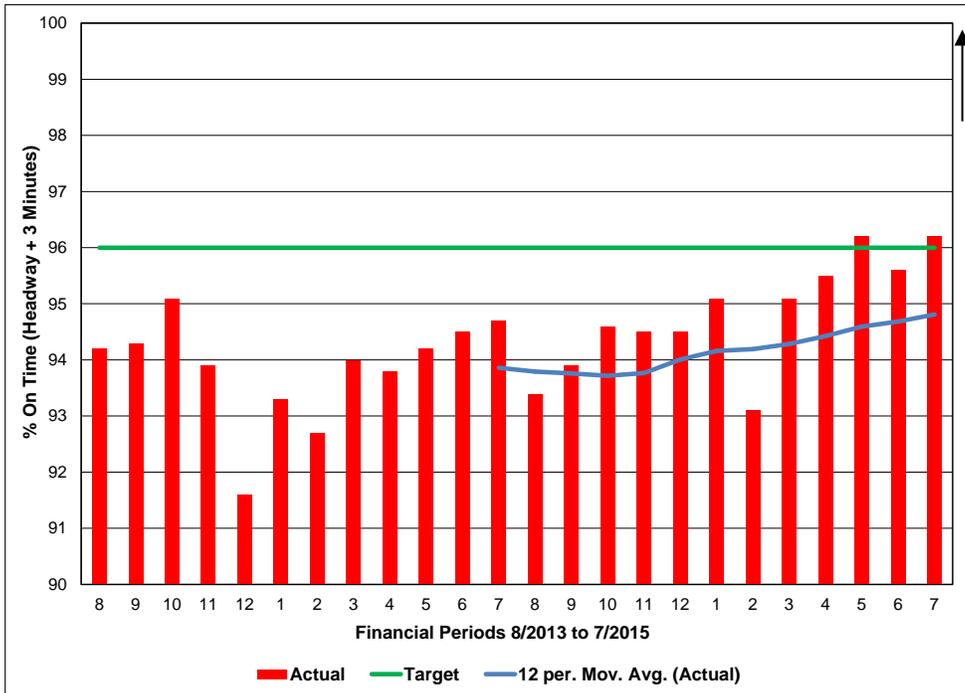


There were 39.248M customer journeys taken during Period 7 2015, which was 1.247M (3.1%) less than the budget of 40.495M journeys.

The number of customer journeys taken year-to-date to the end of Period 7 2015 was 310.370M, which was 5.022M (1.6%) less than the budget of 315.392M journeys.

2.4 – Punctuality – Subway

Line 1 (Yonge-University)

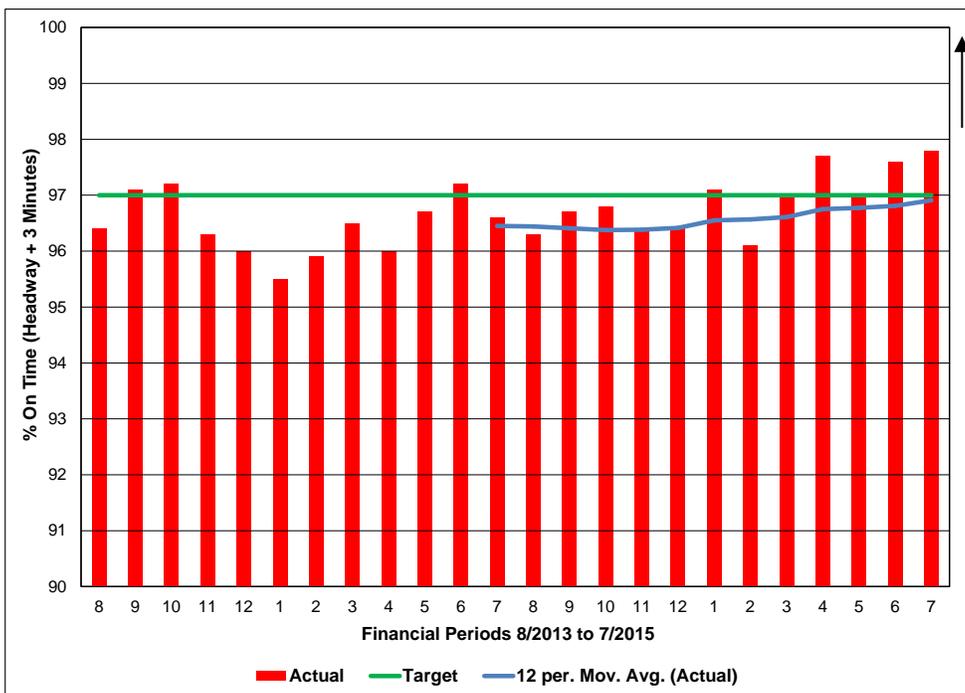


Performance in Period 7 increased to above target, continuing a positive trend over the past 12 periods.

With TTC related delay incidents at a two-year low, and non-TTC related incidents also trending lower than the year-to-date average, recent improvements in service schedules resulted in better performance and punctuality for the customer.

Additional service resiliency as a result of the Pan Am Games, with additional resources for incident response and train crewing, had a positive impact overall.

Line 2 (Bloor-Danforth)

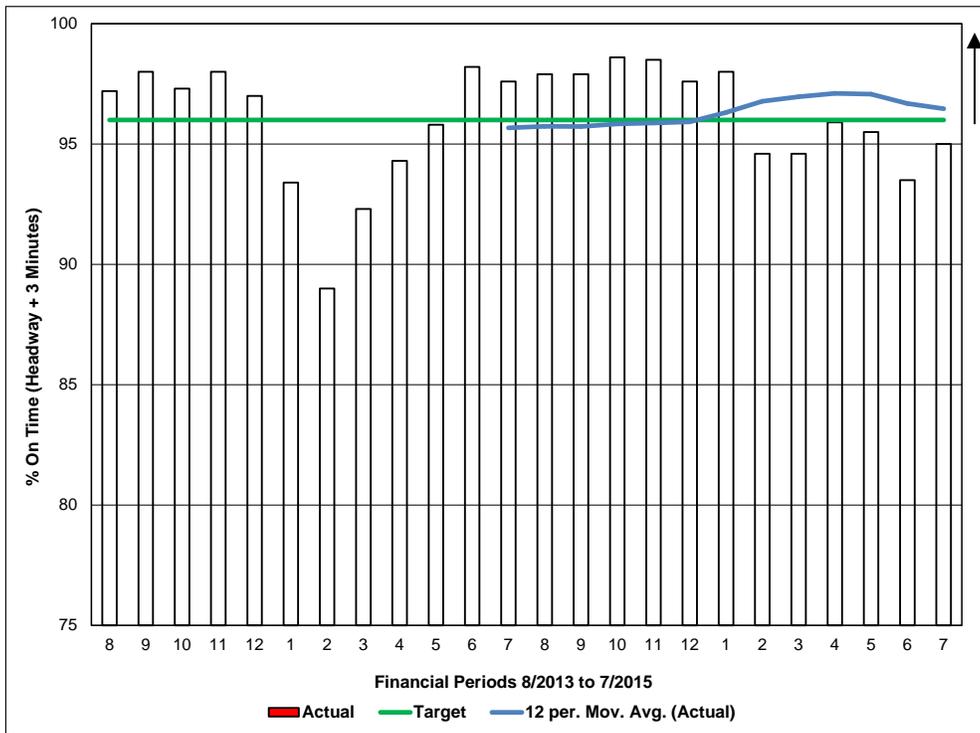


Performance in Period 7 achieved target for the fifth consecutive period and continued to trend well over the past 12 periods.

Resiliency in service levels continued as a result of recent improvements to service scheduling and additional focus on poor performing time periods.

Delay incidents are continuing to trend lower, with stronger performance levels being realized as a direct result.

Line 3 (Scarborough)

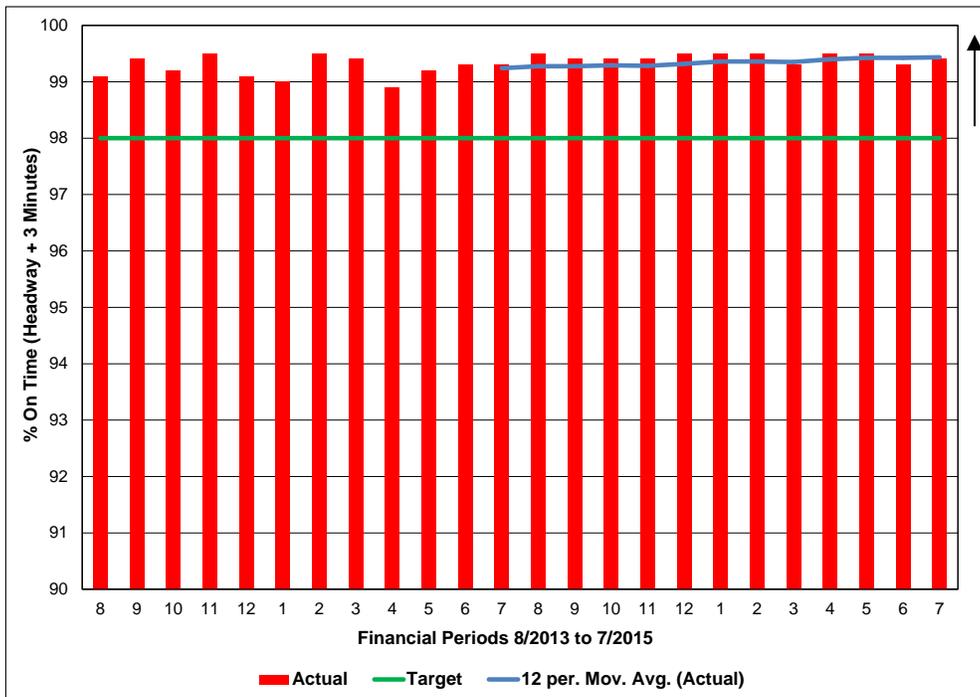


Performance in Period 7 increased for the first time in three periods but continued to remain below target.

