



Financial Update for the Period Ended July 6, 2019 and Major Projects Update

Date: September 24, 2019
To: TTC Board
From: Chief Financial Officer

Summary

This Report sets out operating and capital financial results for TTC Conventional and Wheel-Trans services for the six-month period ended July 6, 2019. Year-end projections are also provided.

2019 Operating Results

Description (\$Millions)	Year-To-Date (6 Months)			Year-End Projection		
	Actual	Budget	Variance	Projection	Budget	Variance
TTC Conventional						
Gross Expenditures	963.2	978.8	(15.6)	1,890.2	1,906.2	(16.0)
Revenue	630.0	642.4	(12.4)	1,265.3	1,284.3	(19.0)
TTC Operating Subsidy	333.2	336.4	(3.2)	624.9	621.9	3.0

Wheel-Trans						
Gross Expenditures	75.4	76.6	(1.2)	149.0	149.0	0.0
Revenue	4.5	4.1	0.4	9.1	8.1	1.0
WT Operating Subsidy	70.9	72.5	(1.6)	139.9	140.9	(1.0)

2019 Capital Results

Description (\$ Millions)	2018 Budget	Year-to-Date Actuals		Year-End Projection	
		\$	%	\$	%
TTC Base Capital	1,654.8	535.1	32.3%	1,399.6	84.6%
TTC Transit Expansion	690.9	75.0	10.9%	436.3	63.1%
Total	2,345.7	610.1	26.0%	1,835.8	78.3%

Financial Summary

2019 Operating Results

Based on current trends, a \$2 million combined (TTC Conventional and Wheel-Trans) operating deficit is anticipated. This is comprised of a \$3 million projected year-end deficit for the TTC conventional service, partially offset by a \$1 million net under-expenditure on Wheel-Trans service. These projected results are inclusive of the \$24 million undetermined corporate reduction which was included in the 2019 operating budget.

2019 Capital Budget

Total TTC base capital expenditures by year end are projected at \$1.4 billion or 84.6% of the 2019 Approved Capital Budget. In addition to base capital requirements, it is expected that the TTC will also incur \$436 million in expenditures by year end for transit expansion initiatives reflecting 63.1% of approved 2019 funding for TTC expansion projects.

Any unspent 2019 capital funding, which is currently projected to be \$509.9 million between both base capital (\$255.2 million) and expansion initiatives (\$254.6 million), will be carried forward into 2020 to complete capital work, in accordance with the City's carry forward policy.

Equity/Accessibility Matters

The TTC is strongly committed to making Toronto's transit system barrier-free and accessible to all. We believe all customers should enjoy the freedom, independence and flexibility to travel anywhere on the public transit system.

Expenditures required to meet the TTC's accessibility and equity requirements have been provided for in these budgets, including operating funding for elevator maintenance and continued implementation of Wheel-Trans Family of Services; and capital funding for the TTC's Easier Access Program, which is on track to make all subway stations accessible by 2025 with elevators, wide fare-gates and automatic sliding doors.

Decision History

At its meeting on January 24, 2019, the TTC Board approved the 2019-2028 TTC Capital Budget and Plan of \$6.453 billion in funding with \$1.490 billion in 2019 cash flow.
[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2019/January 24/Reports/10 CIP 2019 2028 Capital Budget Decision.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2019/January%2024/Reports/10%20CIP%202019%202028%20Capital%20Budget%20Decision.pdf)

At its meeting on January 24, 2019, the TTC Board approved the 2019 TTC and Wheel Trans operating budgets, with subsidy requirements of \$621.9 million for TTC Conventional service, \$140.9 million for Wheel-Trans service and a 2019 year-end workforce complement of 15,951 positions.
[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2019/January 24/Reports/11 2019 TTC Wheel Trans Operating Budget Decision.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2019/January%2024/Reports/11%202019%20TTC%20Wheel%20Trans%20Operating%20Budget%20Decision.pdf)

At its meeting on March 7, 2019, City Council approved the TTC's 2019 Operating Budget and 2019 – 2028 Capital Budget and Plan.

<http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getCouncilMinutesReport&meetingId=15350>

Comments

Key Indicators – Operating Budget

The TTC's net operating results are primarily driven by six key indicators. These indicators impact year to date spending and revenues, as well as provide the basis for estimated year-end spending projections.

The key indicators include TTC and Wheel-Trans passenger counts and average fare, which impact the \$1.196 billion TTC fare revenue budget. Additional key drivers for TTC include the price of fuel and electric power that affect a combined fuel and utilities budget of \$170 million. The final and most significant driver on expenses relates to service hours, which impacts labour expenses (\$1.070 billion), non-labour expenses (\$224 million) such as parts and maintenance, as well as fuel and utility consumption.

The table below details the TTC's key operating indicators:

Item	Year-To-Date Actuals			Year-End Projection			Status
	Actual	Budget	Variance	Projection	Budget	Variance	
TTC Passengers	267.8M	271.9M	(4.1M)	522.3M	526.3M	(4.0M)	✘
TTC Average Fare	2.23	2.24	(0.01)	2.25	2.27	(0.02)	✘
TTC Service Hours	4.518M	4.512M	0.006M	9.478M	9.454M	0.024M	✔
Price of Fuel (\$/litre)	0.959	0.954	0.005	0.962	0.971	(0.009)	✔
Price of Electric Power (\$/kWh)	0.142	0.144	(0.002)	0.146	0.144	0.002	✘
WT Passengers	2.09M	2.20M	(0.11M)	4.20M	4.30M	(0.10M)	✘

Financial Update – Operating

As detailed in the following tables for the six month period ended July 6, 2019, the TTC conventional and Wheel-Trans services reported a combined year-end projected net unfavourable variance of \$2.0 million or 0.3% due to projected underachieved revenues. Also provided are tables reflecting comparative information for 2018.

TTC Conventional

2019

Item (\$Millions)	Year-To-Date Actuals			Year-End Projection			Status
	Actual	Budget	Variance	Projection	Budget	Variance	
Expenses							
Departmental Labour	541.6	542.3	(0.7)	1,070.4	1,070.4	0.0	–
Departmental Non-Labour	101.9	107.5	(5.6)	219.2	224.2	(5.0)	✓
Employee Benefits	182.0	185.5	(3.5)	310.1	314.1	(4.0)	✓
Diesel	41.6	44.0	(2.4)	81.9	85.9	(4.0)	✓
Traction Power & Utilities	41.8	42.6	(0.8)	83.6	84.1	(0.5)	✓
Other Corporate Costs	54.3	56.9	(2.6)	125.0	127.5	(2.5)	✓
Total Expenses	963.2	978.8	(15.6)	1,890.2	1,906.2	(16.0)	✓
Revenues							
Passenger Revenue	597.7	609.5	(11.8)	1,177.8	1,195.8	(18.0)	✗
Other Ancillary Revenue	32.3	32.9	(0.6)	64.8	65.8	(1.0)	✗
Reserve Draws	0.0	0.0	0.0	22.7	22.7	0.0	–
Total Revenue	630.0	642.4	(12.4)	1,265.3	1,284.3	(19.0)	✗
Net (Operating Subsidy)	333.2	336.4	(3.2)	624.9	621.9	3.0	✗

TTC's conventional service is expected have a \$3 million or 0.5% year-end deficit, based on current experience and key indicators. This projected result is inclusive of the \$24 million undetermined corporate reduction, which was approved in the 2019 operating budget. The key budget variances that account for this projection are as follows:

FAVOURABLE VARIANCES

Employee Benefits: \$4 million decrease

Employee benefits are expected to be below budget due to a one-time recovery and lower pension fund contributions. The level of recent new hires has contributed to the pension fund variance as new employees are not eligible for matching TTC Pension contributions for the first 6 months of their employment.

Diesel Expenditures: \$4 million decrease

It is anticipated that diesel expenses will be below budget due to lower consumption rates of the newer bus fleet and a favourable hedge price.

