

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: January 21, 2015

SUBJECT: Chief Executive Officer's Report – January 2015 Update

ACTION ITEM

RECOMMENDATION

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

DISCUSSION

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

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

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

January 12, 2015

42-81

Attachment: Chief Executive Officer's Report



TORONTO TRANSIT COMMISSION

CHIEF EXECUTIVE OFFICER'S REPORT

JANUARY 2015 UPDATE



TABLE OF CONTENTS

	<u>PAGE</u>
1. TTC MONTHLY SCORECARD	2
2. COMMENTARY AND CURRENT ISSUES	5
3. CUSTOMER MEASURES AND IMPROVEMENT PROGRAM PROGRESS	18
4. FINANCIAL COMMENTARY	26
5. CRITICAL PROJECTS	27

TORONTO TRANSIT COMMISSION – MONTHLY SCORECARD



Key Performance Indicator		Description	Frequency	Latest Measure	Current	Target	Current Status	Trend	Ref. #
CSS		Customer Satisfaction Survey	Quarter	Q3	74%	TBD			2.2
Customer Journeys		Customer Trips	Period	P11	45.322M	44.906M			2.3
Punctuality – Subway and Scarborough Rapid Transit (SRT)									
Line 1 (Yonge-Univ-Spadina)	Headway + 3 minutes	Period	P11	94.5%	96.0%			2.4.1	
Line 2 (Bloor-Danforth)	Headway + 3 minutes	Period	P11	96.4%	97.0%			2.4.1	
Line 4 (Sheppard)	Headway + 3 minutes	Period	P11	99.4%	98.0%			2.4.1	
Line 3 (SRT)	Headway + 3 minutes	Period	P11	98.5%	96.0%			2.4.2	
Punctuality – Bus, Streetcar, and Wheel-Trans									
Bus	Headway +/- 3 minutes	Period	P11	63.8%	65.0%			2.5.1	
Streetcar	Headway +/- 3 minutes	Period	P11	65.5%	70.0%			2.5.2	
Wheel-Trans	Within 10 minutes of schedule	Period	P11	83.6%	90.0%			2.5.3	
Safety and Security									
Lost Time Injuries	Injuries / 100 Employees	Period	P11	3.05	TBD			2.6.1	
Customer Injuries	Injury incidents / 1M Vehicle Boardings	Period	P11	0.86	NA			2.6.2	
Behavioural Safety Index	Safety Focused Behaviour	Period	TBD					2.6.3	
Offences against Customers	Assault, theft, other	Period	P11	32	NA			2.6.4	
Offences against Staff	Assault, threat, other	Period	P11	32	NA			2.6.5	
People									
Attendance	Employee Absence	Period	P11	7.39%	< 6.50%			2.7.1	
Operator Hires	Actual vs. Budget	Period	P11	54	54			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	P11	98.9%	98.0%			2.8.1
Escalators	% Escalators Available	Period	P11	97.5%	97.0%			2.8.2
Fare Purchase Opportunity	% TVM's / PVM's Available	Period	P11	97.7%	96.4%			2.8.3
Mystery Shopping and Audits								
Station Cleanliness	Cleanliness Audit Score	Quarter	Q3	72.6%	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	P1-11	\$1059.8M	\$1069.2M			4.1
TTC Operating Expenditure	Actual vs. Budget	Period	P1-11	\$1440.4M	\$1470.8M			4.1
Wheel-Trans Revenue	Actual vs. Budget	Period	P1-11	\$5.3M	\$5.38M			4.2
W-T Operating Expenditure	Actual vs. Budget	Period	P1-11	\$100.9M	\$103.8M			4.2
Capital Expenditure – Base	Actual vs. Budget	Period	P1-11	\$722.5M	\$973.4M			4.3
Capital Expenditure – TYSSE	Actual vs. Budget	Period	P1-11	\$246.7M	\$490.3M			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

As we enter 2015, it’s good to take a moment to reflect on another busy and challenging year for the TTC in 2014. I feel that we are making progress in our journey to give Toronto a transit system that makes the city proud.

We have delivered on nearly all 39 commitments made in our Customer Charter, the one major exception being a delay in the delivery of our new streetcars due to a strike at the manufacturer’s plant that was outside of our control. That said, we launched the new streetcar on August 31, 2014, and there are now three of these state-of-the-art, low-floor, air-conditioned vehicles in operation on the 510 Spadina route. Further progress was made last month when these new vehicles were fitted with PRESTO, the smartcard payment system that we are progressively rolling out to replace tokens, tickets, and transfers.

Another highlight of the year was the opening of the second platform at Union Station, a project that has already transformed the look, feel, and operation of one of our busiest hubs. Our crews are now focused on renovating the original platform and concourse so that the whole station is modernized by spring 2015.

We continued the roll-out of WiFi to stations in the downtown “U.” WiFi will be fitted in 15 stations in time for the Pan Am/Parapan Am Games this summer. And we unveiled the modernized Dufferin Station to make it accessible, spacious, and bright.

During 2014, we continued our all-out focus on tackling the basics of running a reliable transit service. On the subway, we introduced a new timetable to add more rush hour trains to Lines 1 and 2. We also continued the painstaking task of upgrading and replacing the 60-year-old signalling system on Line 1 that is becoming increasingly unreliable.

On our surface routes, we added supervisors to the 512 St. Clair streetcar and 29 Dufferin bus routes to tackle the long-standing problems of bunching and gapping; this has had good, early success.

We will be even busier in 2015. Effective this month, we began the operation of all-door boarding between 7 a.m. and 7 p.m., seven days a week, on the 504 King streetcar route, the first of many improvements that we want to make to service this year. Many of these improvements are dependent on the outcome of our budget. We have put a lot of effort into making a compelling case to put before Council when the budget comes to be debated.

In the summer, the TTC will need to be at its very best to provide visitors and spectators to the Pan Am/Parapan Am Games with safe, reliable transit.

We still have much work to do before TTC service is as reliable and extensive as it needs to be to serve our growing city. My team and I are determined to continue to improve every aspect of what we do throughout 2015.

Customer journeys (ridership) achieved target; however, the overall year-to-date trend did not enable the 2014 year-end target of 540 million rides to be reached. At this time, it is estimated that year-end ridership will be about 535 million. This constitutes a 2% increase over the 2013 actual of 525 million as opposed to 3% growth as originally projected. Daily ridership now regularly tops 1.8 million, putting ever-increasing strain on the network and reinforcing the need for sustained investment.

Subway punctuality on each of Line 1 (Yonge-University-Spadina) and Line 2 (Bloor-Danforth) decreased slightly and remained below target. Punctuality remained above target on Line 3 (SRT) and Line 4 (Sheppard).

Bus, streetcar, and Wheel-Trans punctuality were each below target and continued to be negatively impacted by extensive construction work across the city.

Employee absence continued to be above target (unfavourable). This trend negates some of the improvements that had been achieved earlier this year. Achieving sustained improvements in employee attendance continues to be a high priority of my management team.

Elevator, escalator, and TVM/PVM availability each continued to be above target.

On the financial side, year-to-date revenues were below budget, primarily due to 4.1 million fewer customer journeys than planned and a lower average fare stemming from higher monthly pass sales. Operating expenses were below budget largely due to lower costs for diesel fuel, hydro, and accident claims, as well as the timing of certain non-labour expenses. Capital expenditures were below budget due to less-than-expected project activity.

Finally, confidence in the safety reputation of the TTC was shaken by a number of tragic incidents at the end of the year and by evidence of Operators running red lights. While statistics show that the TTC remains a very safe way to travel, these incidents have received attention at the highest level within the company. The CEO initiated a comprehensive review of the way the TTC recruits, trains, supervises, and recertifies Operators. A report on the progress of this review will be made to the January 2015 Board meeting.

2.2 – Customer Satisfaction Survey

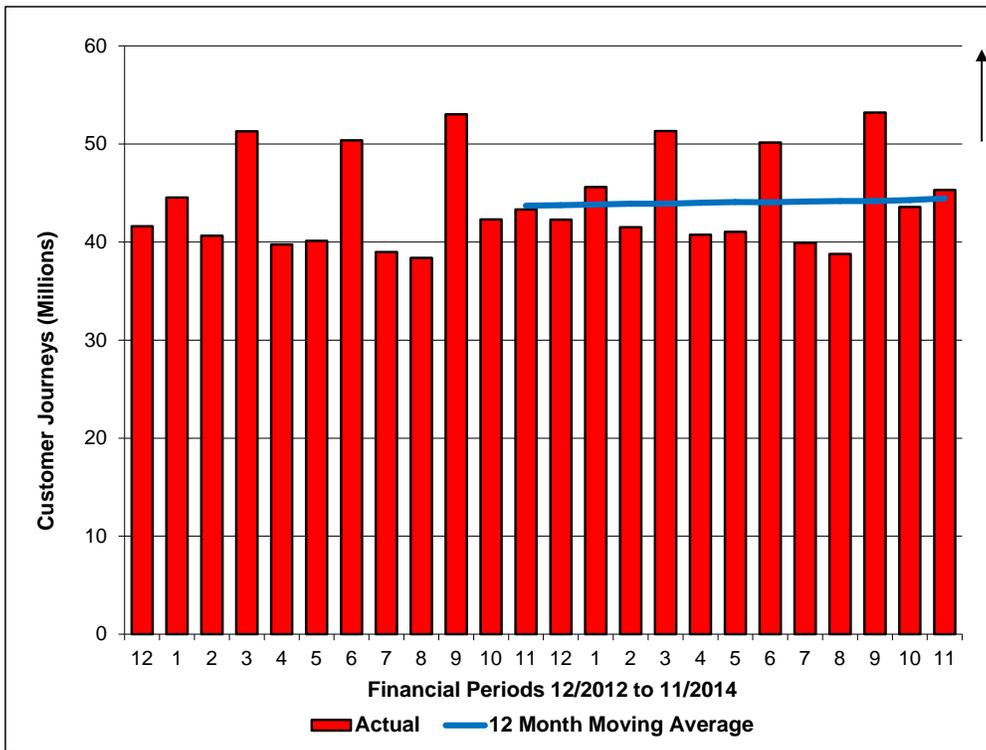
The overall customer satisfaction score in Q3 2014 (74%) was consistent with results observed in the previous quarter (72%) and in the same time period a year ago (75%). Satisfaction with the TTC streetcar service improved significantly and now matches the scores of subway and bus service.

Customers noticed improvements in the following aspects of customer service (Q3 2014 vs. Q3 2013): cleanliness of the subway station, station staff available for help, ease of getting to train platform, cleanliness and freedom from litter inside the subway train, personal safety during the trip (subway), and helpfulness of the streetcar operator.

Perceived value for money continues to be positive, with 91% of respondents providing a score of 'average', 'good', or 'excellent'. Daily riders perceive lower value for money than other TTC customers. The leading customer suggestion for providing better value for money was keeping to the scheduled times.