Trains continue to operate at reduced speeds due to linear induction motors overheating as the outdoor air temperature increases during the summer. Investigations into the cause and a permanent solution continue. Variable maximum speeds based on outdoor air temperature have been developed to maximize the speed of the trains.

Reliability is expected to improve as a truck modification program is completed.

Line 4 (Sheppard)

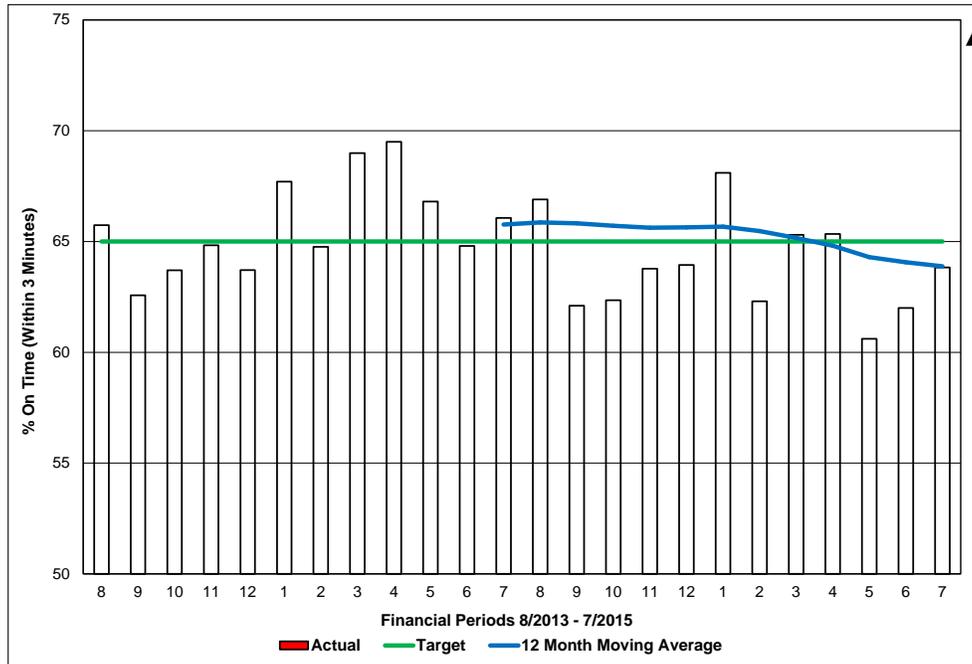


Performance in Period 7 remained well above target.

The relatively low volume of delay incidents and a high level of resilience in the ability to maintain headway performance when incidents occur are factors that contribute to consistently good performance on this line.

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

2.5.1 – Bus

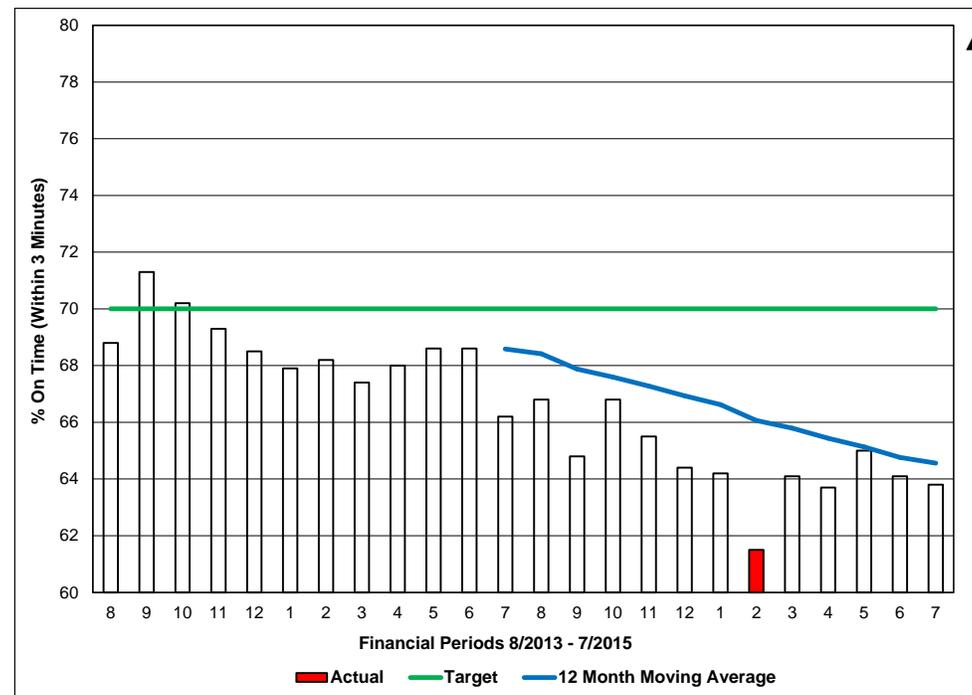


Performance increased in Period 7 for the second consecutive period but continued to remain below target.

Performance continues to show steady improvement despite the difficulties encountered with road construction.

Beginning Period 10, a chart illustrating short turns will be included in the CEO’s Report. New KPIs will be introduced in Period 1 2016, replacing this chart.

2.5.2 – Streetcar

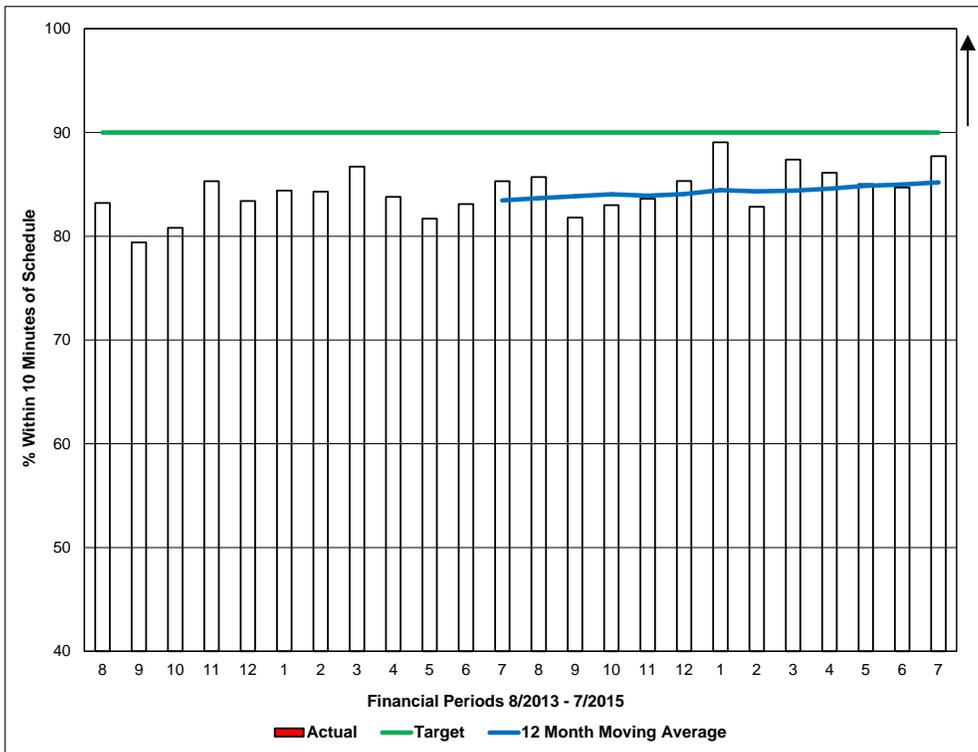


Performance decreased in Period 7 and continued below target.

The decreased performance reflected route management for the Pan Am Games service plan. Streetcar routes were managed by headway spacing versus planned schedule spacing, which ensured a reliable service dependent on the peaks of passenger volumes driven by Pan Am events. As a result, short turns continue to remain very low on Pan Am routes and other routes servicing the downtown core.

Beginning Period 10, a chart illustrating short turns will be included in the CEO’s Report. New KPIs will be introduced in Period 1 2016, replacing this chart.