Departmental Non-Labour: \$5.0 million decrease

Lower than budgeted vehicle maintenance expenses are expected to occur primarily as a result of improved bus and subway car vehicle reliability and ongoing retirements of the legacy streetcar fleet. Other underexpenditures are expected due to delays in implementing certain aspects of the PRESTO faregate maintenance contract.

PRESTO Commissions: \$2.5 million decrease

PRESTO fees are expected to be below budget primarily due to the continued sales of legacy fare media in 2019.

Leasing Expenditures: \$3 million decrease

Reduced leasing expenses are expected as a result of a delay in the occupation date for the new consolidated warehouse.

UNFAVOURABLE VARIANCES

Passenger Revenues: \$18 million decrease

It is expected that revenue rides will be 4 million below budget by year-end, contributing to \$18 million in under-achieved passenger revenue compared to the 2019 approved revenue budget.

2019 revenue and revenue rides have been impacted by:

- Significant inclement weather events experienced in January and February; and
 - These weather events accounted for most of the revenue variance experienced to date.
- Weekend and holiday ridership that has been 5.6% below budget and 8.1% below the 2018 comparable as of July 6, 2019.

City Construction Recovery: \$2.5 million decrease

Due to a change in planned projects, a lower than budgeted recovery for City Construction projects is anticipated.

All other changes net to a \$1.0 million unfavourable variance.

Staff will closely monitor both revenues and expenses and take action to mitigate the projected year-end unfavourable variance. Any changes will be reported through future Financial Update reports.

2019 vs 2018

Item (\$Millions)	Period 6 (Year-To-Date)			Year-End		
	2019 Actuals	2018 Actuals	Change	2019 Projection	2018 Actuals	Change
Expenses						
Departmental Labour	541.6	514.7	26.9	1,070.4	1,018.6	51.8
Departmental Non-Labour	101.9	101.8	0.1	219.2	214.2	5.0
Employee Benefits	182	169.1	12.9	310.1	282.0	28.1
Diesel	41.6	39.7	1.9	81.9	75.0	6.9
Traction Power & Utilities	41.8	40.7	1.1	83.6	77.3	6.3
Other Corporate Costs	54.3	44.4	9.9	125.0	142.3	(17.3)
Total Expenses	963.2	910.4	52.8	1,890.2	1,809.4	80.8
Revenues						
Passenger Revenue	597.7	604.0	(6.3)	1,177.8	1,162.1	15.7
Other Ancillary Revenue	32.3	30.8	1.5	64.8	64.1	0.7
Stabilization Reserve Draw	0	0.0	0.0	22.7	0.0	22.7
Total Revenue	630	634.8	(4.8)	1,265.3	1,226.2	39.1
Net (Operating Subsidy)	333.2	275.6	57.6	624.9	583.2	41.7

Explanation of Year-Over-Year Changes

Expenses are expected to be \$80.8 million (4.5%) higher on a year-over-year basis. Key sources of this increase include:

- Collective Bargaining Agreement: \$29 million
- Net effect of higher PRESTO Commissions and legacy fare media savings, as a result of increasing PRESTO adoption rates: \$18.5 million
- Full year effect of Capacity Improvements: \$10.5 million
- Increase in diesel price per litre: \$9.0 million

The balance is comprised of a variety of items including increased fare enforcement costs, service adjustments to maintain standards and general material and higher employee benefit costs.

Corporate Costs are expected to decrease \$17.3 million year-over-year primarily due to one-time expenses related to reserve contributions and Eglinton bus augmentation being included in the prior year results.

Revenues are expected to increase by \$39.1 million (3.2%). This is attributable to the April 1 fare increase and utilization of one-time reserve draws.

Wheel-Trans

Item (\$Millions)	Year-To-Date Actuals			Year-End Projection			Status
	Actual	Budget	Variance	Projection	Budget	Variance	
Expenses							
Bus Service	26.0	28.8	(2.8)	52.4	56.9	(4.5)	✓
Contracted Taxi	33.8	30.1	3.7	66.4	59.0	7.4	✗
Employee Benefits	8.7	9.7	(1.0)	15.0	16.5	(1.5)	✓
Administration/Management	6.9	8.0	(1.1)	15.2	16.6	(1.4)	✓
Total Expenses	75.4	76.6	(1.2)	149.0	149.0	0.0	✓
Passenger Revenues	4.5	4.1	0.4	9.1	8.1	1.0	✓
Net (Operating Subsidy)	70.9	72.5	(1.6)	139.9	140.9	(1.0)	✓

The Wheel-Trans service is expected to be \$1.0 million or 0.7% below budget by year-end. The key budget variances that account for this projection are as follows:

Contracted Taxi Services: \$7.4 million increase

The increase in cost is attributable to a higher average distance travelled per passenger and higher modal share, based on year-to-date experience.

Labour Expense: \$4.3 million decrease

Timing of workforce hiring experienced to date primarily account for this variance. Recruitment is underway to fill related vacancies.

Employee Benefits: \$1.5 million decrease

Lower healthcare expenses primarily account for this under-expenditure.

Customer Service: \$1.0 million decrease

The decrease is primarily due to lower costs for eligibility appeals and lower Family of Services implementation costs.

Passenger Revenues: \$1.0 million increase

The favourable revenue projection is due to an adjusted methodology for the allocation of PRESTO monthly pass revenue between Wheel-Trans and TTC Conventional.

Materials and Supplies: \$0.6 million decrease

Lower than budgeted vehicle maintenance expenses are expected primarily as a result of decommissioning problematic fleet and replacing them with newly procured fleet.

2019 vs 2018

Item (\$Millions)	Period 6 (Year-To-Date)			Year-End		
	2019 Actuals	2018 Actuals	Change	2019 Projection	2018 Actuals	Change
Expenses						
Bus Service	26.0	26.4	(0.4)	52.4	51.7	0.7
Contracted Taxi	33.8	30.7	3.1	66.4	61.2	5.2
Employee Benefits	8.7	8.3	0.4	15.0	13.8	1.2
Administration/Management	6.9	6.2	0.7	15.2	13.4	1.8
Total Expenses	75.4	71.6	3.8	149.0	140.1	8.9
Passenger Revenues	4.5	3.8	0.7	9.1	7.4	1.7
Net (Operating Subsidy)	70.9	67.8	3.1	139.9	132.7	7.2

Explanation of Year-Over-Year Changes

Expenses are expected to be \$8.9 million (6.4%) higher on a year-over-year basis. Key sources of this increase include:

- Labour expenses due to additional workforce currently being hired, including operators and reservationists offset by vacancies. (\$0.5 million)
- Impact of CBA increase (\$1.1 million)
- Inflation impact and longer trips on contracted taxis (\$5.2 million)
- Increase in fuel prices (\$0.4 million)
- Increased spending on the Wheel-Trans transformation initiative (\$1.6 million)

The balance is comprised of a variety of items including material price inflation.

Revenues are expected to increase by \$1.7 million (23%) compared to 2018. This is attributable to the April 1, 2019 fare increase and the adjusted methodology for the allocation of PRESTO monthly pass revenue between Wheel-Trans and TTC Conventional.

Financial Update – Capital

The TTC had incurred \$535.1 million in capital spending as of July 6, 2019 reflecting a spend rate of 32.3% for the TTC base capital program and \$75 million or 10.9% for transit expansion projects.

By year-end, the TTC is projecting \$1.836 billion in overall capital spending, split between TTC base capital (\$1.40 billion or 84.6%) and transit expansion (\$436.3 million or 63.1%).

