



STAFF REPORT INFORMATION ONLY

Chief Executive Officer's Report – November 2015 Update

Date:	November 23, 2015
To:	TTC Board
From:	Chief Executive Officer

Summary

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

Financial Summary

There are no financial impacts associated with this report.

Accessibility/Equity Matters

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

Decision History

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

Issue Background

The Chief Executive Officer's Report presents the organization's KPIs in a performance "dashboard" format that enables the reader to view periodic performance in each area at-a-glance. Targets for each KPI are provided although some are yet to be finalized. In addition, a "traffic light" indicates whether the organization is ahead of target (green), at risk (yellow) or below target (red) for the KPI in question and the trend arrows show whether performance is trending up or down.

In the balance of the report, detailed comments are provided highlighting and explaining issues concerning each of the KPIs as well as other corporate initiatives.

Contact

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Attachment

Chief Executive Officer's Report – November 2015 Update



TORONTO TRANSIT COMMISSION

CHIEF EXECUTIVE OFFICER'S REPORT

NOVEMBER 2015 UPDATE



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TORONTO TRANSIT COMMISSION – MONTHLY SCORECARD



Key Performance Indicator		Description	Frequency	Latest Measure	Current	Target	Current Status	Trend	Ref. #
CSS		Customer Satisfaction Survey	Quarter	Q3	81%	TBD			2.2
Customer Journeys		Customer Trips	Period	P9	52.277M	53.352M			2.3
Punctuality – Subway									
Line 1 (Yonge-University)	Headway + 3 minutes	Period	P9	95.5%	96.0%			2.4.1	
Line 2 (Bloor-Danforth)	Headway + 3 minutes	Period	P9	97.4%	97.0%			2.4.2	
Line 3 (Scarborough)	Headway + 3 minutes	Period	P9	96.2%	96.0%			2.4.3	
Line 4 (Sheppard)	Headway + 3 minutes	Period	P9	99.4%	98.0%			2.4.4	
Punctuality – Bus, Streetcar, and Wheel-Trans									
Bus	Headway +/- 3 minutes	Period	P9	59.6%	65.0%			2.5.1	
Streetcar	Headway +/- 3 minutes	Period	P9	63.8%	70.0%			2.5.2	
Wheel-Trans	Within 10 minutes of schedule	Period	P9	84.0%	90.0%			2.5.3	
Safety and Security									
Lost Time Injuries	Injuries / 100 Employees	Period	P9	2.81	TBD			2.6.1	
Customer Injuries	Injury incidents / 1M Vehicle Boardings	Period	P9	1.49	NA			2.6.2	
Offences against Customers	Assault, theft, other	Period	P9	54	NA			2.6.3	
Offences against Staff	Assault, threat, other	Period	P9	46	NA			2.6.4	
People									
Attendance	Employee Absence	Period	P9	6.83%	< 6.50%			2.7.1	
Operator Hires	Actual vs. Budget	Period	P9	60	60			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	P9	99.1%	98.0%			2.8.1	
Escalators	% Escalators Available	Period	P9	97.0%	97.0%			2.8.2	
Fare Purchase Opportunity	% TVM's / PVM's Available	Period	P9	96.9%	96.4%			2.8.3	
Mystery Shopping and Audits									
Station Cleanliness	Cleanliness Audit Score	Quarter	Q3	77.0%	75.0%			2.9.1	
Vehicle Cleanliness	Cleanliness Audit Score	Quarter	TBD					2.9.2	
Information MSS	Customer Announcements Score	Quarter	TBD					2.9.3	
Staff Helpfulness MSS	Welcoming Staff Score	Quarter	TBD					2.9.4	
Financials									
TTC Revenue	Actual vs. Budget	Period	P1-9	\$886.2M	\$904.7M			4.1	
TTC Operating Expenditure	Actual vs. Budget	Period	P1-9	\$1242.8M	\$1259.2M			4.1	
Wheel-Trans Revenue	Actual vs. Budget	Period	P1-9	\$4.8M	\$4.7M			4.2	
W-T Operating Expenditure	Actual vs. Budget	Period	P1-9	\$88.0M	\$87.7M			4.2	
Capital Expenditure – Base	Actual vs. Budget	Period	P1-9	\$543.0M	\$801.2M			4.3	
Capital Expenditure – TYSSE	Actual vs. Budget	Period	P1-9	\$303.6M	\$323.0M			4.3	
Capital Expenditure – SSE	Actual vs. Budget	Period	P1-9	\$7.1M	\$34.5M			4.3	