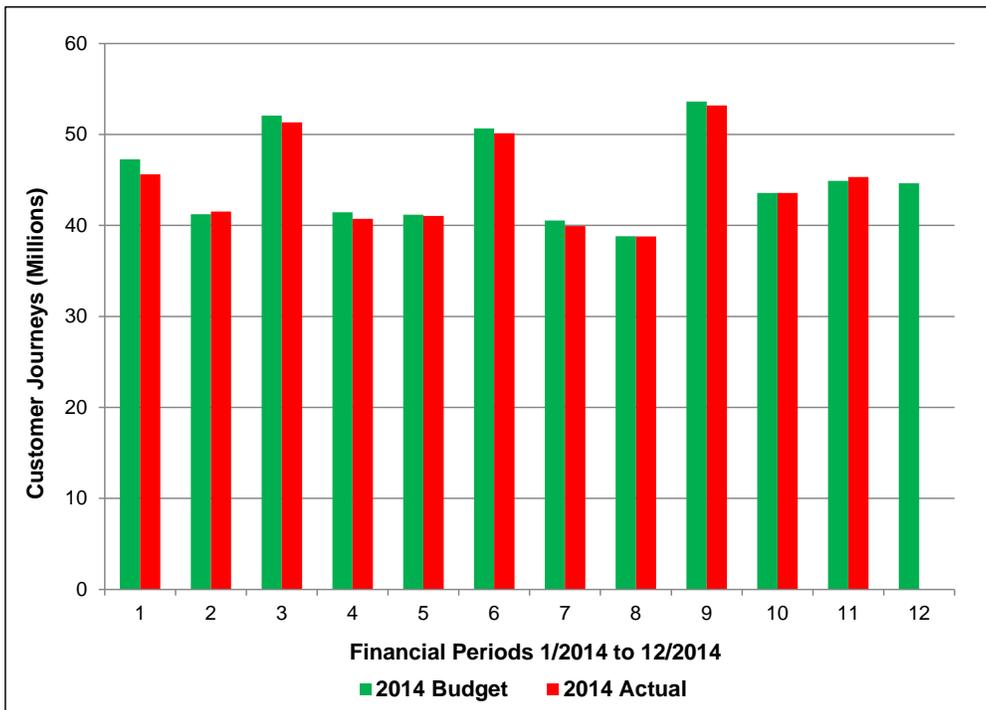
Pride in the TTC and what it means to Toronto is consistent with the historical trend (71%).

2.3 – Customer Journeys



There were 45.322M customer journeys (ridership) taken during Period 11 2014, which was 1.992M (4.6%) more than the 43.330M journeys taken during the comparable period in 2013.

The annual number of customer journeys taken to the end of Period 11 2014 was 533.512M, which was 9.068M (1.7%) more than the 524.444M annual journeys taken to the end of the comparable period in 2013.



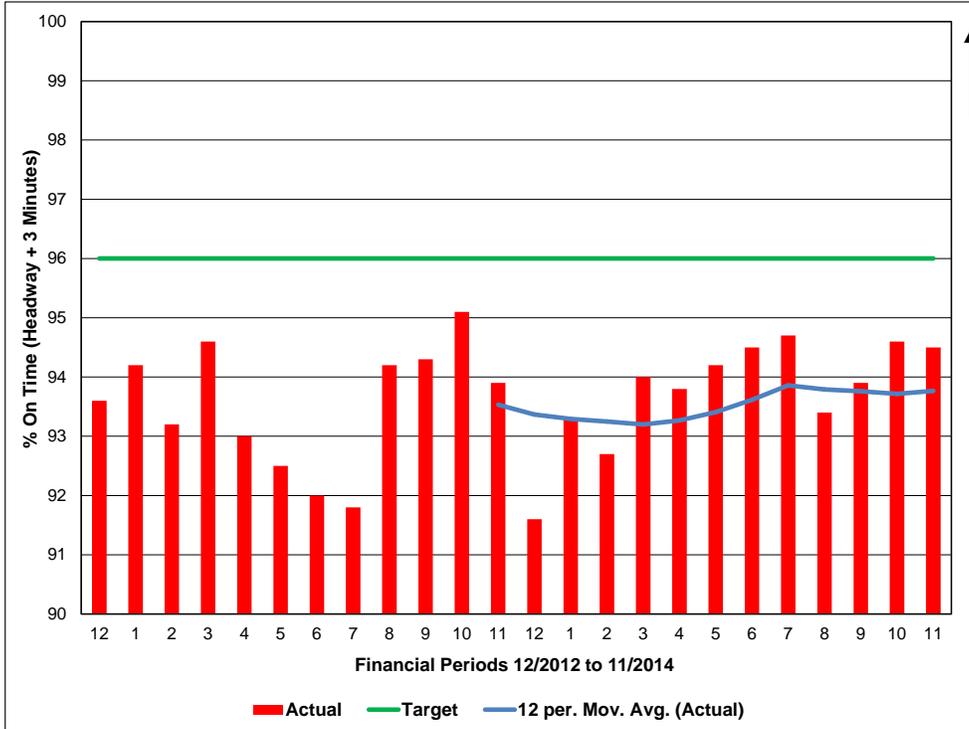
There were 45.322M customer journeys taken during Period 11 2014, which was 0.416M (0.9%) more than the budget of 44.906M journeys.

The number of customer journeys taken year-to-date to the end of Period 11 2014 was 491.219M, which was 4.147M (0.8%) less than the budget of 495.366M journeys.

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

2.4.1 – Subway

Line 1 (Yonge-University-Spadina)

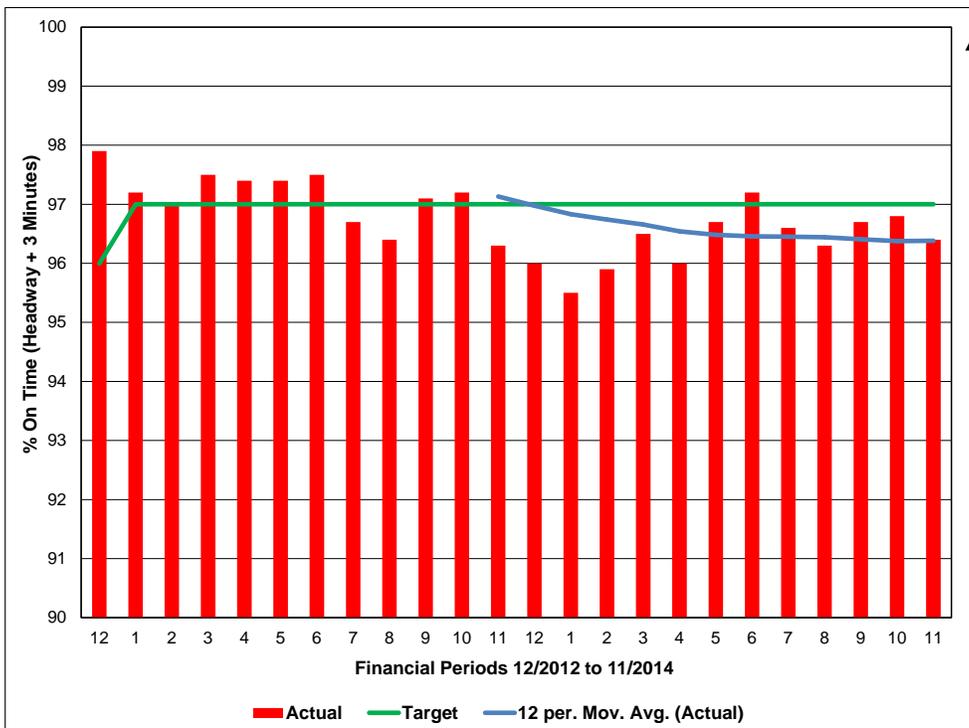


Performance in Period 11 decreased and remained well below target.

This is the second period since the introduction of scheduling improvements, and while this measure has not yet met expectation, several other indicators are improving, including line capacity (trains per hour) and trip time.

While performance in the peak periods is strong, the late evening time period continues to perform poorly; supervisory resources are being allocated to this issue in order to achieve improvements.

Line 2 (Bloor-Danforth)

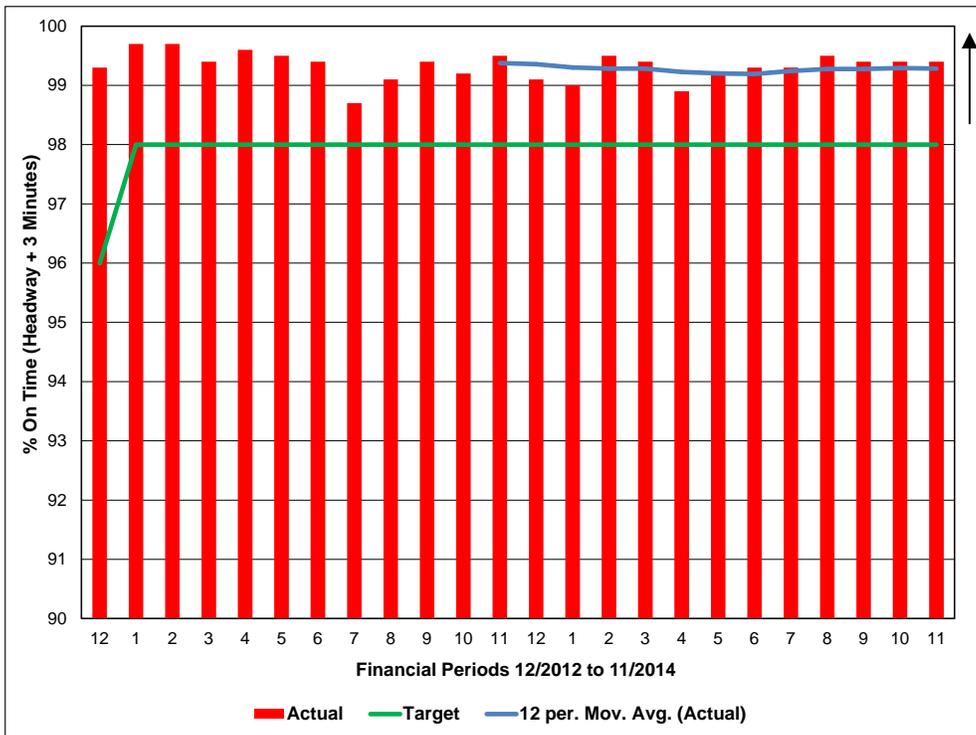


Performance in Period 11 decreased and was below target.

This is the second period since the introduction of scheduling improvements, and while this measure has not yet met expectation, several other indicators are improving, including line capacity (trains per hour) and schedule adherence (late running).

Continued focus is being placed on off-peak service, where performance is typically worse.