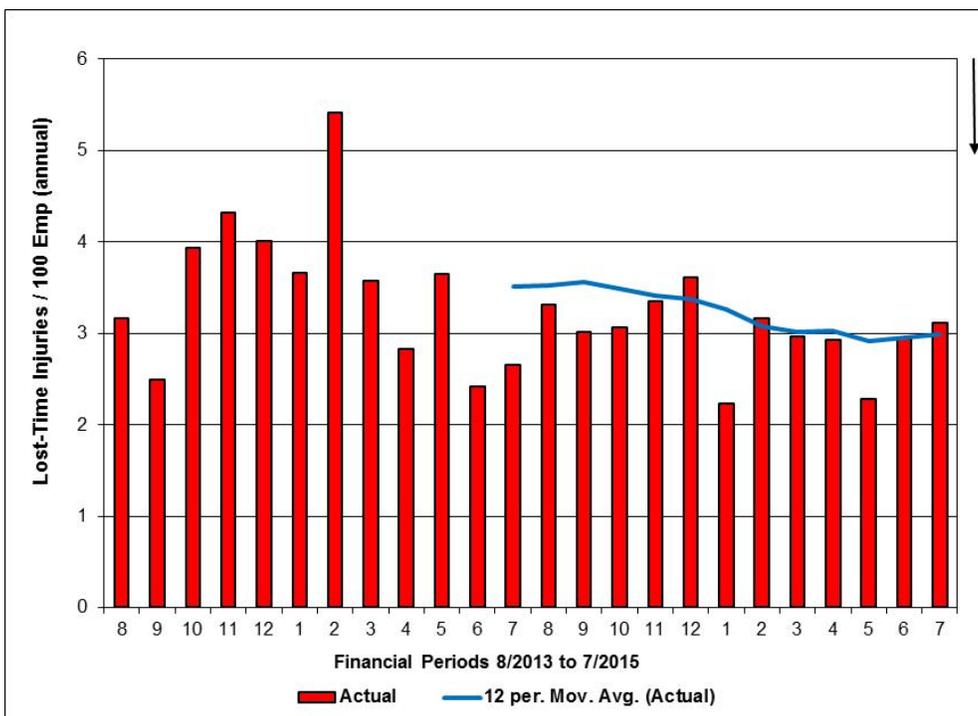
2.5.3 – Wheel-Trans



Performance increased in Period 7 but continued to remain below target.

2.6 – Safety and Security

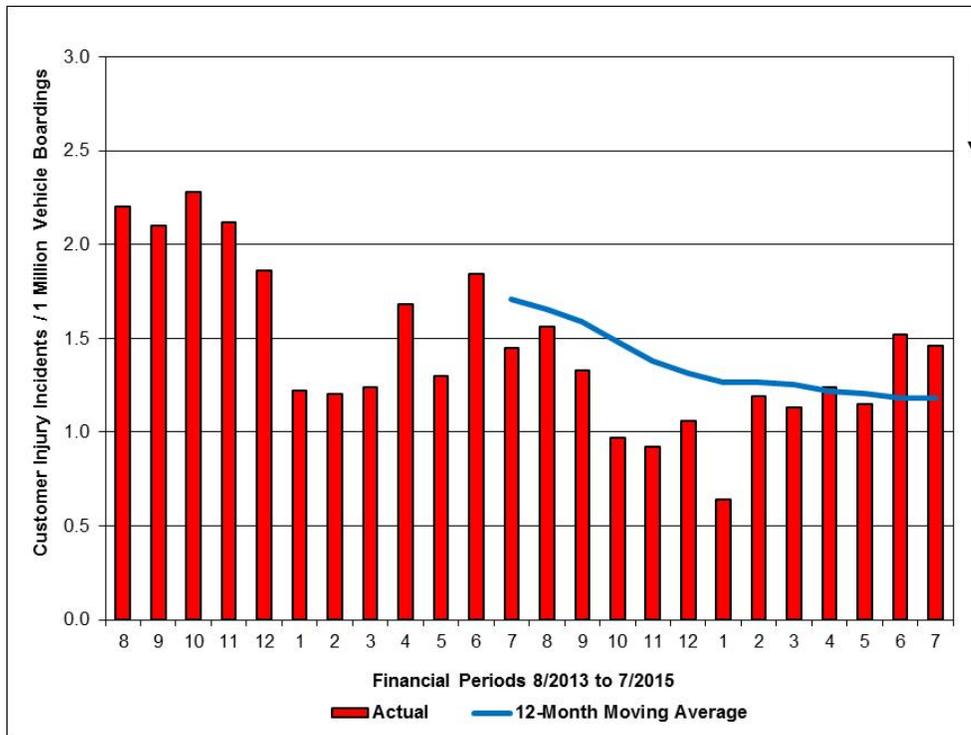
2.6.1 – Lost-Time Injuries (Annual Injuries / 100 Employees)



The annualized lost-time injury rate (LTIR) for Period 7 2015 was 3.11 lost-time injuries per 100 employees, which was 17% higher than the LTIR of 2.65 for Period 7 2014.

Also, the moving annual LTIR to the end of Period 7 2015 was 3.00, which was 15% lower than the corresponding rate of 3.51 to the end of Period 7 2014.

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



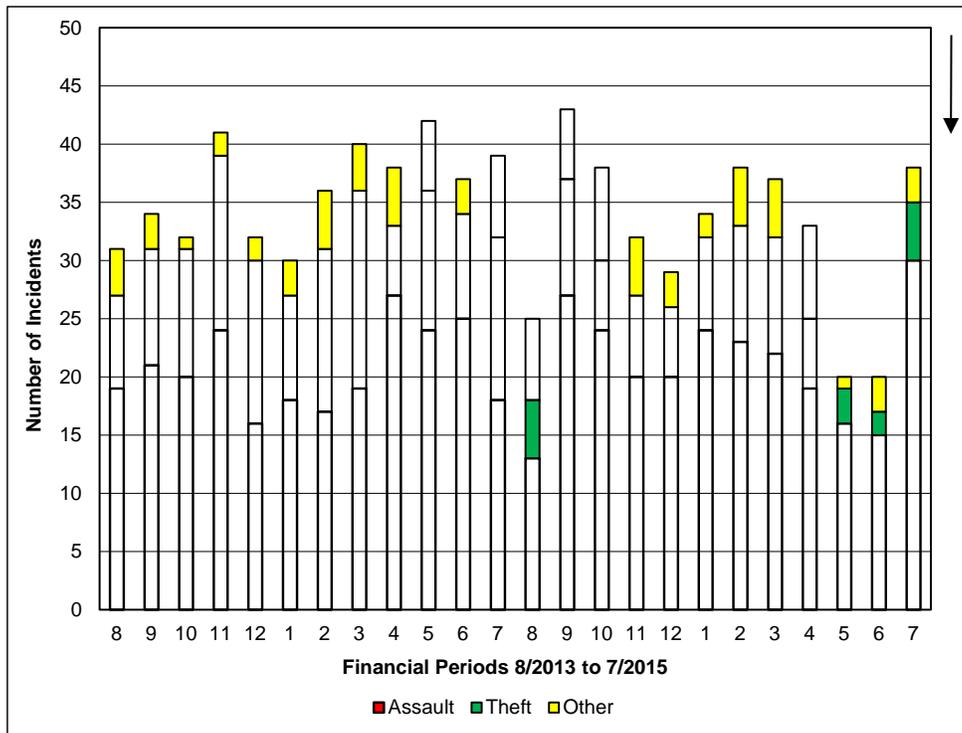
The customer injury incident rate for Period 7 2015 was 1.46 injury incidents per 1 million vehicle boardings, which was 1% higher than the corresponding rate of 1.45 for Period 7 2014.

Also, the moving annual customer injury incident rate to the end of Period 7 2015 was 1.18, which was 31% lower than the corresponding rate of 1.71 to the end of Period 7 2014.

2.6.3 – Behavioural Safety Index

After due consideration, staff have concluded that there is insufficient data to generate an index that is readily understandable and predictive of safety performance. The peer observation program known as CARE (Controlling Accidents by Reducing Exposure) was cancelled in 2012 as its benefit appeared to have plateaued. As a substitute, management track specific safety behaviours such as signals passed at danger in the CEO’s monthly Safety Executive meeting. The Ministry of Transportation tracks road safety in the Commercial Vehicle Operating Report in which TTC is rated very well.

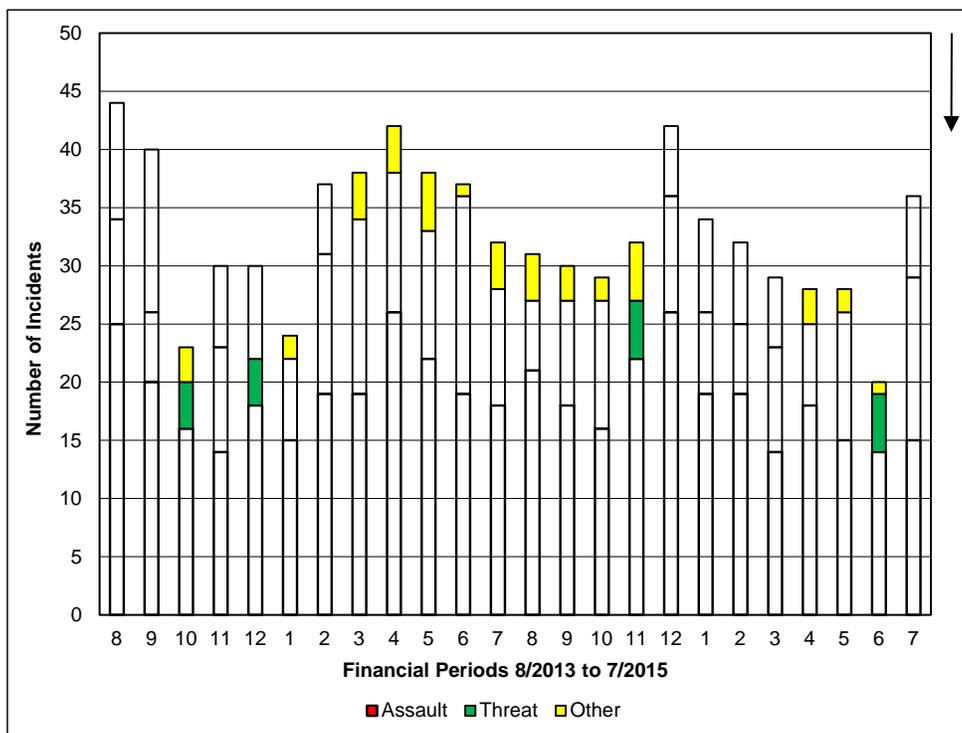
2.6.4 – Offences Against Customers



Total offences against customers increased in Period 7.