Key to Symbols



On target



Target at risk at current trend



Off target



Positive up from last



Positive down from last



Negative up from last



Negative down from last



No change from last

Note:

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

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

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

Part 2 – Commentary and Current Issues

2.1 – Chief Executive Officer’s Commentary

General Overview

The last month has seen a lot of focus on seasonal “basics” as we prepare for winter, in addition to intense activity around our five mega projects.

I continue to spend a lot of my time focusing on the TYSEE and its twin challenges of a 2017 completion for the lowest additional cost. Other key activities have included continued work to transform the underlying culture, a push to gain partial occupancy of the Leslie Barns and ongoing, intense dialogue with Bombardier to expedite the delivery of fit-for-purpose streetcars.

Delivery of Major Projects

- TYSEE (see page 30)

Good physical progress continues. Two sub-stations have now been powered up and track work is 80% complete. All stations and bus stations will be enclosed by the end of December, enabling work to continue through the worst of the winter months.

Under the leadership of Mike Palmer, Deputy COO, a detailed trial operations and line opening plan is under development. Mike was instrumental in commissioning the Jubilee Line Extension in London, and therefore has knowledge and experience that are invaluable to the project.

We are engaged in detailed negotiation with the principal contractors to explore the value of claims, cost to go and potential final settlements. An interim report will be provided to the November Board meeting with detailed presentation of scenarios due to come to the December Board and the February 2nd meeting of City Council.

- PRESTO (see page 29/30)

The roll-out of Presto across the entire streetcar fleet by year-end remains on track. Operator training is ongoing to achieve Presto go-live, plus conversion of all remaining routes to all-door, all day Proof of Payment (POP) by January 1.

- Automatic Train Control (see page 29)

Good progress continues to be made. The ATC team is working hand-in-hand with the TYSEE team to ensure that TYSEE opens under ATC operation. A Project Review Board has been established (which I attend), to provide oversight and direction to this critical project.

- New Streetcar Introduction (see page 27/28)

An 11th car is now in service with a 12th on its way, at the time of writing. Bombardier states that they remain on course to have 16 cars in service by year-end and they maintain that the four vehicles lost (from the previous commitment of 20) will be recovered by the Spring of 2016.

I chair a formal, face-to-face meeting every four weeks with the Bombardier CEO, at which we review schedule and other critical documents. Meanwhile, performance of vehicles already in service remains exceptionally high.

A major milestone was recently achieved when we successfully ran a new streetcar under its own power down Leslie Street and into Leslie Barns. We have now achieved partial occupancy of the car house and TTC personnel are in the process of storing and preparing it for a late November start of operations.

- Culture Change

Two CEO-led employee town halls were held with the extended Leadership Group, including forepersons and supervisory staff. The purpose was to update leaders on the upcoming, progressive roll-out of SAP, a system that will transform the way the TTC does business. The session also covered issues around mental wellness and a strong message that TTC modernization is as much about culture as it is about new equipment and processes.

- Accessibility Matters

Easier Access projects at Ossington, St Clair West, Woodbine and Coxwell Stations continues apace. A contract for the EA upgrade of Dupont Station will be presented to the November Board.

Safety Performance

Offences against customers and staff both decreased. The monthly Safety Executive meeting received a detailed update on Service Delivery Group's Safe Service Action Plan, and progress is being made on a wide spectrum of operational safety initiatives.