Line 4 (Sheppard)

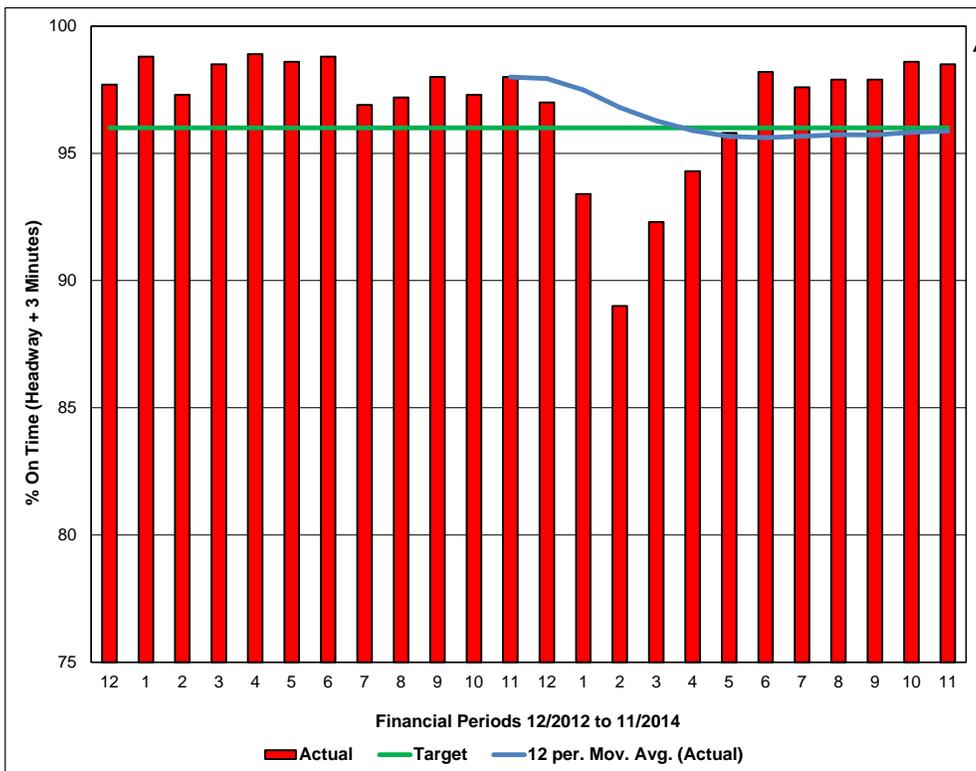


Performance in Period 11 remained well above target.

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.

2.4.2 – SRT

Line 3 (SRT)

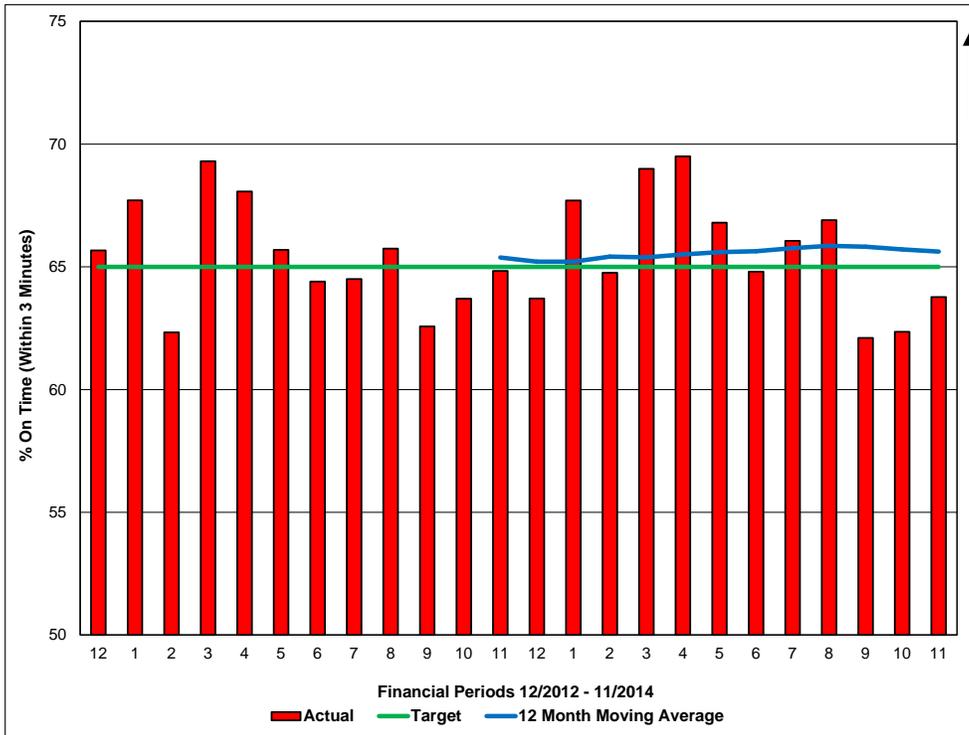


Performance in Period 11 was above target for the sixth consecutive period.

The improved performance is attributable to a below average number of delay incidents, which is having a positive effect on the ability to deliver a high level of headway adherence.

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

2.5.1 – Bus

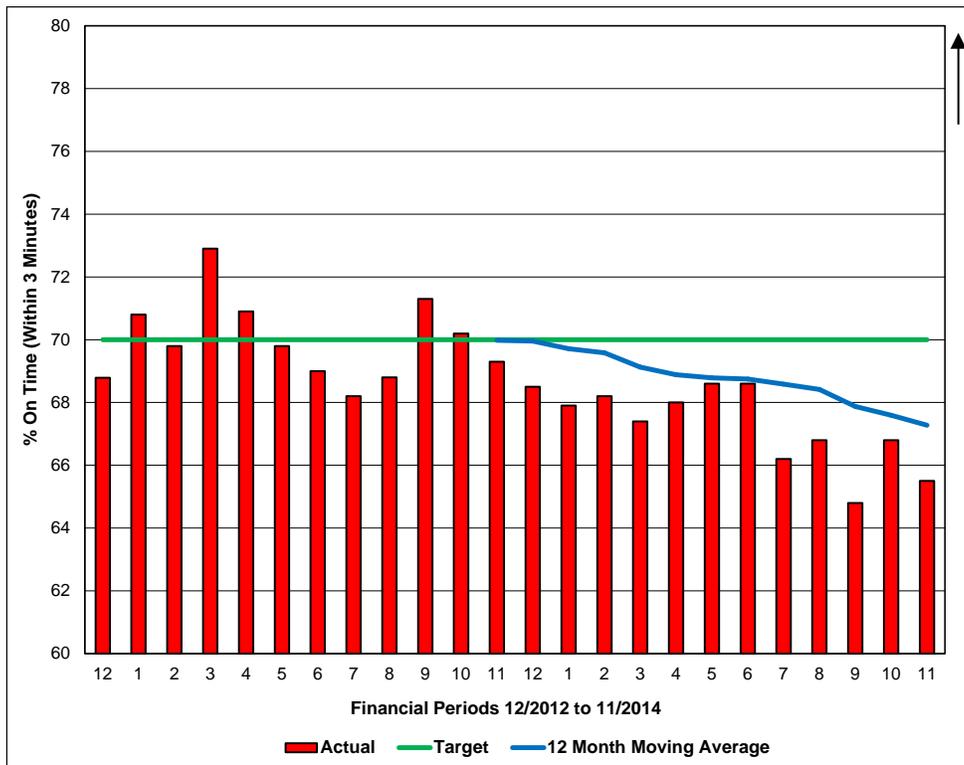


Performance increased in Period 11 but remained below target for the third consecutive period.

Construction on various routes continued to hamper service. As a result, performance improved at a slower rate than expected for this time of year.

A presentation at the February Board meeting will outline the new means of measuring performance of the Bus network.

2.5.2 – Streetcar

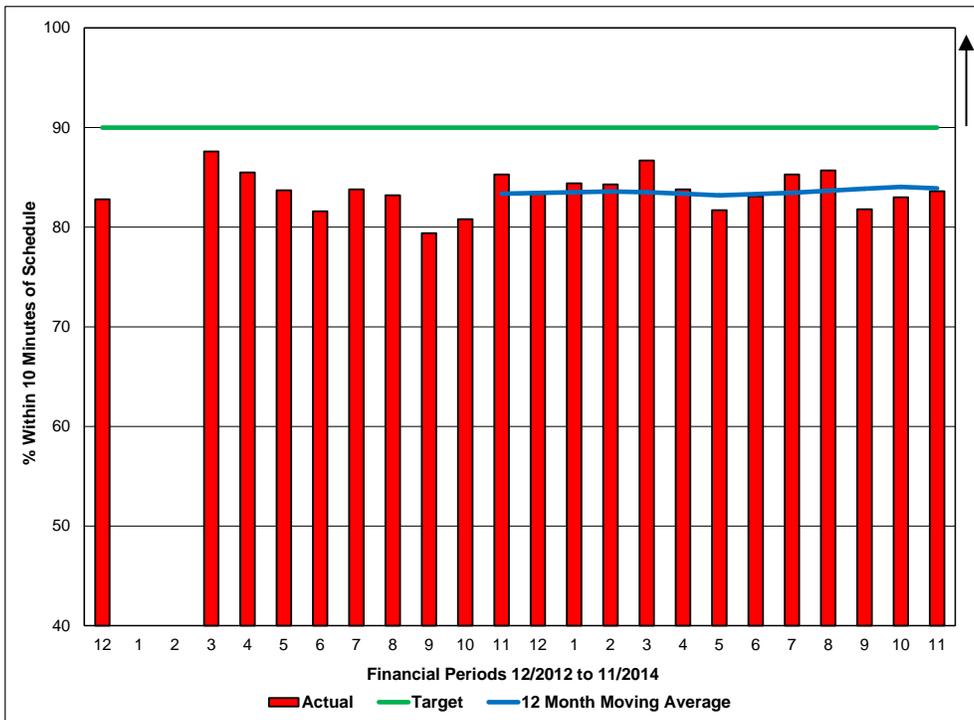


Performance decreased in Period 11 and continued to remain well below target.

Performance is expected to improve in future periods as a result of the near elimination of short turns and reduced gapping/bunching on the 512 St. Clair route and increased running times on the 504 King route.

A presentation at the February Board meeting will outline the new means of measuring performance of the Streetcar network.