TTC Capital

Description (\$ Millions)	2019 Budget	Year-to-Date Actuals		Year-End Projection	
		\$	%	\$	%
TTC Base Capital					
Infrastructure Projects	782.0	249.4	31.9%	627.4	80.2%
Vehicle Related Projects	872.8	285.8	32.7%	772.1	88.5%
Total - Base Capital	1,654.8	535.1	32.3%	1,399.6	84.6%
TTC Transit Expansion					
Toronto York Spadina Subway Extension	303.8	10.7	3.5%	224.5	73.9%
Scarborough Subway Extension	164.2	45.6	27.8%	101.9	62.1%
Relief Line - Design	219.6	18.3	8.3%	109.6	49.9%
Waterfront Transit - Design	3.3	0.3	10.0%	0.3	9.0%
Total - Transit Expansion	690.9	75.0	10.9%	436.3	63.1%

Additional Capital Spending Summaries

Additional information on 2019 capital spending by project is included in **Appendix 1 – 2019 Capital Spending Summary by Project**.

Information on capital delivery performance for major projects within TTC's base capital and transit expansion programs is also available within **Appendix 2 - Major Projects Update**.

Overtime

Overtime spending is down 12% year-to-date in 2019, relative to 2018. Additional analysis on overtime is included in **Appendix 3 – Overtime**.

Contact

Alex Cassar, Director of Budgets, Costing and Financial Reporting
416-393-3647
Alex.Cassar@ttc.ca

Jennifer Imbrogno, Director of Capital Accounting
416-393-3619
Jennifer.Imbrogno@ttc.ca

Signature

Josie La Vita
Interim Chief Financial Officer

Attachments

Appendix 1 – 2019 Capital Spending Summary by Project
Appendix 2 - Major Projects Update
Appendix 3 – Overtime

Appendix 1 – 2019 Capital Spending Summary by Project

Toronto Transit Commission
2019 Capital Budget Variance
For the Period Ended Jul 06, 2019

EXPENDITURES BY PROGRAM	2019 Budget	Year-to-Date			Year End		
		Actuals	Variance	%	Projection	Variance	%
TRACK	51.1	22.0	29.1	43%	39.3	11.8	77%
1.1 Subway Track	16.2	11.5	4.6	71%	15.6	0.6	96%
1.2 Surface Track	34.9	10.4	24.5	30%	23.7	11.2	68%
ELECTRICAL SYSTEMS	122.2	60.4	61.8	49%	99.2	23.0	81%
2.1 Traction Power	14.9	10.6	4.2	71%	13.0	1.8	88%
2.2 Power Distribution/Electric Systems	5.3	4.5	0.8	86%	5.3	0.0	100%
2.3 Communications	21.9	5.8	16.1	27%	12.7	9.2	58%
2.4 Signal Systems	6.6	7.6	(0.9)	114%	9.4	(2.8)	142%
ATC Resignalling	73.5	31.8	41.7	43%	58.7	14.8	80%
BUILDINGS & STRUCTURES	415.1	127.3	287.7	31%	369.1	46.0	89%
3.1 Finishes	16.7	7.3	9.4	44%	18.5	(1.9)	111%
3.2 Equipment	29.8	8.1	21.6	27%	27.8	2.0	93%
3.3 Yards & Roads							
Streetcar Network Upgrades & BRT	1.4	(0.1)	1.5	-9%	1.3	0.0	97%
On-Grade Paving Rehabilitation Program	6.2	2.7	3.5	43%	5.8	0.4	93%
Bicycle parking at stations	0.9	0.0	0.9	1%	0.9	0.0	98%
Transit Shelters & Loops	0.4	0.0	0.4	1%	0.3	0.1	78%
3.4 Bridges & Tunnels	34.3	13.8	20.6	40%	33.9	0.4	99%
3.9 Buildings and Structures Projects							
Fire Ventilation Upgrade	22.5	4.1	18.4	18%	14.1	8.4	63%
Easier Access Phase III	54.3	21.9	32.5	40%	54.3	0.0	100%
Leslie Barns	6.1	0.6	5.5	11%	3.6	2.5	58%
Toronto Rocket/T1 Rail Yard Accommodation	34.8	9.5	25.3	27%	34.8	0.0	100%
McNicoll New Bus Garage	37.7	28.5	9.2	76%	37.7	0.0	100%
Other Buildings and Structures	170.0	31.0	139.0	18%	136.1	33.8	80%
VEHICLES	872.8	285.8	587.0	33%	772.1	100.7	88%
REVENUE VEHICLES							
4.11 Purchase of Buses	373.9	123.3	250.6	33%	327.7	46.1	88%
4.11 Purchase of Buses - Wheel Trans Buses	8.2	2.4	5.8	29%	8.2	0.0	100%
4.12 Purchase of Subway Cars	12.2	0.5	11.7	4%	7.8	4.4	64%
4.13 Bus Overhaul	40.6	20.7	20.0	51%	40.6	0.0	100%
4.15 Streetcar Overhaul	9.1	0.8	8.3	9%	3.5	5.6	38%
4.16 Subway Car Overhaul	37.9	15.4	22.6	41%	37.9	0.0	100%
4.18 Purchase of Streetcars	358.4	119.9	238.5	33%	331.7	26.7	93%
NON-REVENUE VEHICLES							
4.21 Purchase Automotive Non-Revenue Vehicles	6.1	0.2	6.0	3%	4.0	2.1	65%
4.22 Rail Non-Revenue Vehicle Overhaul	4.3	0.8	3.5	19%	2.3	2.0	53%
4.23 Purchase Rail Non-Revenue Vehicles	22.1	1.9	20.2	8%	8.4	13.6	38%
TOTAL OTHER	193.6	39.7	153.9	20%	119.8	73.8	62%
TOOLING, MACHINERY & EQUIPMENT							
5.1 Shop Equipment	6.7	0.6	6.1	9%	4.0	2.7	60%
5.2 Revenue & Fare Handling Equipment	15.5	(0.6)	16.1	-4%	9.3	6.2	60%
5.3 Other Maintenance Equipment	5.3	0.8	4.4	16%	3.1	2.2	59%
5.4 Fare System	19.3	2.0	17.3	10%	19.3	(0.0)	100%
ENVIRONMENTAL PROGRAMS							
6.1 Environmental Programs	8.1	4.3	3.8	53%	8.0	0.1	99%
6.1 Safety and Reliability	10.0	0.0	10.0	0%	0.0	10.0	0%
COMPUTER EQUIPMENT & SOFTWARE							
7.1 Computer Equipment & Software	95.6	30.0	65.7	31%	67.1	28.5	70%
OTHER							
9.1 Furniture & Office Equipment	0.2	0.1	0.1	46%	0.2	(0.0)	100%
9.2 Service Planning	32.9	2.5	30.4	7%	8.7	24.2	26%
Total Base Programs	1,654.8	535.1	1,119.6	32%	1,399.6	255.2	85%
Toronto York Spadina Subway Extension	303.8	10.7	293.0	4%	224.5	79.3	74%
Scarborough Subway Extension	164.2	45.6	118.6	28%	101.9	62.3	62%
Relief Line South - Design	219.6	18.3	201.4	8%	109.6	110.0	50%
Waterfront Transit - Design	3.3	0.3	3.0	10%	0.3	3.0	9%
Total Transit Expansion Projects	690.9	75.0	615.9	11%	436.3	254.7	63%

Appendix 2 – Major Projects Update

Overview:

The TTC's delivery of a multi-billion dollar capital program is guided by TTC's Project Management Framework. The broad range of capital projects are categorized into four project types, the greater the category the more complex the project (higher risks and uncertainties). The categorization takes into consideration amongst other things - budget, staff experience in delivery, risks and uncertainty behind the project itself. It should be noted that transit expansion projects are classified as Category 4 projects.

The programs and projects referred to hereafter as projects, have been included in the dashboard due to their magnitude and/or strategic significance. This quarterly update highlights the performance of these projects against their approved budget, planned schedule and in scope activities.