Operational Performance

Subway punctuality continues to trend upwards, although an increase in delay incidents reduced Line 1 results, period over period.

The new KPI suite for surface transit will be introduced from Period 1, 2016. It will better demonstrate overall service reliability rather than just a crude measure of punctuality and will include details such as short turns, an area that we have targeted on key routes.

Elevator and escalator availability remained high as did the availability of fare vending machines.

Station cleanliness exceeded the stretched target for the first time – reflective of the hard work of our janitorial and maintenance teams.

Financial Commentary

On the financial side, customer journeys (ridership) to the end of September were 7 million (1.7%) below budget and passenger revenue was \$21 million below budget. Much of this variance was due to the negative impacts of severe cold temperatures and snow throughout the first quarter and the fare increase on March 1. As with all fare increases, some volatility in ridership results can subsequently occur. Ridership was 1.8% below budget in March and 1.5% below budget in April. The results rebounded for May (-0.2%) but dipped again from June to September (-2.3%); October is anticipated to be approximately 2% below budget. Given the results of the last five months, at this point, it is estimated that 2015 year-end ridership will be approximately 537 million, slightly (about 1.5%) below the budget of 545 million. This year-end projection excludes any allowance for free rides associated with the Pan Am and Parapan Am Games. Staff will continue to closely monitor ridership results throughout the remainder of the year.

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



Andy Byford
Chief Executive Officer
Toronto Transit Commission

2.2 – Customer Satisfaction Survey

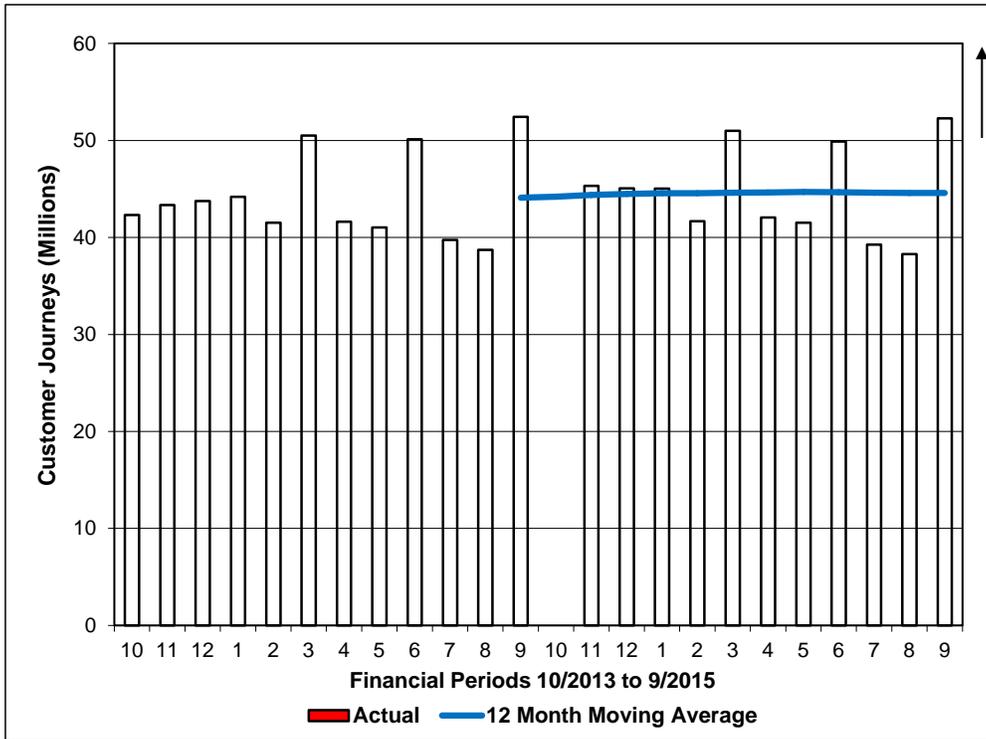
Following a significant increase in Q2 2015, the overall customer satisfaction remained high in Q3 2015 (81%). This positive score is driven by improvements in customer perceptions of wait time (for all three modes), trip duration (bus and streetcar) and trip smoothness (streetcar). These service attributes are also strong key drivers of customer satisfaction; therefore, improvements in those areas had a positive impact on the overall score. In addition, satisfaction of frequent TTC users has improved significantly (80% in Q3 2015 versus 71% in Q3 2014), which also contributed to a higher overall score. In particular, the perceptions of frequent TTC customers have improved in the following subway service attributes: trip duration, wait time, vehicle crowding, station staff available for help, frequency of announcements about delays, and cleanliness of subway stations.