Year-to-date to Period 7, there were 42 fewer offences (220 vs. 262) compared with the corresponding period in 2014. This includes one more assault (149 vs. 148), 37 fewer thefts/robberies (44 vs. 81), and six fewer 'other' offences (27 vs. 33).

2.6.5 – Offences Against Staff

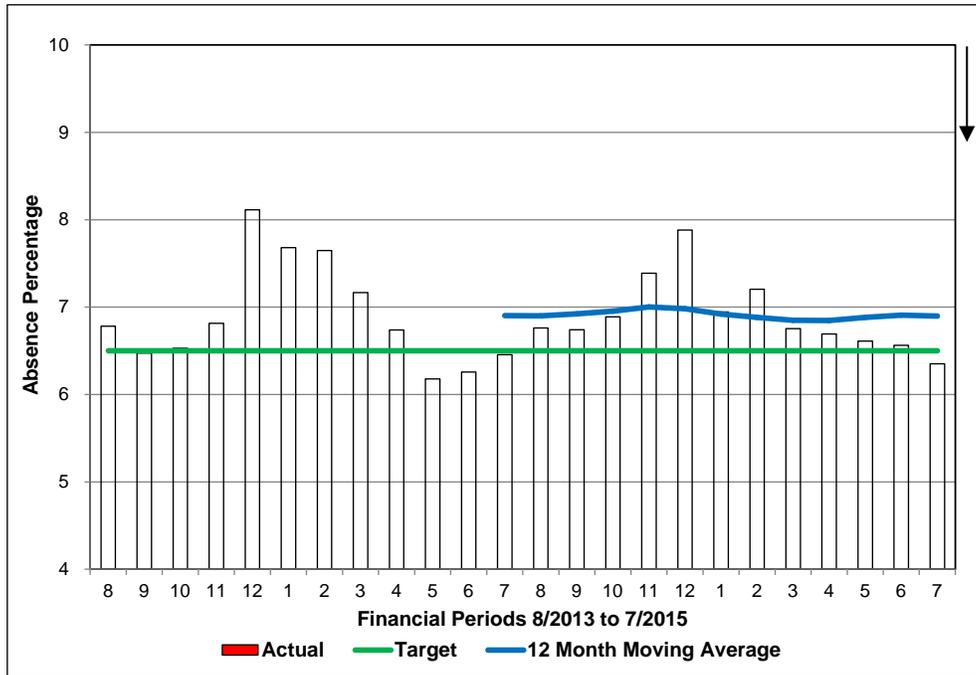


Total offences against staff increased in Period 7.

Year-to-date to Period 7, there were 41 fewer offences (207 vs. 248) compared with the corresponding period in 2014. This includes 24 fewer assaults (114 vs. 138), 25 fewer threats (59 vs. 84), and eight more 'other' offences (34 vs. 26).

2.7 – People

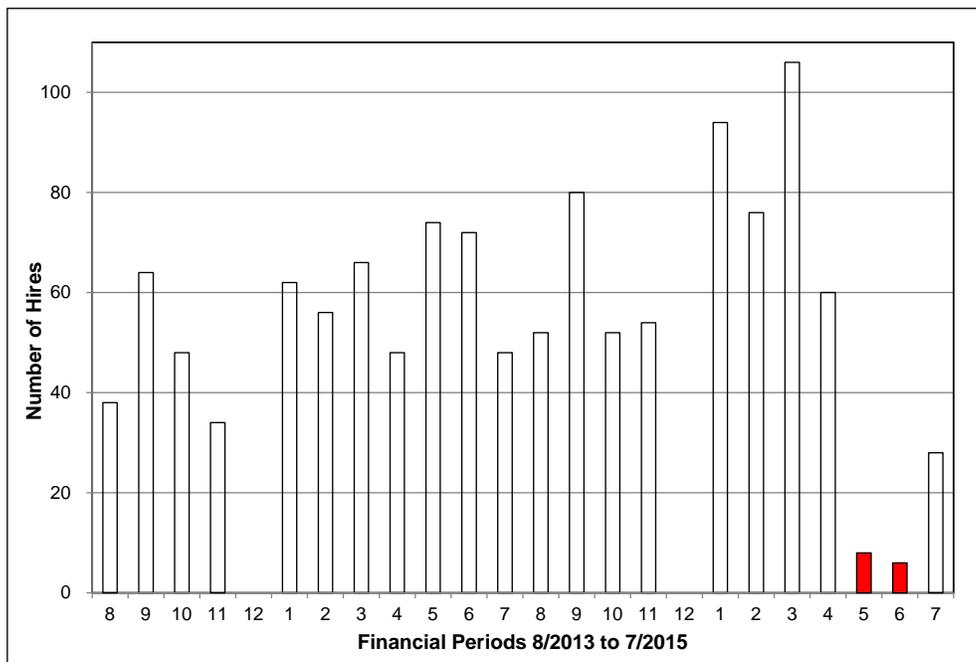
2.7.1 – Attendance



The absence rate in Period 7 was below target (favourable) for the first time in 12 periods and has steadily decreased for five consecutive periods.

Focus continues to be placed on actively and systematically managing employees with problematic attendance records.

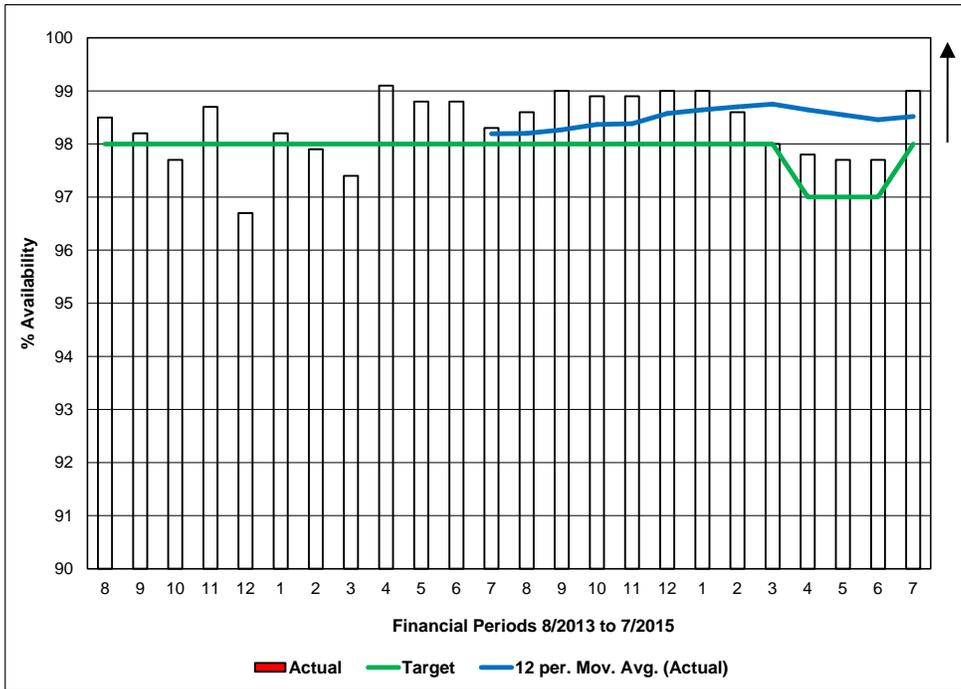
2.7.2 – Operator Hires



In Period 7, 28 Operators were hired and began training.

2.8 – Device Availability

2.8.1 – Elevator Availability

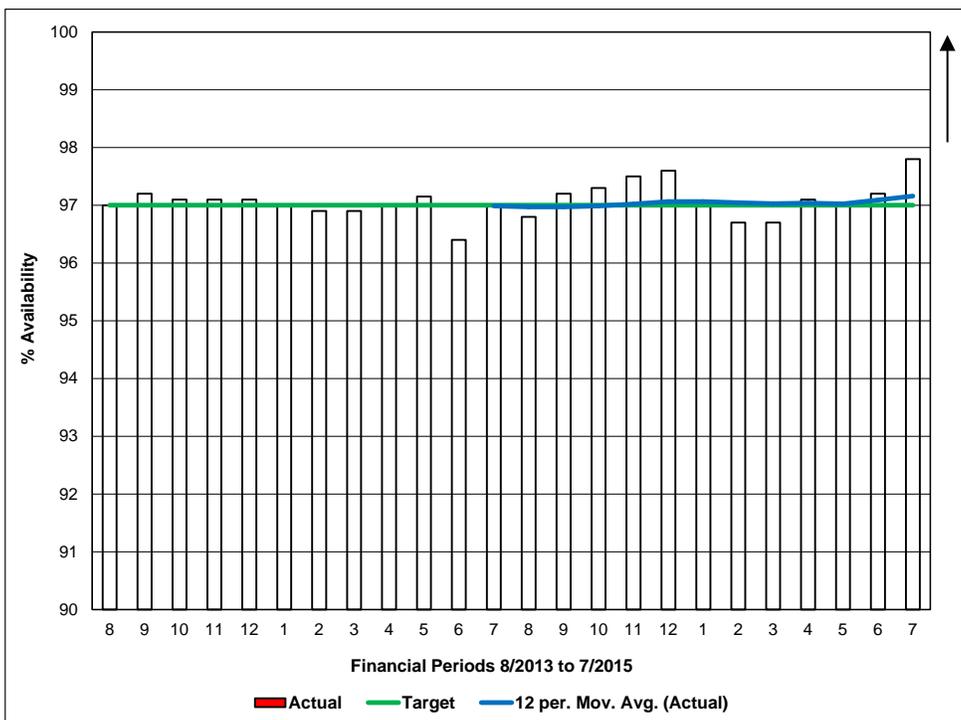


Performance in Period 7 continued above target.