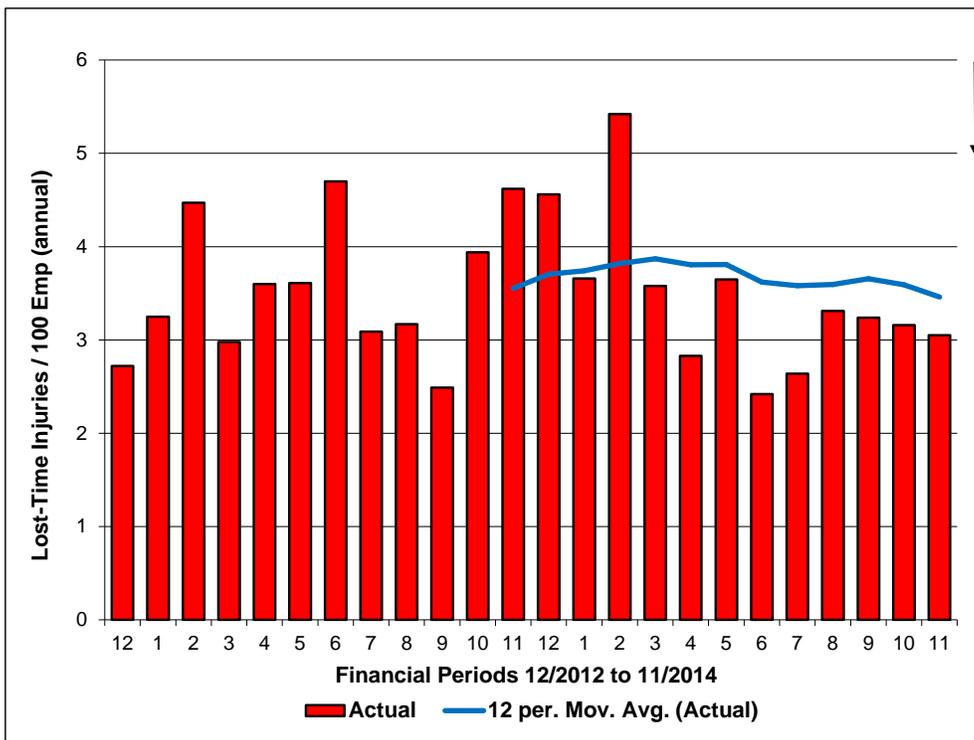
2.5.3 – Wheel-Trans



Performance increased slightly in Period 11 for the second consecutive period but continued to remain below target.

2.6 – Safety and Security

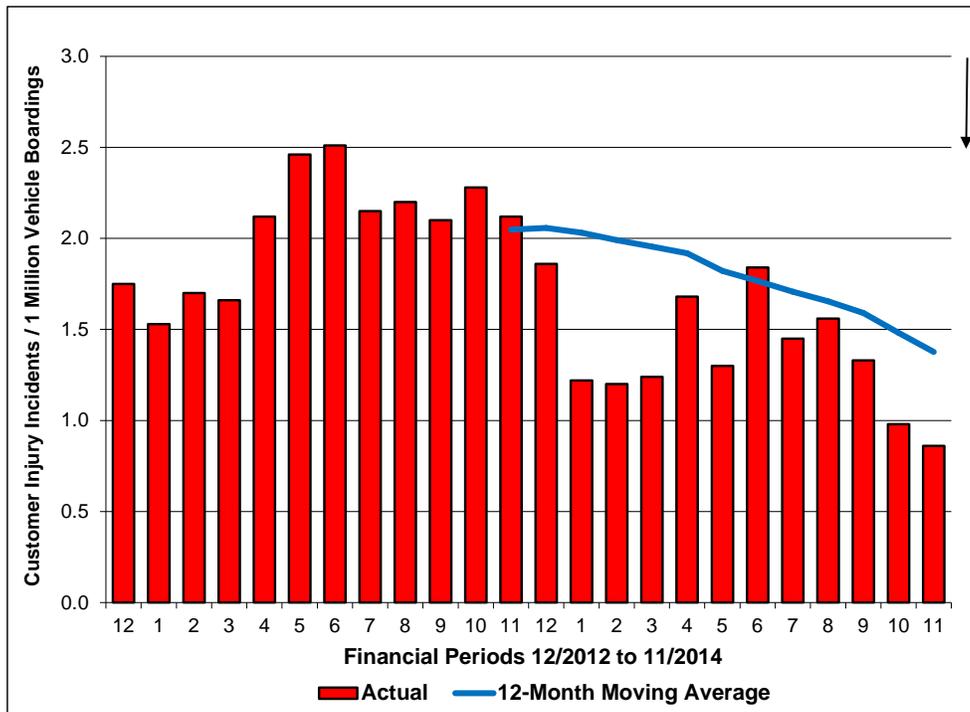
2.6.1 – Lost-Time Injuries (Annual Injuries / 100 Employees)



The annualized lost-time injury rate (LTIR) for Period 11 2014 was 3.05 lost-time injuries per 100 employees, which was 34% lower than the corresponding of 4.62 for Period 11 2013.

The moving annual LTIR to the end of Period 11 2014 was 3.46, which was 3% lower than the corresponding rate of 3.55 to the end of Period 11 2013.

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



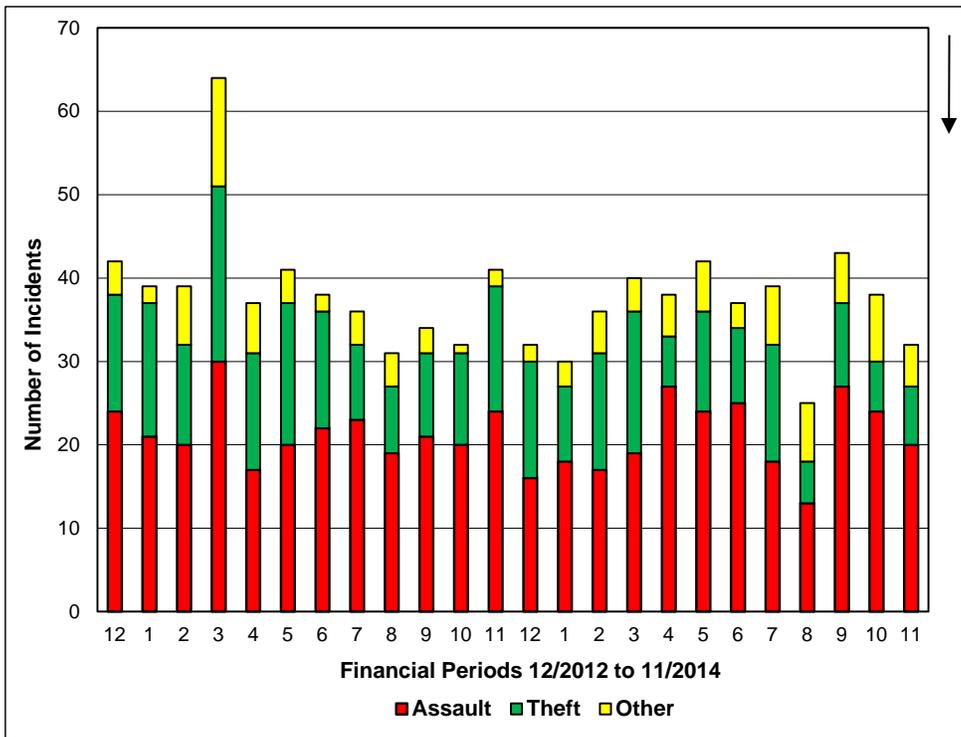
The customer injury incident rate for Period 11 2014 was 0.86 injury incidents per 1 million vehicle boardings, which was 59% lower than the corresponding rate of 2.12 for Period 11 2013.

The moving annual customer injury incident rate to the end of Period 11 2014 was 1.38, which was 33% lower than the corresponding rate of 2.05 to the end of Period 11 2013.

2.6.3 – Behavioural Safety Index

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

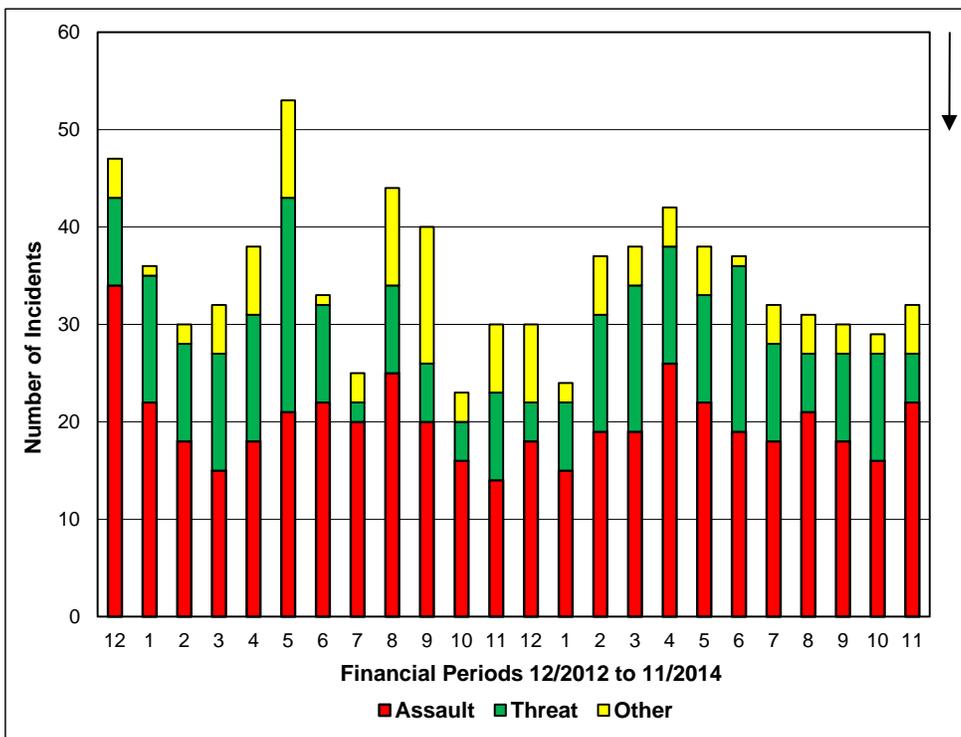
2.6.4 – Offences Against Customers



Total offences against customers decreased in Period 11.

Year-to-date to Period 11, there were 32 fewer offences (400 vs. 432) compared with the corresponding period in 2013. This includes 5 fewer assaults (232 vs. 237), 38 fewer thefts and robberies (109 vs. 147), and 11 more 'other' offences (59 vs. 48).

2.6.5 – Offences Against Staff

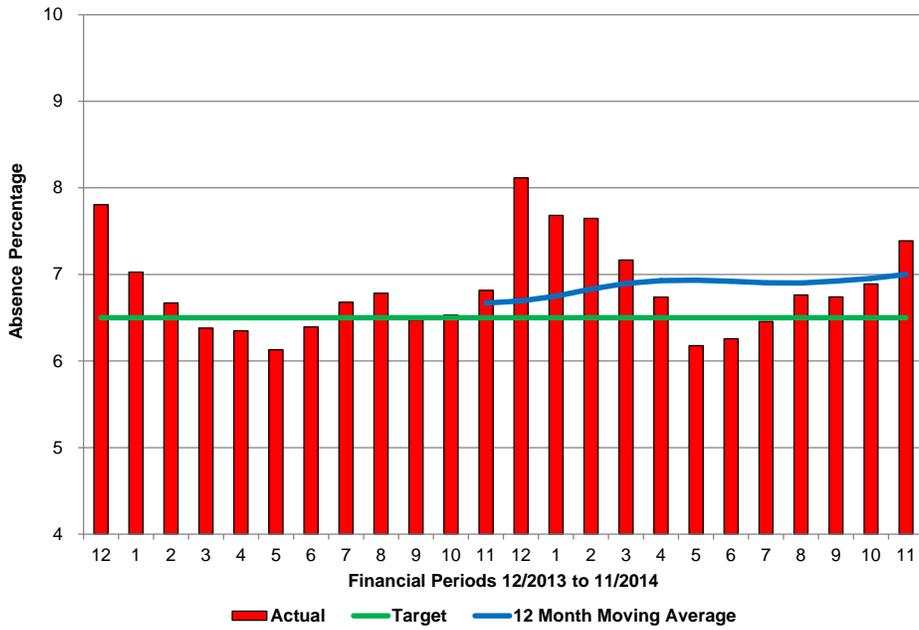


Total offences against staff increased in Period 11.