Dashboard: Capital Spending for Category 3 & 4 Projects

Category 3 & 4 Projects Capital Spending Dashboard

Projects/Programs	Critical Path	Cost (millions)						Schedule					Scope			CS	OS		
		2019 Year to Date		2019 Approved Budget	2019 Probable	Approved Budget	Actual			Projected		CS	CT	OS	CS			CT	OS
		Budget	Actual				LTD	CS	CT	EFC	OS								
Category 3																			
Automatic Train Control (ATC) "Line 1"	3	\$34.4	\$31.8	\$73.3	\$58.7	\$660.9	\$469.5	Y	➔	\$660.9	Y	Y	➔	Y	G	➔	G	Y	Y
Easier Access Phase III	4	\$27.6	\$26.1	\$54.3	\$59.6	\$829.6	\$268.0	G	➔	\$829.6	Y	G	➔	Y	G	➔	G	G	Y
Fire Ventilation Upgrade & Second Exits		\$11.3	\$2.9	\$22.5	\$15.0	\$494.6	\$275.3	Y	➔	\$599.0	Y	G	➔	G	G	➔	G	G	G
McNicoll Bus Garage	3	\$21.2	\$28.7	\$37.7	\$55.7	\$181.0	\$84.7	G	➔	\$181.0	G	G	➔	G	G	➔	G	G	G
Toronto Rocket T1 Rail Yard (Subway Vehicles Facilities)	3	\$15.7	\$11.1	\$34.8	\$38.3	\$495.4	\$259.0	G	➔	\$495.4	G	G	➔	Y	G	➔	G	G	G
Purchase of Buses	3	\$155.3	\$123.2	\$373.4	\$345.1	\$1,064.5	\$611.6	G	➔	\$2,867.2	Y	Y	➔	G	G	➔	G	Y	Y
Purchases of 204 Light Rail Vehicles	3	\$147.3	\$119.8	\$358.4	\$286.4	\$1,186.5	\$928.2	G	➔	\$1,186.5	G	Y	➔	Y	G	➔	G	G	G
Wheels Trans 10-Year Transformation	4	\$5.9	\$2.5	\$12.8	\$12.8	\$49.8	\$12.9	Y	➔	\$49.8	G	Y	➔	Y	G	➔	G	Y	Y
SAP ERP Implementation	5	\$4.4	\$2.8	\$13.9	\$7.5	\$93.2	\$67.1	Y	➔	\$163.2	Y	G	➔	G	G	➔	G	Y	Y
VISION Program (CAD/AVL)	3	\$13.9	\$17.6	\$37.3	\$27.9	\$117.2	\$58.9	G	➔	\$117.2	G	Y	➔	G	G	➔	G	G	G
FARE COLLECTION / PRESTO	3	\$8.6	\$2.1	\$18.8	\$5.1	\$81.8	\$53.5	G	➔	\$128.8	G	Y	➔	Y	Y	➔	Y	Y	Y
Stations Transformation	4	\$7.2	\$2.9	\$17.5	\$11.1	\$50.8	\$11.1	Y	➔	\$50.8	G	Y	➔	Y	G	➔	G	Y	Y
Category 4																			
Line 2 East Extension (formerly Scarborough Subway Extension)	3	\$85.4	\$38.8	\$164.2	\$72.5	\$3,560.0	\$174.0	R	➔	\$3,560.0	N/A	R	➔	N/A	R	➔	N/A	R	N/A
Relief Line South (Planning, Design and Engineering)	3	\$63.3	\$27.0	\$219.6	\$135.0	\$425.1	\$42.4	R	➔	\$425.1	N/A	R	➔	N/A	R	➔	N/A	R	N/A
Yonge Subway Extension (Planning, Design and Engineering)	4	\$30.0	\$17.4	\$59.0	\$56.0	\$91.3	\$20.1	R	➔	\$91.3	N/A	R	➔	N/A	R	➔	N/A	R	N/A
Total		\$631.4	\$454.9	\$1,497.5	\$1,186.6	\$9,381.8													



Performance Scorecard Status

G	On Track to meet project objectives
Y	At Risk of Not Meeting Project Objectives
R	Will Not Meet Project Objectives

Trend Values

⬆️	Performance Improving
➔	No Change
⬇️	Performance Declining

	Cost (Millions)			
	2019 Approved Budget	2019 YTD Actual	Approved Budget	Estimated Final Cost
Category 3	\$1,054.7M	\$371.7M	\$5,305.4M	\$7,329.4M
Category 4	\$442.8M	\$83.2M	\$4,076.4M	\$4,076.4M
Total Base Capital Program	\$1,497.5M	\$454.9M	\$9,381.8M	\$11,405.8M

Note:

- Financials are reported as of Period 6 including Carry Forward amounts from 2018 and reflect budget approvals as of March 7, 2019. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Period 6.

Category 3 Projects

AUTOMATIC TRAIN CONTROL (ATC) “LINE 1”

Project Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
2015	2022	\$660.9M	\$469.5M	\$660.9M
Overall Performance		2019 YTD Budget	2019 YTD Actuals	2019 Approved Budget
Current Status	Outlook to Completion			
Y	Y	\$34.4M	\$31.8M	\$73.3M

Project Description:

Objective: To enable reliability and provide customers with increased on-time service and reduced travel time.

TTC is re-signaling Line 1 (Yonge-University-Spadina) to improve reliability and capacity. ATC provides the benefit of real time central train control with precise train location data. With ATC installation, train speed and separation between trains will be controlled automatically. This allows for reduced travel times and more consistent service.

Re-signaling of Line 1 to introduce ATC includes the design, installation, testing and commissioning of an upgraded Centralized Signaling System. It also includes the design, installation, testing & commissioning of ATC trainborne equipment in the Toronto Rocket fleet.

Project Update & Accomplishments:

- ATC is currently in operation on 50% on Line 1 from Vaughan Metropolitan Centre (VMC) to St. Patrick Station. Four workcars have been commissioned to date with Automatic Train Protection (ATP).
- Completed Phase 3B (St. Patrick – Queen Station) design and installation of ATC assets.
- Phase 3B low speed software is in development and under simulation.
- Phase 3B testing is at 50% and dynamic low speed train testing is scheduled to begin in August. Phase 3B remains on schedule to be in revenue service by Q1 2020.
- Installation of ATC assets in Phase 3C (Queen – Rosedale Station) is at 90%

Key Issues/Risks & Mitigation Plan:

- The quantitative risk assessment is currently in progress to assess the revised in-service date of 2022 and determine the budget impact, any subsequent changes will be incorporated into the 2020-2029 Capital Budget upon completion of the assessment.
- Utilizing single day closures and late openings for Phase 3B planned weekend testing at Union Station when full weekend closures have not been granted.
- Coordinating with the Closures group to keep ATC closures as the priority given the conflicting 2020 construction/testing closure dates with ECLRT.

Forecast Completion Year: In-service 2022

ATC Phases	In Service Date
Phase 3A (Dupont to St. Patrick)	Q2 2019
Phase 3B (St. Patrick to Queen)	Q1 2020
Phase 3C (Queen to Rosedale)	Q4 2020
Phase 4 (Rosedale to Eglinton)	Q4 2021
Phase 5 (Eglinton to Finch)	Q3 2022

Phase 1 (Yorkdale to Dupont), Phase 2 (VMC to Sheppard West), Phase 2B/2C (Wilson Yard Interface) was completed by December 2018.

Project Delivery Chief: Susan Reed Tanaka, Chief Capital Officer

Note:

- This project is included under 2.4 Signal Systems as indicated in Appendix 1.

EASIER ACCESS III

Project Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
2007	2025	\$829.6M	\$268.0M	\$829.6M
Overall Performance		2019 YTD Budget	2019 YTD Actuals	2019 Approved Budget
Current Status	Outlook to Completion			
G	Y	\$27.6M	\$26.1M	\$54.3M

Project Description:

Objective: To make all subway stations accessible and compliant with required legislation. TTC's Easier Access Program will make all remaining subway stations accessible by providing elevators, wide fare gates, automatic sliding doors and signage improvements. Currently, 45 stations are accessible to people with disabilities. This Program also addresses a Legislated requirement (all elevators to be in service at all subway stations). Scarborough Rapid Transit (SRT) – Line 3 station locations are not part of the program as the SRT line will be replaced by the Line 2 East Extension.