Elevator maintenance was completed as planned and scheduled.

The availability target in Period 7 was returned to its normal level of 98% as a result of completing the overhaul of one elevator at Dundas West Station. The target had been temporarily reduced to 97% to reflect the removal of this elevator from service.

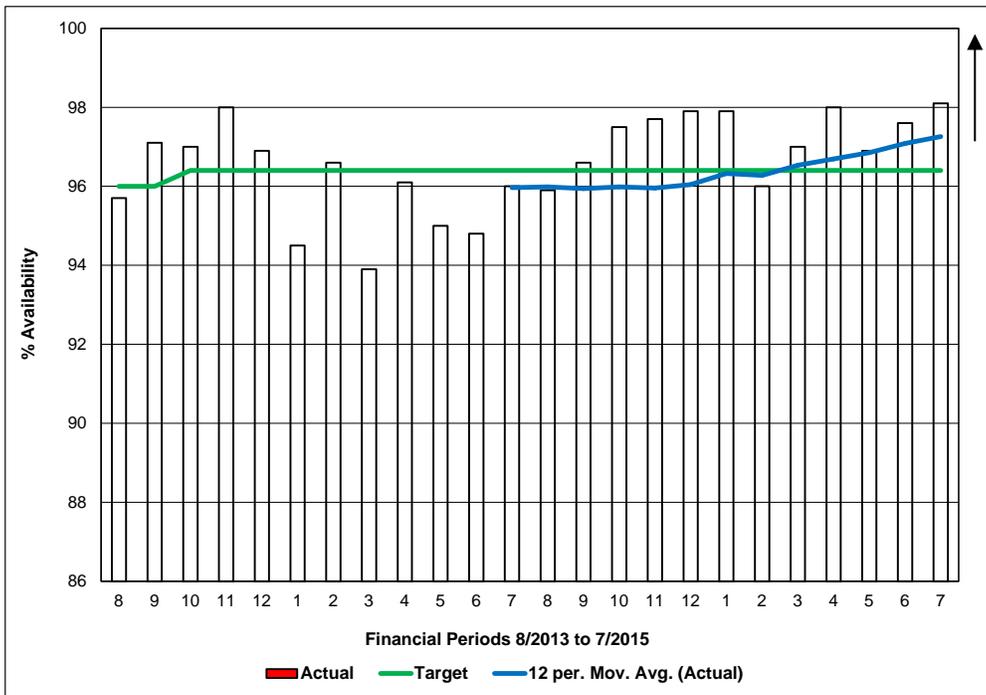
2.8.2 – Escalator Availability



Performance in Period 7 increased and achieved target for the fourth consecutive period.

Maintenance programs are being completed as planned and scheduled.

2.8.3 – Fare Purchase Opportunity

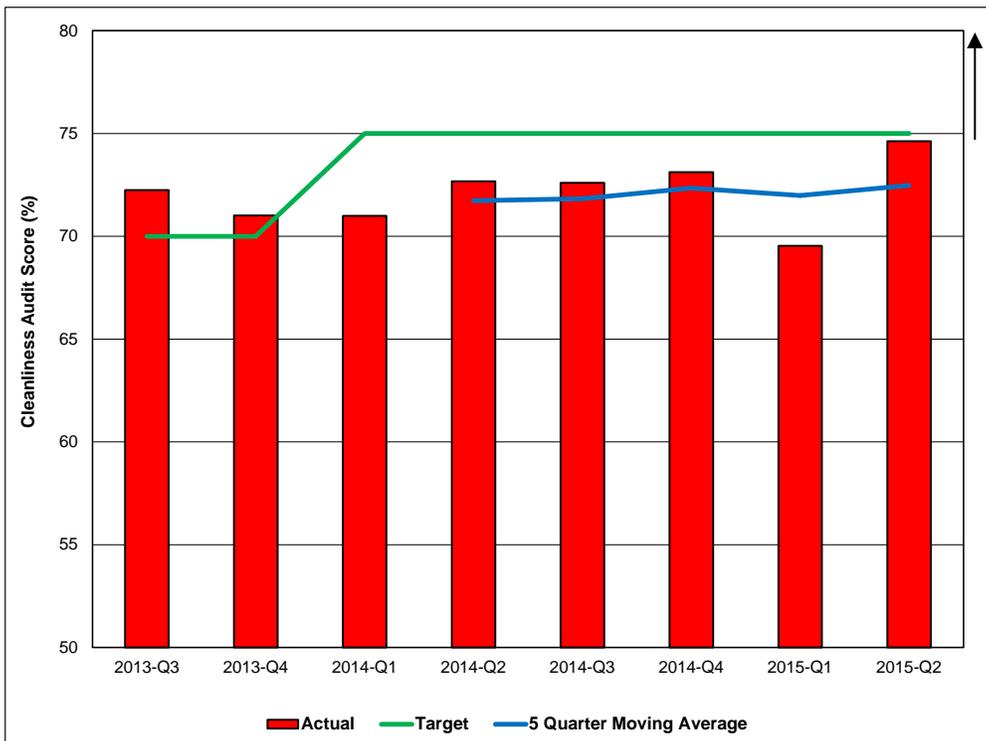


Performance increased in Period 7 and was above target for the fifth consecutive period.

The improved performance was attributable to software enhancements for Pass Vending Machines (PVMs) and fewer replenishments and machine rests for Token Vending Machines (TVMs).

2.9 – Mystery Shopping and Audits

2.9.1 – Station Cleanliness



Performance increased in Q2 2015 but continued to remain below target.

The improved performance in Q2 was attributable to ongoing intensive focus in this area, completion of the spring cleaning blitz and to improvements in station lighting, ceilings, and entrances in preparation for the Pan Am / Parapan Am Games.

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 Q3 2015. A revised performance chart will be provided in this section when the results for Q3 2015 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.