Year-to-date to Period 11, there were 14 fewer offences (370 vs. 384) compared with the corresponding period in 2013. This includes four more assaults (215 vs. 211), five more threats (115 vs. 110), and 23 fewer 'other' offences (40 vs. 63).

2.7 – People

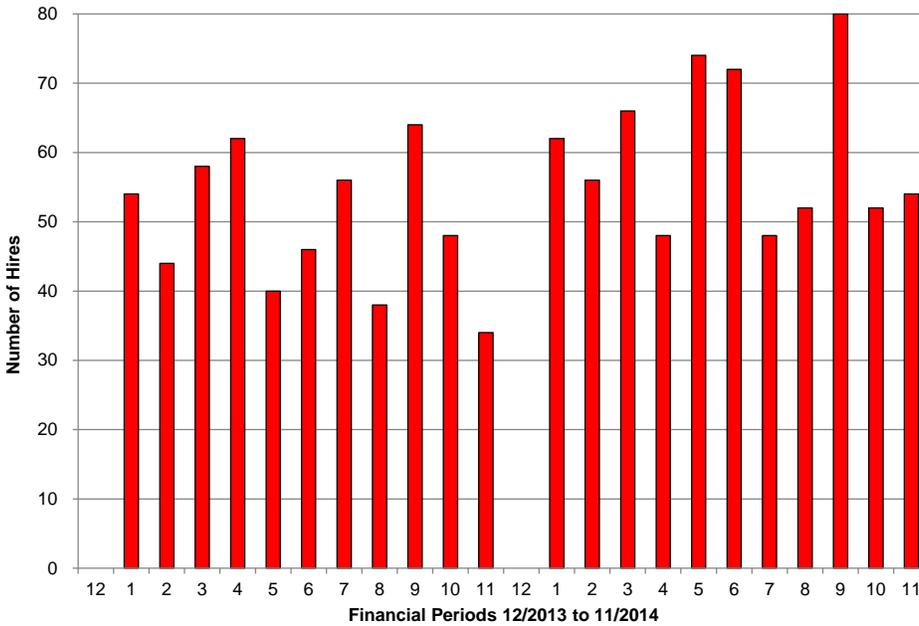
2.7.1 – Attendance



The absence rate increased in Period 11 to the highest level since Period 2 and was above target (unfavourable) for the fourth consecutive period.

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

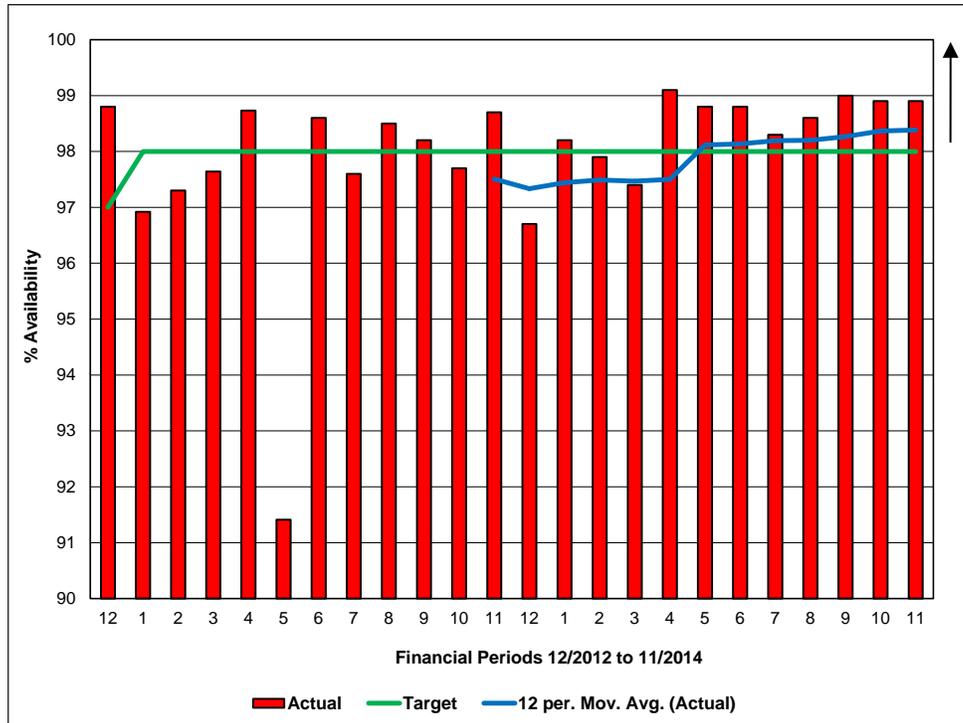
2.7.2 – Operator Hires



In Period 11, 54 Operators were hired and began training.

2.8 – Device Availability

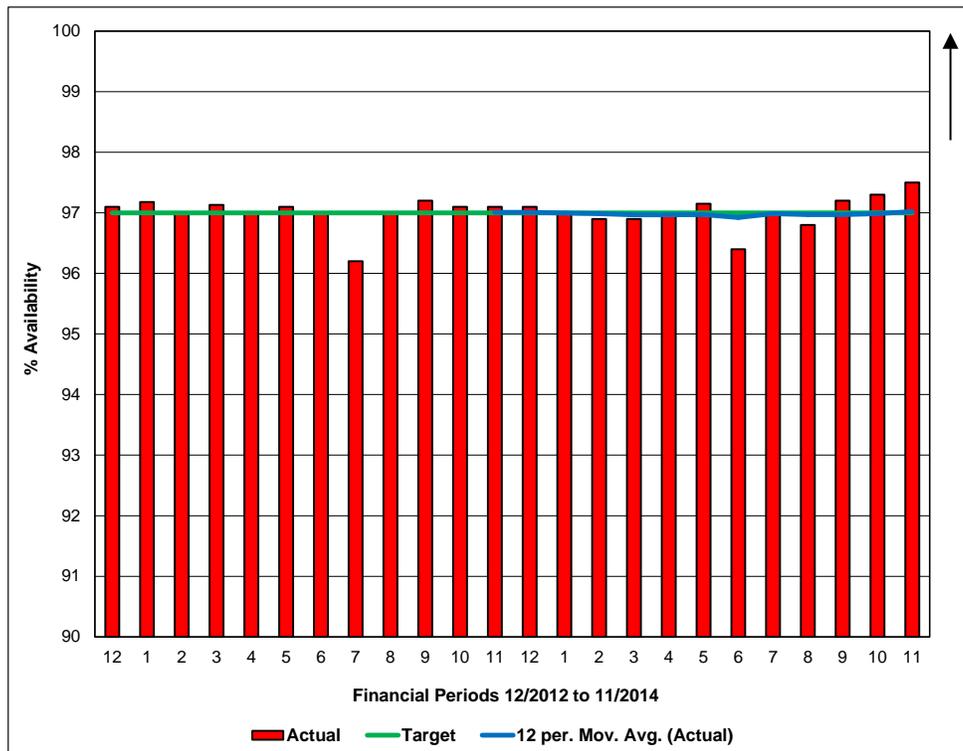
2.8.1 – Elevator Availability



Performance in Period 11 remained above target for the eighth consecutive period.

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

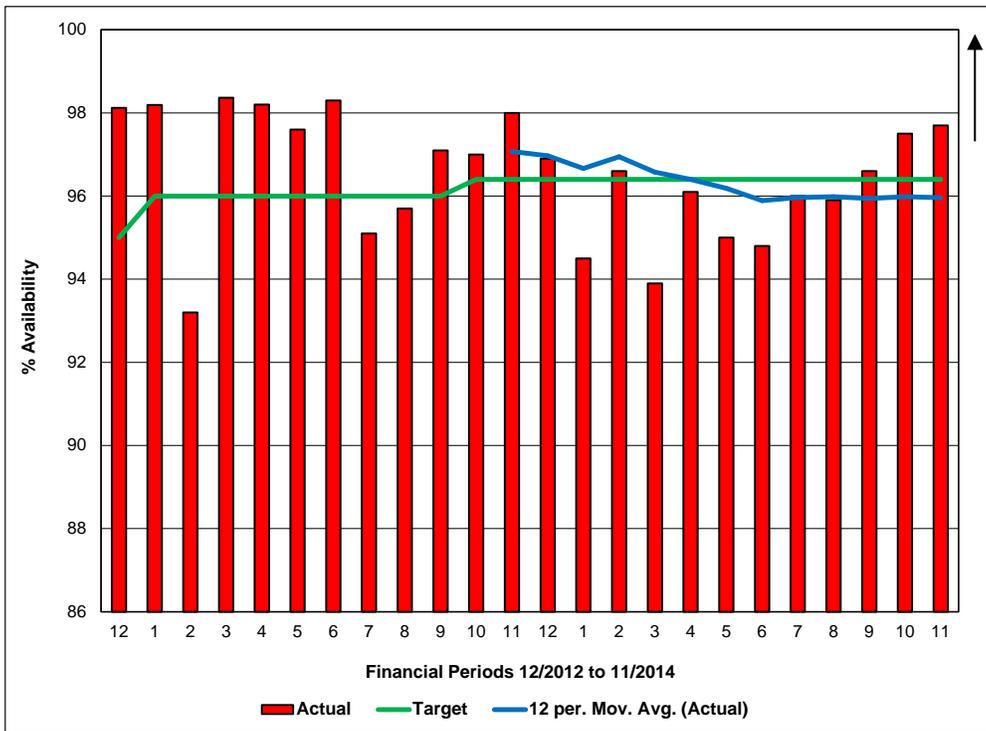
2.8.2 – Escalator Availability



Performance increased in Period 11 and was above target for the third consecutive period.

Maintenance programs are being completed as planned and scheduled, which is contributing to keeping trouble calls to a minimum.