Project Update & Accomplishments:

- Construction for station accessibility is underway at 11 stations: Dupont, Royal York, Wellesley, Yorkdale, Chester, Runnymede, Wilson, Lansdowne, Bay, Keele and Sherbourne Stations, all remaining stations are in design phase.
- Funding approved for Islington and Warden redevelopments and Concept stage is proceeding (Stage Gate 1).

Key Issues/Risks & Mitigation Plan:

- Design complexities for installing elevators in existing stations present design and construction challenges. Mitigation includes additional resources to open multiple work fronts as well as advancing conceptual designs.
- 3rd Party Constraints: Mitigation includes adding dedicated resources, planning utility work in advance and identifying and expropriating property needs early.
- Dupont Station: Progress of work at Dupont station was not satisfactory. Project team monitored progress and held meetings with Contractor and Surety. On August 16, 2019, contract was transferred from original contractor to Surety assigned contractor.

Project Delivery Chief: Susan Reed Tanaka, Chief Capital Officer

Note:

- This project is included under 3.9 Building and Structures as indicated in Appendix 1.
- In addition to the Estimated Final Cost (EFC) noted, there is an additional \$250M in estimated project costs Post 2028 included through the Capital Investment Plan.

FIRE VENTILATION UPGRADE & SECOND EXITS

Project Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
1998	2028	\$494.6M	\$275.3M	\$599.0
Overall Performance		2019 YTD Budget	2019 YTD Actuals	2019 Approved Budget
Current Status	Outlook to Completion			
G	G	\$11.3M	\$2.9M	\$22.5M

Project Description:

Objective: To improve ventilation in subway tunnels and construct second exits at 14 high priority stations.

Fire Ventilation Upgrade (FVU) is a fire and life safety initiative originating in 1998 to improve ventilation performance in the subway tunnels. The project was expanded in 2003 to include second exits to improve egress at 14 high priority stations.

Project Update & Accomplishments:

- Construction of 'second exit' is underway at Chester Station.
- Completed detailed design and review for College and Donlands stations.
- Commenced design and is in progress for Museum, Summerhill, and Dundas West stations.

Key Issues/Risks & Mitigation Plan:

- Design: Design complexities for installing second exits in existing stations present challenges. Project team is advancing design work and investigating opportunities to combine work with other projects.
- Line 1 Capacity Requirements identified further modelling and related works to address forecasted increase in passenger demand. Line 1 incorporates this key element of work as part of its initial Business Case planned for Gate 1 in 2020.

Funding:

TTC 2019-2028 Budget included unfunded amount of \$104M. In addition to the EFC noted, there is an additional \$1.5B in estimated project costs Post 2028 included through the Capital Investment Plan.

Project Delivery Chief: Susan Reed Tanaka, Chief Capital Officer

Note:

- This project is included under 3.9 Building and Structures as indicated in Appendix 1.

MCNICOLL BUS GARAGE

Project Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
2013	2020	\$181.0M	\$84.7M	\$181.0M
Overall Performance		2019 YTD Budget	2019 YTD Actuals	2019 Approved Budget
Current Status	Outlook to Completion			
G	G	\$21.2M	\$28.7M	\$37.7M

Project Description:

Objective: To improve the transit system and meet growing ridership demands.

McNicoll Bus Garage is part of TTC's commitment to improving transit service and meeting growing ridership demands. This new bus garage will be fully compliant with Toronto Green Standards and will be the first major Design-Build project for TTC in over a decade. The new facility is being constructed at Kennedy Road and McNicoll Avenue in Scarborough.

Note: Project scope is for construction only.

Project Update & Accomplishments:

- Continued progress on mechanical/electrical systems, masonry, drywalling.
- Completed roof, commenced installation of green roof vegetation.
- Commenced installation of unit heaters and hose reels.
- Commenced grading of bus roadway and employee parking lot.

Key Issues/Risks & Mitigation Plan:

- Sheet metal workers strike impacted the installation of ductwork and the transpired solar wall. The project team is working with the Joint Venture to evaluate the strike impact and identify options to recover time.

Project Delivery Chief: Susan Reed Tanaka, Chief Capital Officer

Note:

- This project is included under 3.9 Building and Structures as indicated in Appendix 1.

TORONTO ROCKET/T1 RAIL YARD ACCOMODATION (SUBWAY VEHICLE FACILITIES)

Project Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
2010	2025	\$495.4M	\$259.0M	\$495.4M
Overall Performance		2019 YTD Budget	2019 YTD Actuals	2019 Approved Budget
Current Status	Outlook to Completion			
G	G	\$15.7M	\$11.1M	\$34.8M

Project Description:

Objective: To increase subway train storage and maintenance capacity.

Design and construction at various subway vehicle maintenance and repair facilities and yards to increase the subway train storage and maintenance capacity for Toronto Rocket (TR) subway trains, including Wilson and Davisville Yards for Line 1, and T1 trains at Greenwood, Keele Yard and Kipling tail tracks for Line 2. Key scope elements include:

- Expansion to the north and south at Wilson Carhouse as well as the installation of new storage tracks within the yard.
- Expansion to north and south at Davisville Carhouse along tracks 3 & 4.
- Conversion of existing CN rail delivery track at Greenwood Yard into a powered and signalled storage track.
- Track and Structural work at Keele Yard to provide additional storage capacity.
- Refurbishment of the box structure within Kipling Station for the installation of a 3rd track to be used for the storage of two subway trains.

Project Update & Accomplishments:

- Wilson Yard - Continuing with the installation of direct buried conduits and cable trough. Fence and gate for separation with ATC areas is near completion.
- Wilson Carhouse - Working on masonry partitions and duct work on the HVAC units placed on the carhouse roof via helicopter lift.
- Greenwood Yard – Interior installations such as drywall and tiles for Track & Structure building is underway; the pendent system in the Carhouse is on phase 10 of 12; the pendent system in the Shop is on phase 5 of 9.

Key Issues/Risks & Mitigation Plan:

- None

Project Delivery Chief: Susan Reed Tanaka, Chief Capital Officer

Note:

- This project is included under 3.9 Building and Structures as indicated in Appendix 1.

PURCHASE OF BUSES

Project Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
Ongoing	2028	\$1,064.5M	\$611.6M	\$2,867.2M
Overall Performance		2019 YTD Budget	2019 YTD Actuals	2019 Approved Budget
Current Status	Outlook to Completion			
Y	Y	\$155.3M	\$123.2M	\$373.4M

Project Description:

Objective: To a) replace old vehicles and grow our fleet to increase overall system capacity and reduce overcrowding; b) utilize vehicles which will be more accessible, more comfortable and more reliable; c) aid the City of Toronto in meeting its TransformTO target of an 80% reduction in greenhouse gas emissions by 2050 by adopting zero emission buses.

This ongoing program covers the procurement of buses according to the Green Bus Technology Plan approved by the Board in June 2018. The 2019 delivery plan includes 260 new buses, including 200 latest generation hybrid-electric and 60 zero-emissions battery electric buses (eBus).

The Green Procurement Plan currently projects a mix of hybrid electric and fully electric bus procurements for the years 2021-2024. As we transition to a steady-state procurement of solely fossil fuel free/zero emissions buses in 2025 and a zero-emissions fleet by 2040.

Project Update & Accomplishments:

Hybrid Buses:

- As of June 30, 2019, 115 of 200 hybrid-electric buses scheduled for delivery in 2019 have been delivered and the balance remains on-schedule.

eBuses:

- Delivered 9 New Flyer eBuses; two of which are commissioned; one of which has been in service since June 3rd and the other has been dedicated for full time operator training.
- BYD: Production is underway with all 10 eBuses now at their finishing facility in Newmarket, Ontario. Delivery schedule, of all 10 eBuses have slipped further from Q3 2019 to Q4 2019.
- New Flyer Industries: Received 9 out of 10 for the initial order of the 25 eBuses from New Flyer Industries; 20 are scheduled for delivery in 2019 and the remaining 5 are to be delivered in Q1 2020.
- Proterra: Production is underway with 10 eBuses scheduled for delivery in Q3 2019, 10 in Q4 2019, and 5 in Q1 2020.