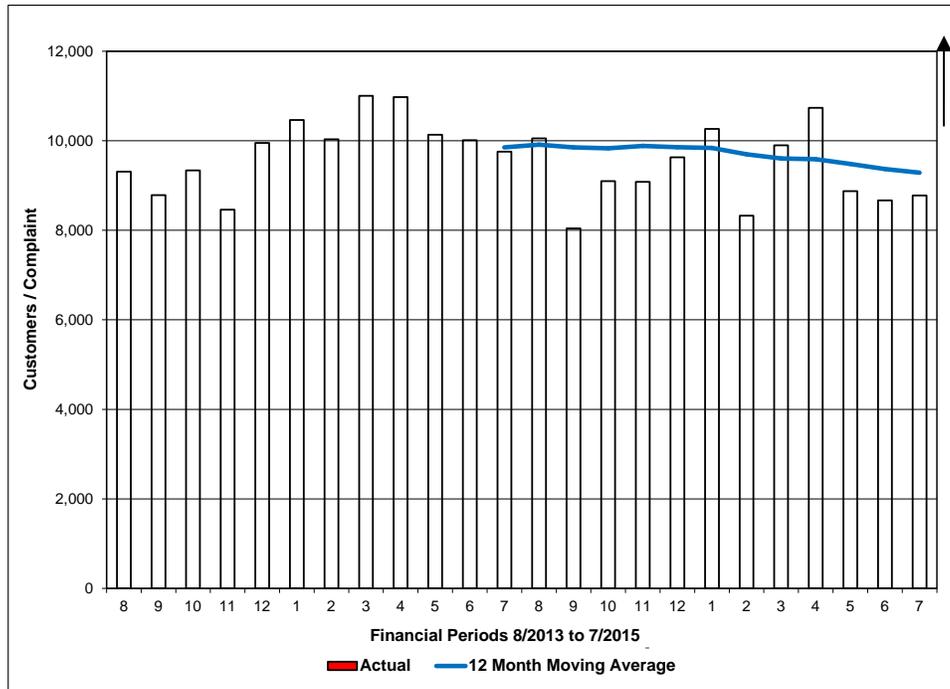
2.9.4 – Staff Helpfulness MSS

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

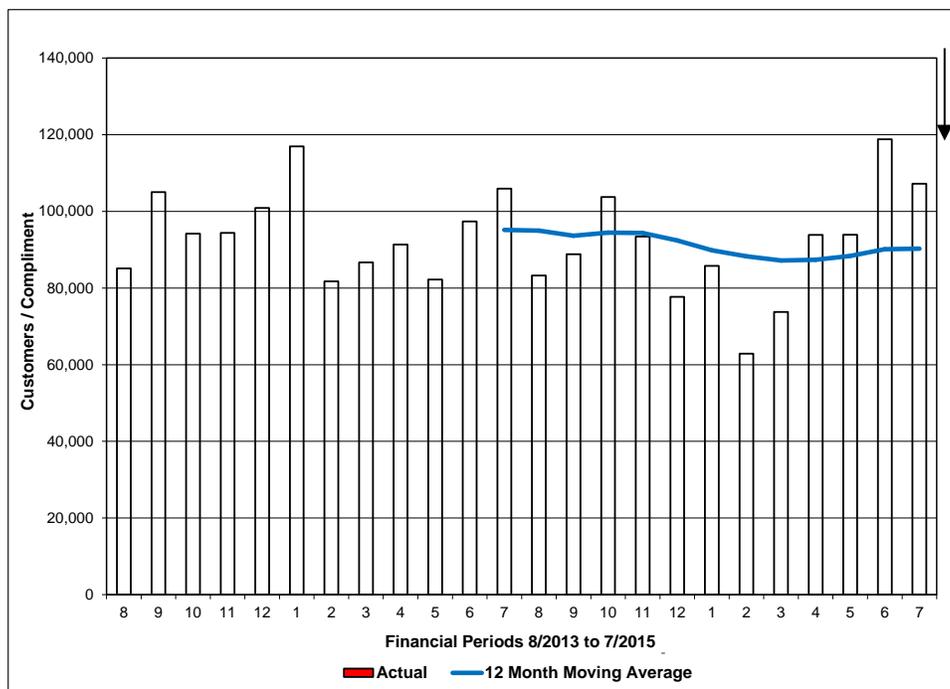
This section provides information on various customer-related issues, including trends for customer complaints and compliments, customer satisfaction improvement initiatives, and major closures.

3.1 – Customer Complaints



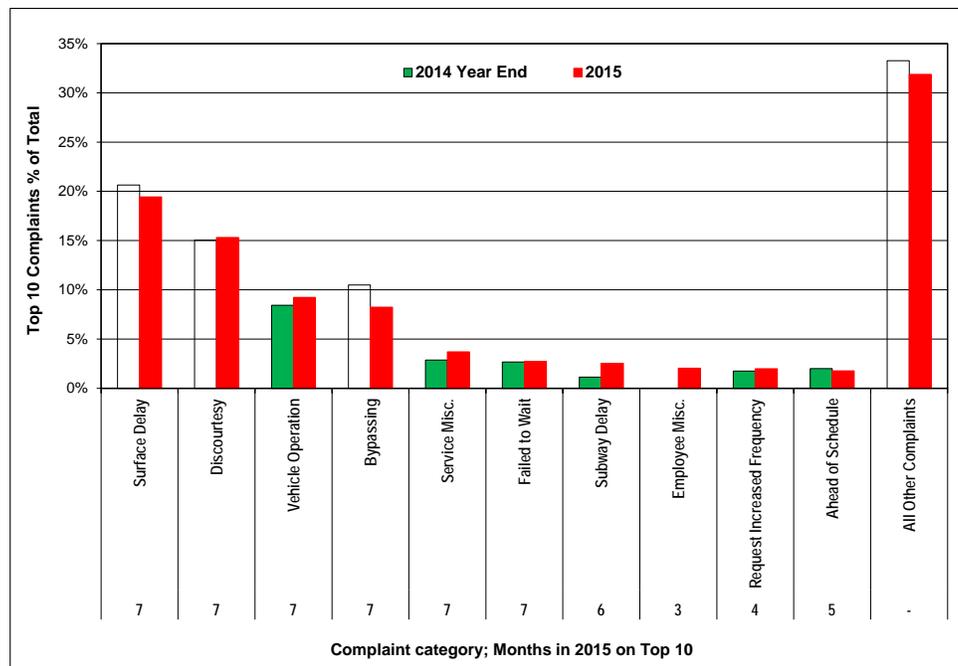
Customers per complaint increased (favourable) in Period 7 for the first time in three periods but continue to trend below the 12 month rolling average.

3.2 – Customer Compliments



Customers per compliment decreased (favourable) in Period 7 but continue to trend above the 12 month rolling average.

3.3 – Top Ten Complaints



Surface Delay complaints continue to be the number one complaint, followed by Discourtesy complaints with proportions similar to 2014 year-end.

Bypassing complaints have improved since 2014 year-end, while Vehicle Operation and Subway Delay complaints increased slightly.

3.4 – Commentary on Customer Satisfaction Improvement

In January, the 2015 Customer Charter was unveiled with 38 time-bound commitments that include improved service reliability, increased accessibility, cleaner stations, and continued transparency in reporting and explaining delays. The 2015 Customer Charter is the third released by the TTC and is designed to track promises and improvements that benefit customers, while holding TTC’s management to account if promises are not kept. The progress against these commitments is reported to the TTC Board quarterly and posted on the TTC’s website.

In Q2 2015, seven of eight Customer Charter commitments were achieved. The seven initiatives included: creating a new easy-to-follow map of the TTC’s streetcar network; implementing Proof of Payment (PoP) and all door boarding on 50% of our streetcar routes; adding two subway trains during peak hours on each of Lines 1 and 2; changing the colour of priority seats to blue on 40% of vehicles; completing a spring cleaning of every station; opening Union Station’s newly renovated platform and concourse; accepting debit and credit contactless payment for a single ride at all collector booths; and piloting a Family Pass for smart phones during the Pan Am/Parapan Am Games.

Debit and credit contactless payment for a single ride at all collector booths was unable to be installed due to a requirement for an extended procurement process. The TTC selected a successful vendor for this implementation in June 2015 and rollout of contactless payment continues to progress.

The TTC continues to conduct Meet the Managers sessions at subway stations. So far in 2015, sessions have been conducted at the following stations: Coxwell, High Park, Islington, King, Ossington, Rosedale, Sheppard, Wellesley, Wilson, and Yorkdale.

Six new members were selected to join the TTC Customer Liaison Panel in June. The panel was established in 2011 to help transform the TTC into a customer-focused transit system that makes Toronto proud. Its members help the TTC to understand customer priorities and develop customer experience improvements. The current panel has shaped a number of initiatives including new fare payment methods, uniforms and wayfinding. During their two year term, members will serve as a sounding board, working to find solutions to improve the TTC customer experience. The new panel had their first meeting in July and will continue to meet on a monthly basis.

As part of a commitment to keep the city moving during the Parapan Am Games, customer service continued to be a priority for TTC, as it was during the Pan Am Games. TTC Games Ambassadors were deployed at transit hubs near Games venues, helping customers and spectators find their way. The TTC also continued to showcase in-station entertainment designed to surprise and delight our customers, welcome athletes and visitors to the city, and celebrate the Games. Entertainment celebrating the cultures of participating countries was provided at Downsview and Dundas Stations at various times throughout the Games. The TTC Morph characters returned to welcome customers at Downsview, Queen, and Osgoode stations. TTC Morphs are a fun and interactive way to remind customers to “be a good sport” while using transit. Spectators with an event ticket were able to travel for free on the TTC on the day of their event.

In August, TTC Subway Musicians' Auditions took place at the Canadian National Exhibition. This year, 175 acts were scheduled to audition for one of 74 available licenses. A three-judge panel assessed each musician during a seven-minute audition. Subway performers have been entertaining TTC customers for 35 years with a wide range of musical styles and instruments – everything from guitars to flutes, bassoons to violins, to a didgeridoo.

In September, the TTC began increasing service and improving reliability on many bus and streetcar routes. As part of the TTC's budgeted service improvements for 2015, several improvements were introduced at off-peak times starting Sunday, September 6. More will follow in October and again in November. Improvements will make it easier and quicker for customers to use transit to get around during off-peak hours.

Toronto Transit Commission customers on the 7 Bathurst and 11 Bayview bus routes will be among the first to hear their bus pull up to their stop and announce to them where it's going. The TTC's External Route Announcement trial will run until the end of 2015 on selected buses on these routes. The external announcements, heard from outside the bus through a speaker near the front door, are designed to assist customers with visual impairments to more clearly determine whether or not to board the bus that has just arrived at their stop.

3.5 – Major Closures

Line 1 (Yonge-University) - North Yonge Segment

Throughout 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.

This early closure will conclude at the end of 2015.

Yorkdale Commuter Parking Lot

The TTC commuter parking lot at Yorkdale Shopping Centre is being demolished for redevelopment and is unavailable for use by TTC customers. 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
Subway	Line 1 (Yonge-University) Lawrence Stn to Bloor Stn	Sep 19/15 – Sep 20/15 Oct 17/15 – Oct 18/15	ATC Project
Subway	Line 3 (Scarborough) McCowan Stn to Kennedy Stn	Sep 26/15 – Sep 27/15	Infrastructure Maintenance
Subway	Line 2 (Bloor-Danforth) Pape Stn to St. George Stn	Oct 10/15 – Oct 11/15	Infrastructure Maintenance
Subway	Line 2 (Bloor-Danforth) St. George Stn to Keele Stn	Oct 24/15 – Oct 25/15	Infrastructure Maintenance
Subway	Line 1 (Yonge-University) St. Clair W Stn to Downsview Stn	Oct 31/15 – Nov 1/15	ATC Project

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

Part 4 – Financial Commentary

This section provides information about the TTC and Wheel-Trans Operating Budgets and the TTC Capital Program.