2.8.3 – Fare Purchase Opportunity

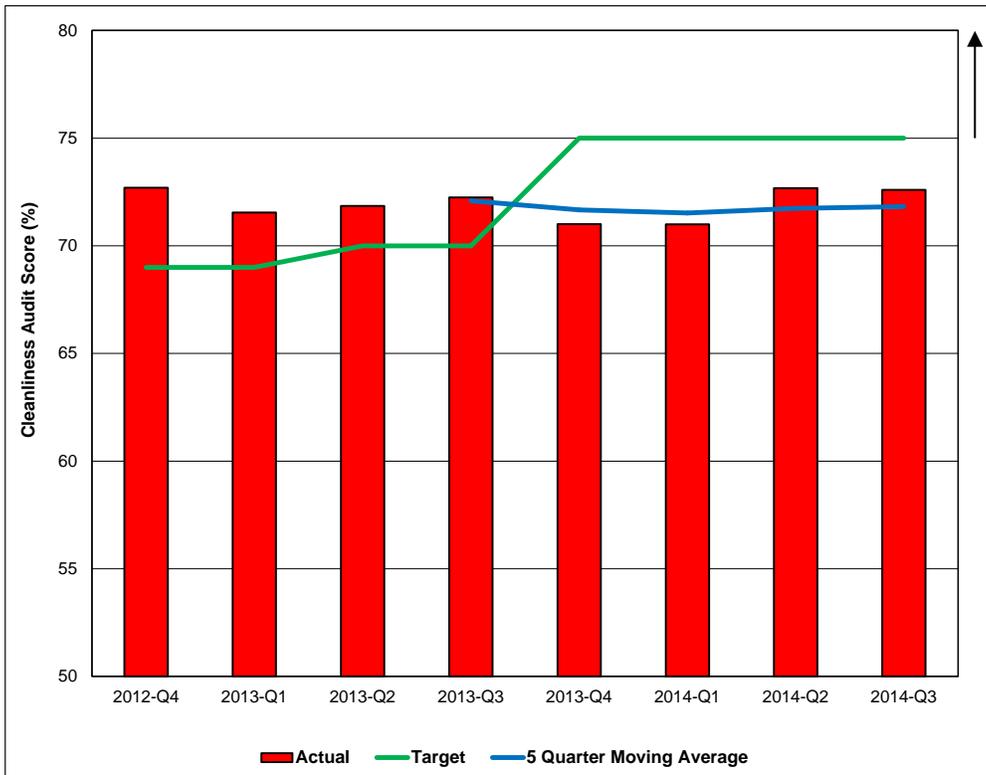


Performance increased in Period 11 and was above target for the third consecutive period.

Pass Vending Machine (PVM) performance exceeded target as a result of successful software upgrades. Work continues on addressing payment device errors and printer failures.

2.9 – Mystery Shopping and Audits

2.9.1 – Station Cleanliness



Performance in Q3 was negligibly lower than in Q2.

The overall target of 75% was not achieved in either Station Services or in Group Station Managers and was due, in part, to workforce shortages resulting from delayed hiring of temporary and student employees. This negatively impacted the ability to completely fill schedules.

2.9.2 – Vehicle Cleanliness

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

2.9.3 – Information MSS

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

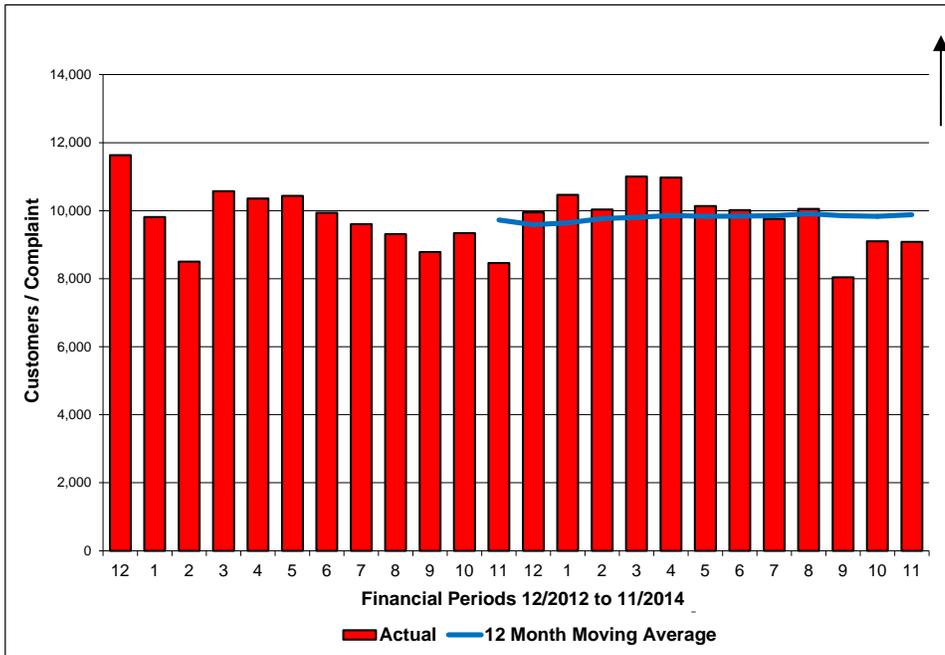
2.9.4 – Staff Helpfulness MSS

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

Part 3 – Customer Measures and Improvement Program Progress

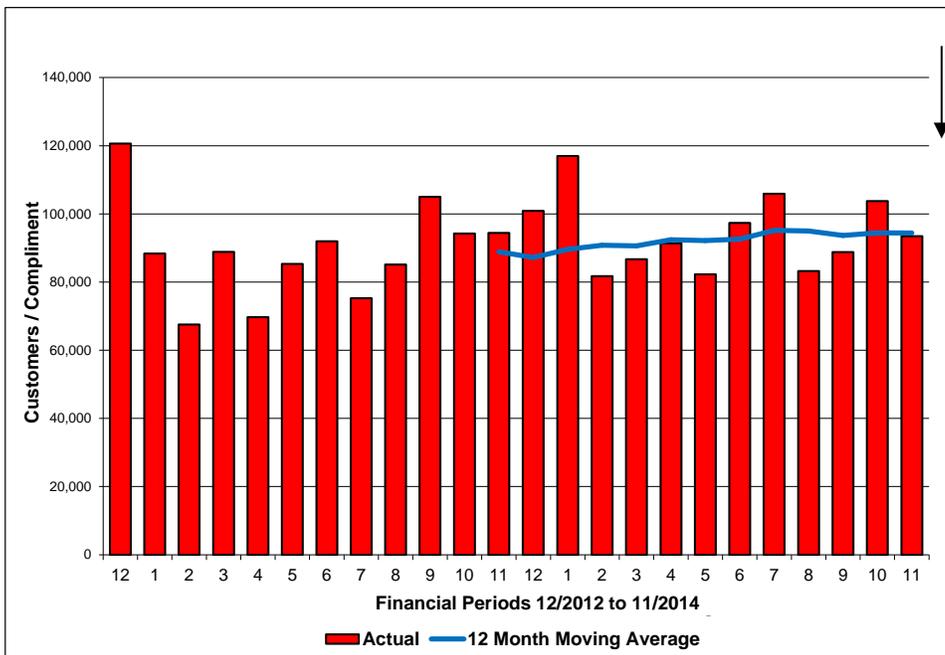
This section provides information on various customer-related issues, including trends for customer complaints and compliments, customer satisfaction improvement initiatives, major closures, and a progress report on the TTC Customer Charter.

3.1 – Customer Complaints



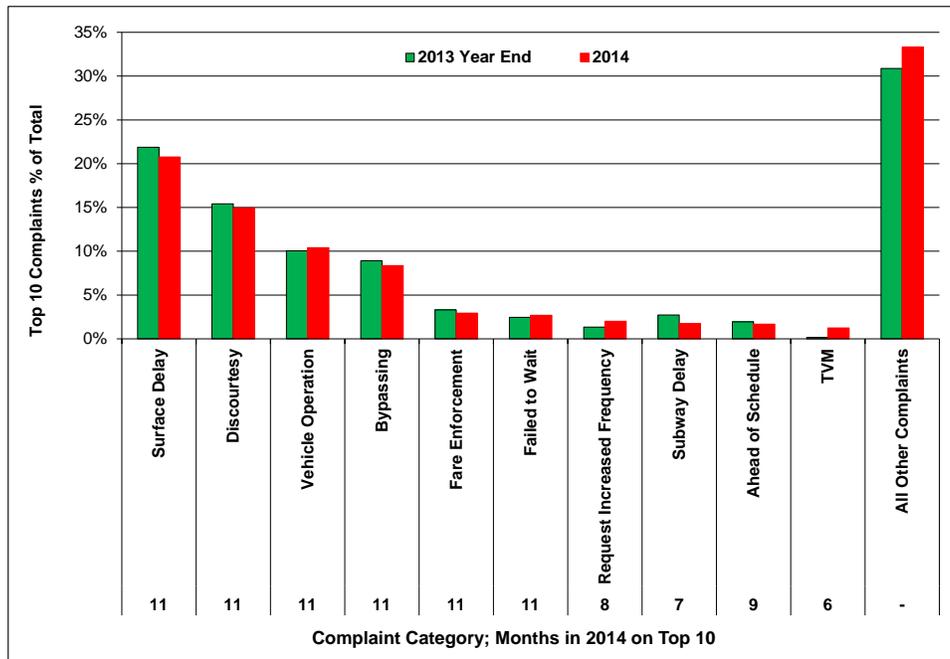
Customers per complaint in Period 11 were consistent with the previous period, trending slightly lower than the 12 month average.

3.2 – Customer Compliments



Customers per compliment improved in Period 11, trending favourably and slightly better than the 12 month average.

3.3 – Top Ten Complaints



Improvements can be seen in Surface Delay, Discourtesy, and Bypassing complaint categories when compared with 2013 year end.

Slight increases are seen in Vehicle Operation, Failed to Wait, and Request Increased Frequency categories.

3.4 – Commentary on Customer Satisfaction Improvement

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

In the fourth quarter, the TTC achieved 10 of 14 Customer Charter commitments for 2014. The ten initiatives included: post two explainer videos online; install another 60 digital custom information displays; Line 1 will be operating the new Toronto Rocket trains exclusively; new streetcars on the 510 Spadina line; establish a special task force to seek long-term capital and operating funding; upgrade speakers in five subway stations; Lawrence West Station easier access project will be near completion and open to our customers; Dufferin Station modernization project will be near completion; wash and replace bulbs on 25 per cent of the platform lighting, and a third of our stations will have had the floors reconditioned to a polished finish.

We were unable deliver the following four commitments: new articulated buses on seven routes, accommodate more Wheel-Trans trips; replace/repair wall tiles at four subway stations, stairs at four subway stations, and floors at nine subway stations; and add PRESTO to three new subway stations and the new streetcars.

New articulated buses were not available on all seven routes as there was a delivery delay from the manufacturer. Five routes are now operating with articulated buses: 7 Bathurst, 29 Dufferin, 36 Finch West, 85 Sheppard East and 53 Steeles East. In early 2015, the 41 Keele bus will operate with articulated buses.