Charging System:

- Completed installation of charging systems to support 20 electric buses at Arrow Road Garage. Completion of all 25 chargers is on-schedule for October 11, 2019.
- Completed charging infrastructure at Mt. Dennis to support 14 eBuses. Completion of all 25 chargers is on-schedule for October 11, 2019.
- Eglinton charging infrastructure will be ready to support 10 eBuses by mid-September.

Key Issues/Risks & Mitigation Plan:

- Following the formal vendor performance review and TTC exercising its option to increase its order by 5 buses from each of the other vendors (New Flyer and Proterra), BYD's delivery schedule has slipped further from Q3 2019 to Q4 2019.

Project Delivery Chief: Rich Wong, Chief Vehicle Officer

Note:

- **Unfunded Fleet Plan:** Procurement of buses between 2021 and 2028 is on the unfunded list for the 2019-2028 Capital Budget in the amount of \$1.8B.
- **Large Scale Adoption of eBuses:** While there is currently no funding for bus procurements beyond this year, the design and installation of large scale charging systems must be progressed 2 years in advance of future eBus deliveries. While funding for buses is not available, there is funding to progress the conceptual and preliminary design of large scale charging systems.

PURCHASE OF 204 NEW STREETCARS

Project Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
2009	2019	\$1,186.5M	\$928.2M	\$1,186.5M
Overall Performance		2019 YTD Budget	2019 YTD Actuals	2019 Approved Budget
Current Status	Outlook to Completion			
G	G	\$147.3M	\$119.8M	\$358.4M

Project Description:

Objective: To: a) replace old vehicles and grow our fleet to increase overall system capacity and reduce overcrowding; b) utilize vehicles which will be more accessible, more comfortable and more reliable.

This project provides for the purchase of 204 new fully accessible new streetcars to replace the existing fleet of 196 Canadian Light Rail Vehicles (CLRVs), 52 Articulated Light Rail Vehicles (ALRVs) and additional vehicles for ridership growth and congestion relief efforts.

Project Update & Accomplishments:

- The delivery of remaining new Low Floor Light Rail Vehicles (LFLRV) continues to progress well. As of June 30, 2019, Bombardier delivered and commissioned 157 LFLRV. The TTC is optimistic that Bombardier will fulfill their order of 204 vehicles by the end of 2019.

Key Issues/Risks & Mitigation Plan:

- Parts and material supply for production and to support operations pose a risk to the delivery schedule and in-service reliability. Supply chain risks and issues continue to be monitored and managed across all suppliers as we approach the end of the delivery.

Project Delivery Chief: Rich Wong, Chief Vehicle Officer

Note:

- This project is included under 4.18 Purchase of Streetcars.
- The Capital Investment Plan identifies the need for the procurement of up to an additional 100 streetcars for ridership growth, which is currently unfunded.

WHEEL-TRANS 10-YEAR TRANSFORMATION PROGRAM

Project Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
2017	2021	\$49.8M	\$12.9M	\$49.8M
Overall Performance		2019 YTD Budget	2019 YTD Actuals	2019 Approved Budget
Current Status	Outlook to Completion			
Y	Y	\$5.9M	\$2.5M	\$12.8M

Project Description:

Objective: To support the new service delivery model which integrates Wheel-Trans customers into the conventional network.

TTC Wheel-Trans Transformation Program implements new policies, processes and systems to support a new service delivery model that integrates Wheel-Trans customers into the TTC's conventional network through a 'Family of Services' (FOS) approach.

Project Update & Accomplishments:

- Program is prepared for Stage Gate 3.
- Scheduling & Dispatch Project: Completed testing of iterations 1-4. Testing first correction release in progress.
- Access Hubs project: Most permits have been approved. First group of sites out for tender.
- Family of Services project: Finalized Wave 5 routes. - Generated 3,000 trips in test environment for reasonability of FOS trip solutions.

Key Issues/Risks & Mitigation Plan:

- The critical path projects (Scheduling & Dispatch and Access Hub) are tracking behind on Schedule and Cost impacting the overall program status.
- Schedule Delays:
 - Addressing schedule delays due to vendor resources being pulled from Phase 2 development to address issues encountered with Phase 1 Go Live by escalating the issues with the vendor and TTC staff discussing penalties for the Phase 2 delay.
 - Addressing delays in obtaining signed agreements from 3rd party property owners by moving Access Hub shelter location to be fully within the Right-of-Way for two property owners who have indicated they no longer want an Access Hub encroaching on their property.
- Property Agreements: Resolved 5 of 6 issues with property owners related to land use during construction. Working with the City to leverage the City's Right-of-Way to resolve the issues with one remaining property owner. Provided this can be resolved by Oct 31, construction can be completed by PTIF deadline (Mar 2020).
- Delivering customer communication in anticipation of a potential negative response related to re-registration and conditional trip matching.

Project Delivery Chief: Orest Kobylansky, Executive Director – Operations

Note:

- This project is included under 3.9 Building and Structures as indicated in Appendix 1.

SAP ENTERPRISE RESOURCE PLANNING PROJECT

Project Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
2015	2023	\$93.2M	\$67.1M	\$163.2M
Overall Performance		2019 YTD Budget	2019 YTD Actuals	2019 Approved Budget
Current Status	Outlook to Completion			
Y	Y	\$4.4M	\$2.8M	\$13.9M

Project Description:

Objective: To implement an industry-standard enterprise software solution that modernizes our core systems and aligns with the City of Toronto's SAP Roadmap.

Project Update & Accomplishments:

Phase II planning has been completed for the People Group and Finance and Treasury departments. The EFC represents the total SAP program cost with the future phases.

SAP Projects - Phase II

- Completed Phase II assessment for Finance (Accounts Payable/Receivable), People Group (Compensations/Performance and Goals, Learning Management, Time and Attendance).
- Reviewed and aligned critical business initiatives to determine the Phase II delivery scope for People Group and Finance department.
- Completed implementation plan for Phase II scope which included resource plan, schedule, cost plan and benefits.
- Time and Attendance RFP draft in progress.
- Completed the solution design and testing of the Employee Mobile Communication App with Corporate Communications to prepare for the soft launch in Q3 2019.

Key Issues/Risks & Mitigation Plan:

- Scope change (2019): The completion of the SAP Assessment has resulted in the Compensation/Performance Management project being deferred to 2022 based on the needed resources for the Time and Attendance project. Additionally, Accounts Receivable assessment identified that the Job Based Cost System must to be replaced before Accounts Receivable can be implemented resulting in spending reduction in 2019. These amounts will be carried forward to 2020.

Funding:

The total budget following changes reflected in the 2019 budget is \$163.2M and an additional \$26.9M has been identified beyond the 10-year plan. Of the \$163.2M budget, \$70M remains unfunded, reflecting an approved budget of \$93.2M. The forecast completion year of 2023 is dependent on the approval of the \$70M unfunded need. The 2020 capital budget process will address SAP projects between 2021 and 2025 on the unfunded list for the 2019-2028.

Project Delivery Chief: Dhaksayan Shanmuganayagam, Acting Head Information Technology Services

Note:

- This project is included under 7.1 Computer Equipment & Software as indicated in Appendix 1.
- Approved budget and completion year adjusted to reflect approval to end of 10-year envelope.