4.1 – TTC Operating Budget

2015 Year-to-Date Results

To the end of Period 7 (August 1), total revenues were \$14.6 million (2.1%) below budget primarily due to 5 million (1.6%) fewer customer journeys than planned and a lower average fare (1.96¢ or 2.9%) stemming from ongoing trends in the sales of various fare media.

Over the same time period, expenses were marginally below budget (\$8.8 million or 0.9%) largely due to the reductions in certain non-labour expenses (including diesel, hydro and accident claim settlements).

2015 Year-End Projections

(millions)	Projection		
2015 TTC Operating Budget			
Customer Journeys (Ridership)*	538.5	545	(6.5)
Revenue	\$1,191.6	\$1,206.7	(\$15.1)
Expenses	\$1,674.3	\$1,689.4	(\$15.1)
Subsidy Required	\$482.7	\$482.7	-
Subsidy Available**	\$482.7	\$482.7	-
Surplus/(Shortfall)	-	-	-

*Excludes any allowance for free rides associated with the Pan Am / Parapan Am Games

**Includes a \$9 million draw from the TTC Stabilization Reserve held by the City of Toronto

Currently, there is no projected total year-end subsidy variance before incorporating any potential settlement for the passenger revenue and expense impacts of the Pan Am and Parapan Am Games. However, there are a number of offsetting variances which are anticipated by year-end as follows.

Passenger Revenues: \$17.5 million decrease

The number of customer journeys for the year is expected to be in the order of 538.5 million which is 6.5 million below the target of 545 million. Most of this shortfall stems from the negative impact of severe cold temperatures and snow, ongoing planned system closures, labour disruptions at two universities and the March 1 fare increase. Staff continue to monitor both ridership and revenue performance and will provide updates in future reports.

Other Revenues: \$2.4 million increase

A settlement from a supplier of defective parts accounts for the majority of this favourable variance.

Leasing expenses: \$4.8 million decrease

Delays in securing leases for facilities required for bus storage and maintenance and the warehousing of spare parts and supplies inventory are expected to result in this projected underexpenditure by year-end.

Other Employee Costs: \$3.5 million decrease

The trend in WSIB and sick benefits expenses to date indicates that these benefits expenses could fall below budget by year-end.

Hydro & Utilities: \$2.5 million decrease

Expenses to date have been less than anticipated primarily due to lower than forecasted rates.

Diesel: \$2.0 million decrease

A marginally more favourable fuel consumption rate than anticipated accounts for this positive impact.

PRESTO fees: \$1.5 million increase

The earlier than anticipated application of a 5.25% fee in 2015 on all PRESTO-related passenger revenues is expected to result in this unfavourable variance.

Accident Claims settlements: \$1.3 million decrease

The trend in settlement expenses to date indicates that these expenses could fall below budget by year-end.

Non-labour expenses: \$1.2 million decrease

Reductions in certain non-labour requirements, primarily for supplies and services, to support facilities and ALRV streetcar maintenance activities are anticipated by year-end.

Other: \$1.3 million decrease

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

4.2 - Wheel-Trans Operating Budget**2015 Year-to-Date Results**

To the end of Period 7 (August 1), total revenues were marginally above target (\$95K or 2.6%). This reflects slightly higher revenues from 107K (5.6%) more customer journeys partially offset by a lower average fare (\$0.05 or 2.8%).

Over the same period, expenses were \$0.7 million (1%) below budget primarily due to a shift of customer journeys from buses to less-expensive contracted taxis and workforce gapping savings.

2015 Year-End Projections

(millions)	Projection	Budget	Variance
2015 Wheel-Trans Operating Budget			
Customer Journeys (Ridership)	3.451	3.246	0.205
Revenue	\$6.4	\$6.2	\$0.2
Expenses	\$115.6	\$115.3	\$0.3
Subsidy Required	\$109.2	\$109.1	(\$0.1)
Subsidy Available*	\$109.1	\$109.1	-
Surplus/(Shortfall)	(\$0.1)	-	(\$0.1)

*Includes a \$0.3 million draw from the TTC Stabilization Reserve held by the City of Toronto

At this time, a nominal subsidy shortfall in the order of \$0.1 million (0.1%) is projected by year-end after accounting for increased expenses of about \$0.3 million (0.3%) and higher revenues of \$0.2 million (3.7%) associated with providing 200K (6.3%) additional customer journeys. Additional resources in the Reservations area continue to effectively reduce the call abandonment rates and more trip requests are being accommodated than originally contemplated. These trips are being delivered through less-expensive contracted taxis and the related incremental costs are being largely mitigated by reductions in diesel fuel and employee benefits, savings from workforce gapping, and higher revenues. Staff will continue to monitor demand and will report on any further budgetary impacts when appropriate.

4.3 - Capital Program

2015 Year-to-Date Results

Capital expenditures to the end of Period 7 (August 1) reflect lower than projected activity and 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.

2015 Year-End Projections

(millions)	Projected	Budget*	Variance
2015 Capital Program Budget			
Base Program	\$1,078.3	\$1,075.1	\$3.3
Toronto-York Spadina Subway Extension (TYSSE)	\$475.5	\$444.2	\$31.3
Scarborough Subway Extension (SSE)	\$39.2	\$50.3	(\$11.1)

*Excludes additional carry forward spending on Base Program (\$145.8M), YYSSE (\$98.8M), and SSE (\$0.2M)

Base Program: \$3.3 million over

The current projected spending on the base capital program reflects expectations of being slightly over budget involving a number of major program variances as outlined below:

Subway Track: \$12.1 million over

Increase to the Subway/SRT Track Rehabilitation Program as a result of rescheduling of activities to allow for cross-over work related to the deferral of the Davisville Rehabilitation Project (DARP) +\$4.0M; advancing funds from future due to consulting requirements for the DARP project (+\$2.0M) and slippage from 2014 of the contract for a Rail Vehicle Based Inspection System due to revised timelines for system design, supply and installation (+\$5.0M).

Surface Track: \$6.0 million under

The delay in availability of Leslie Barns has resulted in deferral of planned rehabilitation work for Roncesvalles and Russell yards in order to maintain the requisite storage capacity for the existing fleets, as well as anticipated new streetcar deliveries. Similarly, the barrier wall construction and track rehabilitation at the CNE between the GO and the TTC tracks was deferred to 2016 to allow streetcar storage and deployment out of the CNE.

ATC Resignalling: \$30.5 million under

Cancellation of two Computer Based Interlocking contracts will result in a significant reduction in payments in 2015. Additionally, while the transition from two to one signal supplier is underway, TTC forces have been redirected to non- ATC SOGR work and non-ATC closures which account for a \$30.5 million under-spend for 2015.

Finishes: \$6.0 million over

Roofing work at Queensway slipped from 2014 and roofing work at Lakeshore and Kipling advanced. Station Finish Renewal work at York Mills Station (wall panel work) slipped from 2014.

Equipment: \$8.5 million over

Predominantly Subway Pump Replacement Program - work advanced at Donlands, Eglinton, Dundas West, Wellington, York Mills and cost estimate increase for Jane and Queen's Park.

On Grade Paving Rehabilitation Program: \$6.3 million over

This variance is due to advanced work at Greenwood South Yard, Davisville Yard, Malvern Garage, St. Clair Station and Eglinton Bus Roadway and cost estimate changes at Lawrence West Station and Eglinton Bus Roadway.

Bridges and Tunnels: \$16.0 million over

- Bridges/Structures Maintenance: (+\$6.3M) Union Station slippage from prior year and estimated cost increases, based on actual experience now that Union is near completion; Lawrence Bus Loop acceleration of funds from 2016 as work is anticipated to be undertaken during the 2015 construction season; and scope increase for added waterproofing system.
- Maintenance of Joint Bridges: (+\$5.6M) Delay in award of contract by City of Toronto for work associated with the concrete rehabilitation of Prince Edward Viaduct Bridge which resulted in work being carried over to 2015.

Toronto Rocket/T1 Rail Yard Accommodation: \$6.9 million over

Variance is due to prior year slippage and timing (+1.0M); cost estimate change and construction delay for site service stage 1 (+\$2.2M); and, advanced construction for Wilson Carhouse North Expansion (+\$3.7M).

Purchase of Buses: \$13.4 million over

Variance is due to slippage in bus deliveries from 2014 (\$10.4M) and cost estimate change (\$3.0M).

Purchase of Subway Cars: \$20 million over

Variance is due to updated contract schedule and cash flow to reflect the impact of the Unifor labour strike in 2014, following execution of the contract amendment in February 2015 with the Carbuilder.

Purchase of Streetcars: \$36.6 million under

Variance is due to slippage of streetcar delivery. Contract payments (-\$14.6M), contract change allowance (-\$15.9M) and contingency (-\$6.4M) that are moved to future years and partially offset by other cost adjustments (+\$0.3M).

Toronto-York Spadina Subway Extension (TYSSE): \$31.3 million over

The variance of \$31.3 million for 2015 is the result of the resolution of changes/claims, additional project staff resources and the extension of the project to the end of the fourth quarter of 2017 as approved by the Board on March 26, 2015.