We were unable to accommodate more Wheel-Trans trips as the demand for Wheel Trans service increased and we accommodated approximately 58K more trips than anticipated. As a result, the unaccommodated rate for Q4 was 1.25%.

We met our commitment of repairing stairs at four stations. However, we were unable to repair/ replace wall tiles at three stations due to a materials delivery delay and floors at eight stations to accommodate PRESTO installations.

PRESTO is now available on the new streetcars on the 510 Spadina streetcar line. PRESTO will also be installed on all new streetcars that are put into service over the next few years. PRESTO was also installed at Spadina Station; however, the remaining two stations were not completed.

In November, the TTC announced that free Wi-Fi in the subway is now available at Union, King, Queen, and Dundas Stations. These four stations join St. George, Bay, Bloor-Yonge, Wellesley, and College on the list of Wi-Fi equipped stations.

The TTC launched an information campaign in November aimed at changing how and when customers use emergency alarms in the subway. Of the approximately 2,677 alarm activations in 2014, more than two-thirds were non-emergency, causing more than 48 hours of delays for customers on the subways. As part of the TTC's efforts to reduce the number of non-emergency alarms, customers will begin noticing new "Emergency Alarm" decals accompanying the yellow alarm strips on vehicles as all "Passenger Assistance Alarm" decals are phased out.

On November 20, the TTC hosted its annual Customer Town Hall. Attendees had the opportunity to ask TTC Senior staff questions, make comments, and offer suggestions on how to improve transit in Toronto. A full summary of the Customer Town Hall will be posted on the TTC website in the coming weeks.

The TTC continues to conduct Meet the Managers sessions at subway stations. In 2014, sessions were conducted at the following stations: Union, St. Andrew, St. Clair, Eglinton, Bloor-Yonge, Kipling, Finch, Downsview, Lawrence, Queen, Main, Chester, Runnymede, Osgoode, Don Mills, Scarborough Centre, St. George, Sheppard-Yonge, Bathurst, Dufferin, Spadina, and Lawrence West. In addition, a Meet the Managers session was held at the People in Motion exhibition. Feedback was received from customers on a variety of issues. Meet the Managers will continue to be held at various locations throughout 2015 with the full schedule posted online.

3.5 – Major Closures

Line 1 (Yonge-University-Spadina) - 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.

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-Spadina)	Jan 31/15 – Feb 1/15	Union Station Platform
	Union Stn to St. Andrew Stn	Feb 14/15 – Feb 15/15	Upgrades
		Feb 28/15 – Mar 1/15	

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

3.6 – TTC Customer Charter Quarterly Progress Report

This report defines our Charter commitments and outlines our accomplishments. It describes how and what we did to meet our objectives in each of our key areas.

Fourth Financial Quarter – October 5 to December 31, 2014

Key Area	Our Second Quarter Commitment in 2014	How We Did
Informative	Post two explainer videos online	✓
Informative	Install another 60 digital custom information displays	✓
Renewal	Line 1 (Yonge-University-Spadina) will be operating the new Toronto Rocket trains exclusively	✓
Renewal	New streetcars on the 510 Spadina line	✓
Renewal	New articulated buses on seven routes	✗
Responsive	Establish a special task force to seek long-term capital and operating funding	✓
Responsive	Accommodate more Wheel-Trans trips	✗
Accessible & Modern	Upgrade speakers in five subway stations	✓
Accessible & Modern	Lawrence West Station easier access project will be near completion and open to our customers	✓
Accessible & Modern	Dufferin Station modernization project will be near completion	✓
Accessible & Modern	Replace/repair wall tiles at four subway stations, stairs at four subway stations, and floors at nine subway stations	✗
Accessible & Modern	Add PRESTO to three new subway stations and the new streetcars	✗
Clean	Wash and replace bulbs on 25 per cent of the platform lighting	✓
Clean	A third of our stations will have had the floors reconditioned to a polished finish	✓

Informative

To make your travels on the TTC as comfortable as possible, you need the most clear, accurate and up-to-date service information possible.

✓ *Our commitment: post two explainer videos online*

Each quarter, we will post two videos that will keep you, all TTC customers, and the public up-to-date on activities and operations at the TTC.

How we met our commitment:

In Q4, two videos were produced and published on the TTC's website and official YouTube channel:

- Explainer video in October about Priority Seating.
- Explainer video in November about the Emergency Alarm.

✓ *Our commitment: install another 60 digital custom information displays*

By the end of the fourth quarter, we will help you to better plan your journey by installing another 60 digital custom information displays.

How we met our commitment:

- 64 digital custom information displays were installed in 2014.
- There are now 436 displays throughout the TTC system.

Renewal

To make your ride with us as pleasant as possible, we will provide you with the most modern, up-to-date vehicles possible.

✓ *Our commitment: Line 1 (Yonge-University-Spadina) will be operating the new Toronto Rocket trains exclusively*

By the fourth quarter, more customers will be able to ride Line 1 (Yonge-University-Spadina), where we will be operating the new Toronto Rocket trains exclusively.

How we met our commitment:

- There are now 59 Toronto Rocket trains operating on Line 1.

✓ *Our commitment: new streetcars on the 510 Spadina line*

By year end, we will have new streetcars on the 510 Spadina line. These will include conveniences like PRESTO devices, accessible low floors, entry through all doors, and air-conditioning.

How we met our commitment:

- Three new streetcars are now operating on the 510 Spadina line.
- They are all equipped with PRESTO.

✗ *Our commitment: new articulated buses on seven routes*

By year end, we will have all new articulated buses on seven routes: 7 Bathurst, 29 Dufferin, 36 Finch West, 63 Ossington, 6 Bay, 85 Sheppard East and 53 Steeles East.

Why we did not meet our commitment:

- New articulated buses were not available on all seven routes as there was a delivery delay from the manufacturer.
- Five routes are now operating with articulated buses: 7 Bathurst, 29 Dufferin, 36 Finch West, 85 Sheppard East, and 53 Steeles East.
- In early 2015, the 41 Keele bus will operate with articulated buses.

Responsive

We value the quality and quantity of your time spent with us. We are committed to providing you with an efficient and pleasant travel experience.

✓ *Our commitment: establish a special task force to seek long-term capital and operating funding*

We will establish a special task force made up of the TTC Chair, the TTC CEO, the TTC CFAO, the City Manager, and the City CFO to seek long-term capital and operating funding from senior levels of government, to ensure financial stability for the TTC. The task force will report quarterly on their progress throughout 2014.

How we met our commitment:

- Task Force established.
- Completed presentation material and met with senior provincial staff.
- Met with MPs in Ottawa as part of the CUTA transit advocacy days.

Update: the Mayor has indicated that, going forward, his office will lead on the challenge to find new funding arrangements.

✗ Our commitment: accommodate more Wheel-Trans trips

By year end, we will have accommodated more Wheel-Trans trips and will have only had to turn away less than 1%.

Why we did not meet our commitment:

- In the fourth quarter, the demand for Wheel-Trans service increased and we accommodated approximately 58K more trips than anticipated. As a result, the unaccommodated rate for Q4 was 1.25%.

Accessible and Modern

We know much of the time you spend with us is within our stations. Making our stations better able to meet our customers' needs is important to us. We will modernize and make upgrades to our stations to ensure all of our customers are comfortable using them.

✓ Our commitment: upgrade speakers in five subway stations

Every quarter, we will upgrade speakers in five subway stations – this will make public address announcements much easier to hear and understand.

How we met our commitment:

- We upgraded speakers in five subway stations in Q4.
- In 2014, we upgraded speakers at 20 subway stations: Broadview, Donlands, King, Osgoode, St. Patrick, Chester, Davisville, Dupont, Eglinton West, Finch, Greenwood, Islington, Jane, Kipling, Museum, Queen, St. Andrew, Summerhill, Victoria Park, and York Mills.

✓ Our commitment: Lawrence West Station easier access project will be near completion and open to our customers

In the fourth quarter, the Lawrence West Station easier access project will be near completion and open to our customers. These upgrades include new elevators from street/bus level to subway platform, accessible fare gate, and four automatic sliding doors to make entering the station easier.

How we met our commitment:

On December 19, Lawrence West Station became the TTC's 34th subway station to become accessible. Some of the new features include:

- Elevators that operate from the street/bus level to subway platforms.
- Accessible fare gate and sliding doors, security cameras and intercoms.
- Work that could not be done until after the opening of the new elevator and removal of the temporary stairs is expected to be complete in spring 2015.

✓ Our commitment: Dufferin Station modernization project will be near completion

In the fourth quarter, the Dufferin Station modernization project will be near completion. This will make the station fully accessible with new elevators, accessible fare gates, sliding doors, tactile surfaces, and granite-edged stairs. It will have second exits from the station platforms to street level, an expanded enclosed bus waiting area, new lighting, and improved station signage. Customers will also see new wall finishes featuring public art and improved streetscaping and landscaping.

How we met our commitment:

In November, the Dufferin Station modernization project was completed, making the station the 33rd TTC subway station to be fully accessible. Some of the new features include:

- Elevators that operate from the street/bus level to subway platforms, an accessible fare gate and automatic sliding doors.

- Expansion of the station building and indoor waiting area, second exits from both platforms, a new laneway entrance on the west side, a new staircase, modern wall, ceiling, floor and stair finishes, new windows for more natural light, bicycle parking, canopies over the sidewalks, a green roof and new public art.

✗ Our commitment: Replace/repair wall tiles at four subway stations, stairs at four subway stations, and floors at nine subway stations

By the fourth quarter, we will replace/repair wall tiles at four subway stations, stairs at four subway stations, and floors at nine subway stations.

Why we did not meet our commitment:

- Wall tiles: three of four stations completed - Finch, Runnymede, and Spadina. York Mills was started in mid-December and is expected to be completed by mid-February 2015 due to a delay in materials delivery.
- Stairs: four stations completed - Sheppard, Bathurst, York Mills, and Kennedy.
- Floors: eight of nine stations completed - Main, York Mills, Greenwood, Finch, Broadview, Summer Hill, Christie, and St. Clair West. St. Andrew will be completed in 2015 to accommodate PRESTO installations.

✗ Our commitment: Add PRESTO to three new subway stations and the new streetcars

By year end, we will add PRESTO to three new subway stations and equip all of our new streetcars with PRESTO equipment.

Why we did not meet our commitment:

- PRESTO is now available on the new streetcars on the 510 Spadina line. PRESTO will also be installed on all new streetcars that are put into service over the next few years.
- PRESTO was also installed at Spadina Station; however, the remaining two stations were not completed. Design resources were assigned to work on the new faregate design, therefore, installation of the PRESTO devices at these two stations is now scheduled for Spring 2015.

Clean

We understand how important clean vehicles, stations, and station facilities are to our customers. And it's something we take seriously. We will ensure all TTC stations and vehicles are clean; improving our appearance to ensure the TTC is a transit system that makes Toronto proud.