VISION (CAD/AVL)

Project Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
2016	2020	\$117.2M	\$58.9M	\$117.2M
Overall Performance		2019 YTD Budget	2019 YTD Actuals	2019 Approved Budget
Current Status	Outlook to Completion			
G	G	\$13.9M	\$17.6M	\$37.3M

Project Description:

Objective: To implement VISION (Vehicle Information System and Integrated Operations Network). This project a) modernizes the backbone of how the TTC tracks, manages and communicates with any one of our 2,000 buses and streetcars on the streets at any moment; b) provides better information for scheduling and planning; c) provides better real-time information to provide operators and customers during their trip; d) provides more efficient Transit Signal Priority to keep TTC vehicles moving; and e) and more efficient yard management and crew sign-ups.

As part of the TTC modernization initiatives, the VISION program was initiated to transform the way in which the TTC manages its surface fleet of buses and streetcars. The core component of the program is the implementation of a new Computer Aided Dispatch / Automatic Vehicle Location (CAD/AVL) System which is being installed on the TTC's bus and streetcar fleets. The system provides for: data and voice communications, automatic vehicle location; automated stop display, stop announcements, vehicle performance monitoring; integration with the onboard camera and automatic passenger counting systems; tools and automation of selected business rules. In addition, the program will implement an integrated Yard Management System at all streetcar car-houses and bus garages.

Project Update & Accomplishments:

- The VISION solution on 2,006 of 2,006 buses (100%) in service.

Key Issues/Risks & Mitigation Plan:

- Delays in installation on Streetcars: The delay in the completion of the design for the installation of the VISION systems on Low Floor Light Rail Vehicles (LFLRV) Streetcars will result in the installations on Streetcars extending beyond the planned timeline. Temporarily, radios are being purchased and installed on streetcars to mitigate this issue.
- Voice and data communication issues with the VISION systems have lead to Joint Health and Safety concerns being expressed by the union. Vendor to deploy fixes, backup radios implemented and additional radio bandwidth being added.

Project Delivery Chief: Dhaksayan Shanmuganayagam, Acting Head Information Technology Services

Note:

- This project is included under 7.1 Computer Equipment & Software as indicated in Appendix 1.

FARE COLLECTION / PRESTO

Project Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
2012	2020	\$81.8M	\$53.5M	\$128.8M
Overall Performance		2019 YTD Budget	2019 YTD Actuals	2019 Approved Budget
Current Status	Outlook to Completion			
Y	Y	\$8.6M	\$2.1M	\$18.8M

Project Description:

Objective: To overhaul and modernize the TTC's fare collection system.

The project encompasses all activities to transform TTC fare collection processes including TTC's scope of work supporting Metrolinx activities for the implementation of the PRESTO farecard system, overall project management, assistance with equipment installation, upgrades to TTC facilities to accommodate PRESTO equipment, and oversight to ensure the PRESTO system fully meets TTC's business requirements.

Project Update & Accomplishments:

- Launched PRESTO tickets on April 5th at Yorkdale and Lawrence West stations and extended the launch to an additional eight Line 1 stations (TYSSE).
- Commenced the implementation of PRESTO tickets at 12 Shoppers Drug Mart (SDM) locations.
- Installed a pilot version of the software application for Wheel Trans contracted sedan taxi's that allows for PRESTO fare payment on these vehicles. Continuing development and testing of the pilot software solution.

Key Issues/Risks & Mitigation Plan:

- The installation and operation of the PRESTO payment solution for the Wheel Trans contracted sedan vehicles requires some work to be performed by the sedan taxi companies. There are on-going discussions with Metrolinx and TTC regarding the commercial responsibility for the ongoing maintenance costs.
- Additional technical system enhancements to address the issues noted in the recent Attorney General's audit concerning fare evasion and revenue control, are being assessed. These changes include: additional payment type information displayed by card readers, improved fare inspection devices, and visual differentiation for PRESTO cards, among other changes.
- There are a number of significant contract deliverables that have not been fulfilled or provided by Metrolinx (i.e. open payments/account based technology, Limited Use Media (LUM) dispenser on surface vehicles, Service Level Agreements (SLA's), device functionality and performance availability, etc.). There are also outstanding claims related to lost revenues and civil works. These items were presented to the Board in June, and are part of ongoing discussions with Metrolinx senior management.

Funding:

The estimated final cost for the project is \$128.8 million, of which \$81.8 million was approved by Council on March 7, 2019 and is now included in the approved budget. An additional \$47 million is included as an unfunded amount for fare collection capital work outside of the PRESTO implementation activities. The forecast completion year for the project is expected to be 2021.

Project Delivery Chief: Kirsten Watson, Deputy Chief Executive Officer

Note:

- This project is included under 5.4 Fare System as indicated in Appendix 1.
- Faregate program is not included in this up-date.
- Approved budget and completion year adjusted to reflect approval to end of 10-year envelope.

STATIONS TRANSFORMATION

Project Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
2017	2024	\$50.8M	\$11.1M	\$50.8M
Overall Performance		2019 YTD Budget	2019 YTD Actuals	2019 Approved Budget
Current Status	Outlook to Completion			
Y	G	\$7.2M	\$2.9M	\$17.5M

Project Description:

Objective: To enhance the customer experience by introducing Customer Service Agents (CSA), infrastructure improvements which will result in increased safety and security of TTC stations, employees and customers.

Stations Transformation involves the modernization of how we staff our stations, our communications infrastructure and our business processes. A major part of the program, the introduction of Customer Service Agents (CSA), builds on the transformation of the customer experience by adding a world-class skillset and increasing engagement with our customers. These Agents are mobile, enabling them to approach and offer assistance to customers who face barriers in accessing and using the TTC. Their mobility along with infrastructure improvements (including upgraded passenger assistance intercoms(PAI), announcements and CCTV cameras) will lead to the increased safety and security of our stations, employees and customers.

The milestones include those funded by the Stations Transformation budget and those that are highly related but separately funded. They are listed here together to provide a holistic picture of the status of the program in conjunction with its interdependencies.

Project Update & Accomplishments:

- Union and Kipling Hubs were constructed and are now operational.
- Bloor-Yonge and Sheppard contracts were awarded and construction has commenced.

Key Issues/Risks & Mitigation Plan:

- The final implementation of CSA staffing to all stations is dependent on the stop accepting date of legacy fare media.

Project Delivery Chief: Jim Ross, Chief Operating Officer

Note:

- This program is included under 3.9 Building and Structures as indicated in Appendix 1.

Category 4 Projects

On July 23rd the Province enacted a regulation (O. Reg 248/19) that designated the Scarborough Subway Extension, Yonge North Subway Extension and Relief Line South and North as 'sole responsibility projects' of Metrolinx. Under the legislation, the Province has the authority to transfer assets, liabilities, rights and obligations related to the project from the TTC to Metrolinx. As a result of the regulation being filed, effective August 30th consultant contracts related to the three transit expansion projects have been reassigned to Metrolinx from the TTC. The projects are now officially Metrolinx projects and will not appear in future Major Project Reports to the TTC Board.

Line 2 EAST EXTENSION (FORMERLY SCARBOROUGH SUBWAY EXTENSION)

Project Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
2013	2027*	\$3,560.0M	\$174.0M	\$3,560M
Overall Performance		2019 YTD Budget	2019 YTD Actuals	2019 Approved Budget
Current Status	Outlook to Completion			
R	N/A	\$85.4M	\$38.8M	\$164.2M

*Revenue Service

Project Description:

Objective: To provide a direct connection between Scarborough Centre and Kennedy Station.

The Scarborough Subway Extension project is a 6.2 km extension of Line 2 from Kennedy Station to Scarborough Centre, via Eglinton Avenue, Danforth Road and McCowan Road. The extension will create a seamless journey for customers by eliminating the transfer at Kennedy Station. The Line 2 extension is required to replace the aging Line 3 Scarborough. Detailed project information can be found at ttc.ca. Scope includes Scarborough Rapid Transit (SRT) Life Extension and SRT Demolition.

Project Update & Accomplishments:

- Advancing Station, Tunnel and Systems design.
- Continuing utility redirection works.
- Completed market sounding with Expression of Interest from respondents.
- The updated project budget and schedule confirmed in the Stage Gate 3 Report submitted to City Council in April 2019.
- Council has given direction to work with the province to evaluate their proposed 3-stop subway extension.