Scarborough Subway Extension (SSE): \$11.1 million under

- Scarborough Subway Project variance is mainly due to delay in hiring of staff, delay in award of consultant contracts and delay in environmental assessment process (-\$9.5M).
- Identification of the draft recommended alignment is nearing completion, at which point, design work will begin. This is consistent with the presentation at the May 27 Board Meeting, where the Board was advised that design would be proceeding in advance of the public review process.
- SRT Life Extension Project variance is due to schedule change as a result of Pan Am Games.

Part 5 - Critical Projects

This section provides information about selected capital projects.

5.1 Toronto Rockets and Rail Yard Accommodation

The TR/T1 Rail Yard Accommodation project includes major expansions that will address the storage and maintenance facility requirements of the complete subway fleet, including the Toronto Rocket fleet on Line 1 (YUS) and the T1 fleet on Lines 2 and 4 (BD/Sheppard). The current work includes:

- Wilson Yard:
 - Carhouse north expansion and tracks 15&16 expansion
 - Track additions (storage tracks, ladder tracks and run-around tracks)
 - Signal system upgrades
 - Substation addition
 - Track and Structure building renovation
- Davisville Yard:
 - Carhouse expansion
 - Consolidation of Track and Structure facility
- Vincent (Keele) Yard:
 - Facility rehabilitation for storage of T1 trains
- Kipling Station:
 - Additional storage track
- Greenwood Yard:
 - Conversion of CN delivery track to storage
 - Track and Structure building renovation

The Wilson Yard construction of the north carhouse expansion and new substation building is ongoing and track additions have commenced for the storage tracks. The tandem wheel lathe work in the carhouse has been completed. The signal system and traction power contracts have been awarded and site work has started.

The tender for the Vincent (Keele) Yard facility rehabilitation contract closed and the commercial analysis has been completed. The award of this contract requires TTC Board approval and the Board report recommending award to the lowest bidder (based on Total Bid Prices) is scheduled for the September Board meeting. The construction contract for the Greenwood Yard CN track conversion has been awarded and the site work is ongoing.

To date, 67 Toronto Rocket trainsets have been accepted into revenue service. The complete Toronto Rocket fleet will consist of:

Base order – H4/H5 Replacement (39 total): TS-1 through TS-39 (completed on August 6, 2013)
Option 1(B) – H6 Replacement (21 total): TS-40 through TS-60 (completed on January 21, 2015)
Option 1(A) – TYSSE Support (10 total): TS-61 through TS-70 (to be completed by end-2015)
Option 1(C) – Support for ATC/Forecast Growth (6 total): TS-71 through TS-76 (to be completed by Q1 2016)
plus six 4-cars consist i.e. TS-77 through TS-82 (to be completed by Q2 2016) for the Line 4.

All TR trains on property are ATO equipped and progressing through the ATC integrated dynamic tests at the specially built test track of the Wilson Yard.

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 the blue priority seating has been established. Key train performance indicators and reliability are improving.

5.2 Streetcar Program and Maintenance & Storage Facility

Streetcar Procurement and Implementation

Nine new low floor accessible streetcars are operating very reliably in revenue service on the 509 Harbourfront and 510 Spadina routes. Two of the new streetcars were reassigned to the 511 Bathurst route during the Pan Am Games. A tenth vehicle is on property awaiting final acceptance.

The Board received an updated report at the June 22, 2015 meeting that advised Bombardier was still behind the contractual schedule and was developing and implementing plans to recover the schedule with delivery of the 204th new streetcar in 2019.

Following the Chair and Chief Executive Officer's visit to the Bombardier Thunder Bay Plant on June 23, 2015, Bombardier published an updated schedule on July 27, 2015, planning for a revised total of 20 new cars to be available for revenue service by the end of 2015. That schedule commits Bombardier to a five day build rate by the Fall of 2015.

Upon agreement of a detailed recovery plan and revised schedule, negotiation of the commercial terms of the contract with Bombardier will commence.

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. TTC is expected to occupy the facility starting October 2015 and completion of the work is expected in Q2 2016. However, a firm commitment from the Contractor to meet these dates remains outstanding.

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. Leslie Street was partially opened to general traffic on August 8, 2015 and the connection track is ready for use.

The landscape enhancements are scheduled to be completed by the Q2 2016 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 have been finalized with the City of Toronto.

The Construction Liaison Group (CLG), comprised of local businesses and residents, school representatives and local Councillors, meet on a monthly basis to address construction issues for residents and businesses. The last meeting was held on August 20, 2015 and the next is scheduled for October 2015. Safety walks to identify specific concerns to cyclists and pedestrians are planned after every new construction stage and as required. The last safety walk was held in September 2015.

The Community Liaisons have continued their outreach efforts by continuing to hold one-on-one meetings with local businesses and residents and responding to emails, phone calls and walk-in questions and concerns from the community. The next issue of the project e-newsletter was posted in September 2015.

5.3 **Station Enhancements**

Union Station

Deficiency correction and completion of additional scope will continue through 2015.

Easier Access

Work to make stations accessible is on-going at Woodbine, St. Clair West, Ossington and Coxwell Stations. Although bids have been received for the Contract to make Royal York Station accessible, it is expected to be retendered in 2016 in view of property expropriation by the City. The design of the Contract to make Dupont Station accessible has been issued for bid and is expected to be awarded in Q4 2015.

The elevator at Dundas West was overhauled and put back into service on July 3, 2015, meeting a 2015 Customer Charter commitment to complete the overhaul by Q3 2015.

Work to overhaul an elevator at Finch Station is on schedule to be completed by Q4 2015.

5.4 **Automatic Train Control (ATC)**

Good progress is being made by the new single contractor and the project remains on schedule and on budget for completion in 2020. An update report on progress will be provided to the Board at the September 2015 meeting.

5.5 Toronto-York Spadina Subway Extension (TYSSE)

The YYSSE project remains on target for opening by the end of 2017. Facility contractors are predominantly working toward revised target dates and achieving progress as follows:

At Sheppard West Station, the traction power substation was energized on July 31, 2015 and the unit substation is being tested and commissioned to energize on September 30, 2015. At Finch West Station, structural work has commenced at the bus terminal and phase 1 reinstatement of Finch West Avenue is complete. At York University Station, concrete was placed for the vent shaft base slab and the station box concourse slabs, with exception of one infill strip remaining to be placed. At Steeles West Station box, king pile removal and related works were completed to achieve handover of the trainway to the trackwork contractor. At Highway 407 Station, erection of the velodrome structure is in progress and the bus terminal steel roof structure is complete. At Vaughan Metropolitan Centre Station, the final roof slab was poured and Highway 7 was handed over to the contractor to install the duct bank for the north widening. Handover of the VMC trainway to the trackwork contractor was also achieved.

The initial report of the 120 Day Project Reset Program completed by Bechtel is under review. A detailed assessment of contractor claims and changes is expected to be reported to the November Board meeting.

5.6 PRESTO / TTC Farecard

The implementation of PRESTO at the TTC is divided into two major phases: Phase 1 and Phase 2. The overall Phase 1 scope includes fare payment functionality on-board the first 50 low-floor, accessible streetcars and off-board at selected streetcar transit stops for the 510 Spadina, 511 Bathurst, 505 Dundas, and 509 Harbourfront routes. The on-board PRESTO Fare Payment Machines accept tokens and cash and issue POP receipts, while the PRESTO readers at the doors of the new streetcars accept payments with a PRESTO card. Ticket validator machines process concession tickets on-board and off-board the new streetcars

The initial Phase of PRESTO devices was launched into service during the fall of 2014. Since then, PRESTO fare payment equipment has been installed at 12 new stations, bringing the total number of subway stations equipped with PRESTO devices to 26. The nine new low floor, accessible streetcars in revenue service have been equipped with PRESTO Fare Payment Machines and Ticket Validators. Off-board PRESTO Fare Payment Machines and Ticket Validators have been installed at thirteen stops along the 510 Spadina route and two stops along the 509 Harbourfront routes.

PRESTO devices have also been installed at the TTC's MDP Office located at Yonge and Davisville to enhance the services available to PRESTO customers. As of December 1 2014, PRESTO customers are able to get assistance with their PRESTO cards from TTC staff in the MDP Office (including but not limited to purchasing a PRESTO card; loading value onto the PRESTO card).

The Phase 2 scope includes the remaining rollout of PRESTO at the TTC to include all subway stations, buses, legacy (Articulated Light Rail Vehicle – ALRV and Canadian Light Rail Vehicle – CLRV) streetcars, and Wheel Trans. The technical field trial of PRESTO equipment on the legacy streetcars continues (one ALRV and one CLRV). The installation on the remaining fleet of ALRV's and CLRV's will be completed prior to the end of 2015. The design for buses is also well underway with plans to commence technical field trials testing in Q4 2015.

There is a significant amount of work being conducted in the subway stations in preparation for the rollout of PRESTO throughout the TTC. Two PRESTO Add Value Machines (AVM) are being tested at Union Station, with additional AVM's scheduled at the remaining 25 PRESTO enabled stations by the end of the year. Older

generation card PRESTO readers are currently being replaced with newer PRESTO readers to ensure that by the end of 2015, all PRESTO enabled stations will have the faster, more reliable devices. The development of designs for subway station farelines and the placement of PRESTO devices within stations is progressing, as is the civil works necessary to support this infrastructure.