✓ Our commitment: wash and replace bulbs on 25 per cent of the platform lighting

Each quarter, 25% of the platform lighting will be washed and the bulbs replaced. All stations will be completed by year-end, ensuring you are always visiting a well-lit and safe platform. By the end of the year, 70% of all station mezzanines and entrances will also have their lights washed and bulbs replaced.

How we met our commitment:

- In Q4, we washed and replaced bulbs on 25% of the platform lighting.
- 70% of all station mezzanines, bus bays, and entrances were completed in 2014.

✓ Our commitment: one-third of our stations will have had the floors reconditioned to a polished finish

By year-end, a further one-third of our stations will have had the floors reconditioned to a polished finish.

How we met our commitment:

- We reconditioned one-third of our station's terrazzo floors in 2014.
- We have also reconditioned the terrazzo baseboards in these stations to complement the floors.

Part 4 – Financial Commentary

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

4.1 – TTC Operating Budget

2014 Year-to-Date Results

To the end of Period 11 (November 29), total revenues were \$9.4 million (0.9%) below budget primarily due to 4.1 million (0.8%) fewer customer journeys than planned and a slightly lower average fare (0.55¢ or 0.3%) stemming from marginally higher monthly pass sales. Over the same time period, expenses were \$30.4 million (2.1%) below budget largely due to lower than anticipated diesel fuel, hydro and accident claims costs to date.

2014 Year-End Projections

The preparation of year-end projections for 2014 is in progress. Final results will be included in the Chief Executive Officer's Report for March 2015.

4.2 - Wheel-Trans Operating Budget

2014 Year-to-Date Results

To the end of Period 11 (November 29), total revenues were marginally (\$20K or 0.4%) above budget. This reflects increased revenue from 41K (1.4%) additional customer journeys partially offset by a lower average fare (\$0.02 or 1%). Over the same period, expenses were \$2.9 million (2.8%) below budget primarily due to reduced diesel fuel requirements as fewer than anticipated bus trips were provided and prices were lower than anticipated, and workforce gapping savings.

2014 Year-End Projections

The preparation of year-end projections for 2014 is in progress. Final results will be included in the Chief Executive Officer's Report for March 2015.

4.3 - Capital Program

2014 Year-to-Date Results

To the end of Period 11 (November 29), the Base Capital Program was under-spent by \$250.9 million (\$722.5M actual vs. \$973.4M budget) and the TYSSE Program was underspent by \$243.6 million (\$246.7M actual vs. \$490.3M budget). Capital expenditures to Period 11 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.

2014 Year-End Projections

The preparation of year-end projections for 2014 is in progress. Final results will be included in the Chief Executive Officer's Report for March 2015.

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 expansion
- Track additions (storage tracks, ladder tracks and run-around tracks)
- Signal system upgrades
- Substation addition
- T&S building renovation

Davisville Yard:

- Carhouse expansion
- Consolidation of T&S 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
- T&S building renovation

The Toronto Rocket fleet will consist of 80 trainsets (TS). To date, 59 Toronto Rocket trainsets have been accepted for revenue service, as follows:

- 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 (TS-60 received & pending for final acceptance)
- Option 1(A) – TYSSE Support (10 total) : TS-61 through TS-70 (to be completed by mid-2015)
- Option 1(C) – Support for ATC/Forecast Growth (10 total): TS-71 through TS-80 (to be completed by end-2015)

Now that the Unifor labour strike in Bombardier's Thunder Bay plant that started on July 14, 2014 was resolved on September 12, 2014, a revised delivery schedule has been established to ensure the production quality is retained after the vehicle build was fully resumed on October 2014.

Retrofit work for trains that missed the ATO-readiness cut-in date in the Thunder Bay production line was completed in May 2014. All TR trains on property are now ATO-ready. During a dynamic test in the mainline on the last week of September, the testing train was successfully operated under the full automatic mode in between the stations.

A reliability improvement plan comprising 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, an additional bungee cord for the inter-car barrier and the blue priority seating has been established. Production prototypes have been completed. Key train performance indicators and reliability are improving.

5.2 Streetcar Program and Maintenance & Storage Facility

Streetcar Procurement and Implementation

There are currently three (3) TTC owned revenue service LFLRVs operating well on the 510 Spadina line.

Transfer of technology and manufacturing from Europe to North America, including Mexico, has led to quality, design and process issues that have caused significant delays in new car shipments from the Carbuilder. Delay impacts have led to layoffs in the Bombardier Thunder Bay plant due to part shortages from Mexico and from external suppliers.

TTC continue to work with Bombardier to expedite deliveries while ensuring that all quality and safety objectives are met. Shipment of the next car (4405) from Thunder Bay is anticipated before the end of January, 2015, with commissioning and entry into service occurring before the end of February, 2015. The fifth revenue service car (4406) is anticipated to ship before the end of February, 2015 with commissioning and entry into service expected before the end of March, 2015. Production in Thunder Bay is currently impacted beyond car 4406 due to the supply chain issues.

TTC is anticipating a detailed schedule commitment from Bombardier before the end of February, 2015. Bombardier has stated through the media that it remains committed to delivering all 204 vehicles of the base LFLRV contract order to the TTC before the end of 2019.

Leslie Barns Streetcar Maintenance & Storage Facility Project

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

1. Soil Removal and Capping

The site preparation contract was completed in January 2012.

2. Hydro One Cable Relocation

The contract was completed in July 2013.

3. Leslie Barns Maintenance and Storage Facility

This contract consists of the construction of the maintenance facility and storage yard on the site. The contract was awarded on April 12, 2012. The contract was initially expected to be completed in June 2014; however, construction delays have resulted in expected completion in 2015. TTC will have occupancy of the facility in June 2015 and completion of the contract is expected by Q4 2015.

4. Leslie Street Connection Track

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

The landscape enhancements will be completed by the end of 2015 as part of the Leslie Street Connection Track Contract.

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

The Construction Liaison Group (CLG), comprised of local businesses and residents, school representatives and local councilors, meets on a monthly basis to address construction issues for residents and businesses. The last meeting was held on December 4, 2014 and the next meeting is scheduled for early February 2015. Safety walks to identify specific concerns to cyclists and pedestrians are planned after every new construction stage and as required. The latest safety walk was held on October 6, 2014 and the next walk will be arranged for January 2015.

The Leslie Twitter page and project website are being used on a regular basis to provide construction updates and to promote local business. Additional initiatives to help promote the Leslieville BIA include advertising of events on the Leslie Barns website, promotional signage, and incorporating the BIA benches into the streetscape design on Queen Street. The Community Liaisons have continued their outreach efforts by continuing to hold one-on-one meetings with local businesses and residents and respond to emails, phone calls and walk-in questions and concerns from the community. The next issue of the project newsletter is scheduled for the first quarter of 2015.

5.3 Station Enhancements

Union Station

The new second platform, south concourse fareline/collectors booths and moat doors were opened to the public on August 18, 2014. The existing centre platform and concourse above is undergoing a full structural rehabilitation and finishing to match the new platform. Monthly stakeholder meetings are held to keep adjacent businesses and agencies informed. The project is on schedule for completion in advance of the Pan Am/ParaPan Am games.

Dufferin Station

The second exits on Russett Avenue were opened to the public on August 28, 2013. The newly enlarged west entrance was opened to the public on December 23, 2013. The east side entrance to Dufferin Station was reopened to customers on April 5, 2014. The modernized, accessible station was opened to the public on November 24, 2014.

Easier Access

The elevators at St. Andrew, Pape, and Dufferin Stations were opened for service on June 20, 2012, October 31, 2013, and November 24, 2014, respectively. The elevator at Lawrence West Station was opened to the public on December 17, 2014. Work to make stations accessible is on-going at Woodbine, St. Clair West, Ossington and Coxwell Stations.

5.4 Automatic Train Control Project (ATC)

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

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

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

Communication Based Train Control system (CBTC) for Line 1 and TYSSE is scheduled to be in revenue service across the entire line by 2020.

The commissioning of the Interlocking (a computer-based auxiliary wayside system responsible for safety) at Union Station scheduled for October 11, 2014 has been postponed indefinitely as a result of design deficiencies from the supplier. This has negatively impacted the spending for 2014, along with causing TTC to delay implementing a second Construction team and relevant associated project activities. While the design deficiencies are under review, the existing resources have been redirected to non-ATC related SOGR work on the Yonge line, targeting signaling infrastructure that is beginning to impact subway system reliability. The intent of a moving forward plan that addresses the design deficiencies, must maintain the planned completion date of 2020 for ATC operation. An update will be provided to the Board in January 2015.

5.5 Toronto-York Spadina Subway Extension Project (TYSSE)

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

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

A peer review was conducted by an APTA panel in late 2014 largely to assess schedule and budget challenges. A report is expected at the end of January related to schedule and budget challenges and will make recommendations to mitigate these challenges.

Bechtel Ltd., a consulting firm, was also retained at the CEO's specific direction to conduct a thorough in depth analysis of the project and likewise is expected to present its findings at the end of January.

Design of the various Systems components is complete or well underway. On-site delivery of some Systems equipment has started.

5.6 PRESTO / TTC Farecard Project

The legal agreement for implementing PRESTO at the TTC has been completed. The agreement includes a commitment to develop a detailed project schedule for the overall project through to final implementation and operation and will consist of two major phases: Phase 1 and Phase 2. Discussions between Metrolinx and TTC continue towards developing an overall schedule for Phase 2 and the full implementation of PRESTO at the TTC.

The initial Phase 1 PRESTO devices were launched into service November 30, 2014. The on-board PRESTO devices 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 installation of the off-board PRESTO equipment along the 510-Spadina route has commenced and will be completed in January 2015

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 (e.g. purchasing a PRESTO card; loading value onto the PRESTO card).

The overall Phase 1 scope includes fare payment functionality on-board the first 50 Low-Floor-Light-Rail-Vehicles (new streetcars) and off-board at select streetcar transit stops for the 510 Spadina, 511 Bathurst, 505 Dundas, and 509 Harbourfront routes. The Phase 1 scope also includes the replacement of the current PRESTO equipment at 14 stations currently equipped with PRESTO fare payment equipment while adding PRESTO equipment to 12 additional subway stations. In October 2014, PRESTO readers were located at Spadina station bringing to 15 stations the total number of stations with PRESTO devices.

Field studies to determine whether sufficient power is available at TTC subway stations to support PRESTO equipment are now completed. The design of the required electrical upgrades at subway stations has been completed for 45 subway stations and the electrical construction work to upgrade the power configuration has been completed at 29 stations. In addition, Museum Station was selected as the initial test station to validate the timelines and process for installing the PRESTO power and communications infrastructure. This work is now complete for Museum Station and Spadina Station. The next stations to undergo work on installing PRESTO power and communications infrastructure include Bathurst, Queens Park, Yonge/Bloor, Dundas West, and Broadview.