Key Issues/Risks & Mitigation Plan:

- None

Project Delivery Chief: Gary Downie, A/Chief Transit Expansion Officer

Note:

- This project is included under Transit Expansion Projects as indicated in Appendix 1.

RELIEF LINE SOUTH (PLANNING, DESIGN, & ENGINEERING)

Project Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
2018	2019	\$425.1M	\$42.4M	\$425.1M
Overall Performance		2019 YTD Budget	2019 YTD Actuals	2019 Approved Budget
Current Status	Outlook to Completion			
R	N/A	\$63.3M	\$27.0M	\$219.6M

Project Description:

Objective: To build a new subway line where the southerly portion would connect Line 2 — Danforth Avenue east of the Don River to downtown. (planned by the TTC, City and Metrolinx).

The Relief Line South (RLS) is a new eight stop, 7.5 km subway from Pape-Danforth on Line 2 to Downtown, interchanging with Line 1 at Queen and Osgoode Stations. The current phase of work for the Relief Line South consists of the preliminary design and engineering (PDE) to between 15% and 30% complete, including developing a project budget and schedule. The City and TTC, in partnership with Metrolinx, have been directed to report back to City Council at the next decision gate for the project which includes a Class 3 cost estimate, a Level 3 schedule and an updated Business Case and Economic Analysis in Q1/Q2 2020.

Project Update & Accomplishments:

Note: The Relief Line Project has been halted and the TTC has been directed to review and evaluate the proposed Ontario Line (OL).

- Held several meetings with Mx/IO and City for Ontario Line Steering Committee.
- Assessed various alignment options developed by Ontario Line.
- Carried out several Ridership Modelling analyses assuming various capacities and passenger/train frequencies.
- Prepared a list for all real estate and property work completed to date for the RLS in support of the EA/TPAP.
- Continued with Geotech drillings for specific locations to address outstanding requirements.
- Systems/Stations/Tunnels carried gap analysis for 30% design work completed against the proposed OL.
- Assessed commonalities between current stations locations and designs for the RLS vs OL.

Key Issues/Risks & Mitigation Plan:

- None

Project Delivery Chief: Gary Downie, A/Chief Transit Expansion Officer

Note:

- This project is included under Transit Expansion Projects as indicated in Appendix 1.

YONGE SUBWAY EXTENSION (PLANNING, DESIGN & ENGINEERING)

Project Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
2018	2020	\$91.3M*	\$20.1M	\$91.3M*
Overall Performance		2019 YTD Budget	2019 YTD Actuals	2019 Approved Budget
Current Status	Outlook to Completion			
R	N/A	\$30.0M	\$17.4M	\$59.0M

Note: *Includes YRRTC costs

Project Description:

Objective: To build a subway extension, which would extend Line 1 from Finch Station up to Highway 7, where it will link to York Region Transit. (planned by TTC, City, York Region and Metrolinx).

The Yonge Subway Extension is a 7.42 km extension of the Yonge Subway Line 1 from Finch Station to the Richmond Hill/Langstaff Gateway Urban Growth Centre at Highway 7. Current funding is to advance the planning, design and engineering phase of the work to between approximately 15% and 30% working towards developing a 'Class 3' Cost Estimate, a 'Level 3' Schedule, and an updated Business Case and Economic Analysis.

Project Update & Accomplishments:

- Geotechnical drilling in progress to inform tunnel and station designs.
- Advanced the Preliminary Design and Engineering (PDE) and submitted the interim Scope Review Submission (15%) including a preliminary estimate. Designs have been presented to stakeholders.
- Tunnel drives and sequence design is being reviewed along with several other value engineering elements.
- Expansion upload legislation and regulations were passed to allow Provincial upload.

Key Issues/Risks & Mitigation Plan:

- None

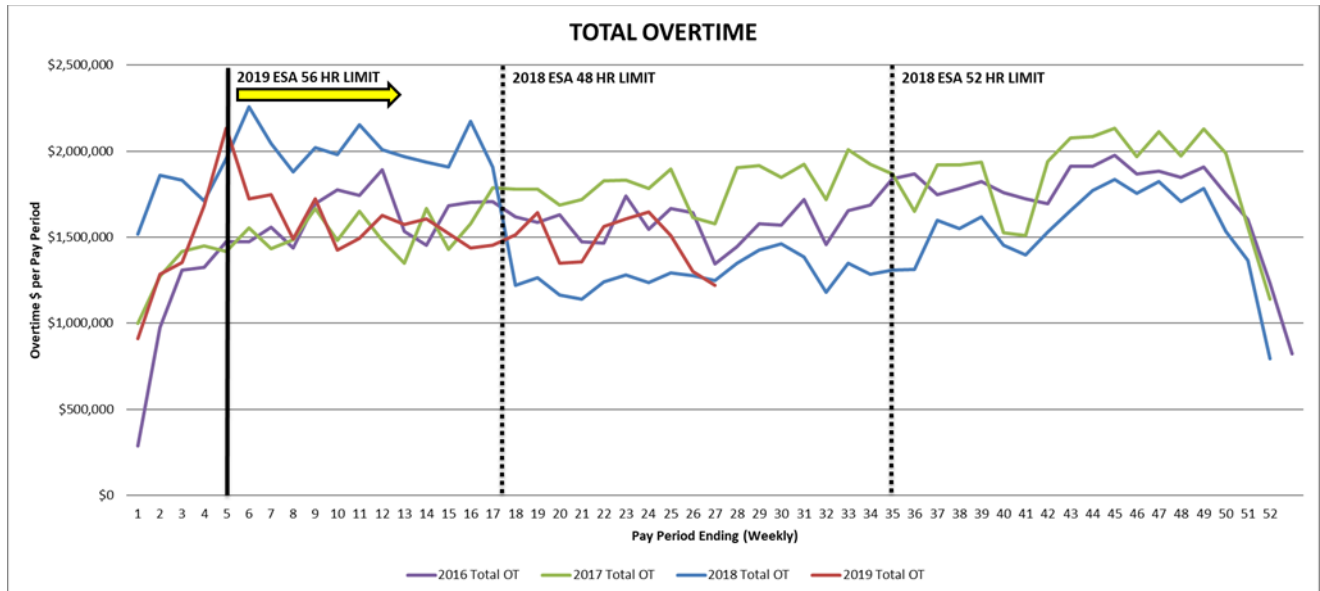
Project Delivery Chief: Gary Downie, A/Chief Transit Expansion Officer

Note:

- This project is included under Transit Expansion Projects as indicated in Appendix 1 and is budgeted and funded by Metrolinx and YRRTC PTIF funds.

Appendix 3 – Overtime

Overtime



Notes:

Includes all budgets: Operating, Wheel-Trans, Capital
Amounts are not adjusted for annual CBA increases

Analysis

Paid overtime has been trending 12% below 2018 levels on a year-to-date basis.

In the first Quarter, there was a significant reduction from 2018 which was primarily the result of the elimination of paid emergency leave and improved resiliency in staffing levels, particularly amongst operators. The only exception to this trend was in late January and early February when a series of extreme cold and snow events necessitated higher overtime to appropriately respond to these events.

In the second Quarter starting in late April, 2019 overtime spending was above 2018 levels. This can be attributed to the ESA 48-hour limit taking effect late April 2018. The 48-hour limit in 2018 resulted in the cancellation of subway closures. Effective Jan 28, 2019, the TTC and Local 113 agreed to increase the limit of weekly hours to 56 hours per week. This higher limit has provided for the operational flexibility to ensure adequate resourcing for subway closures and related shuttles, while keeping second quarter overtime spending below 2016 and 2017 levels.

Action Plan

Overtime spending trends are actively monitored by department. Certain overtime to respond to emergencies and complete trackwork during weekend subway closures is unavoidable. Opportunities to shift other work to resources on regular time are being actively pursued.