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

For the first time in three years, the perceptions of value for money have significantly increased, with 95% of TTC customers providing 'average', 'good', and 'excellent' ratings.

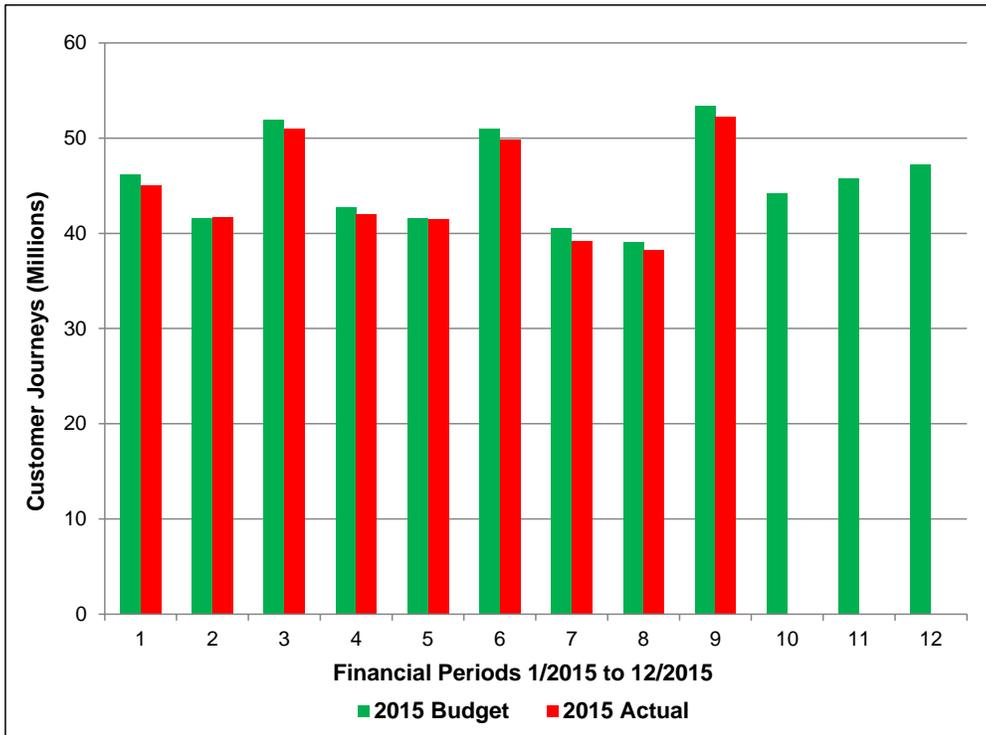
Pride in the TTC and what it means to Toronto continues to rebound and is now at 75%, significantly higher than last quarter. This positive score is largely driven by increased pride in the TTC among frequent customers.

2.3 – Customer Journeys



There were 52.277M customer journeys (ridership) taken during Period 9 2015, which was 0.163M (0.3%) less than the 52.440M journeys taken during the comparable period in 2014.

The annual number of customer journeys taken to the end of Period 9 2015 was 534.883M, which was 5.640M (1.1%) more than the 529.243M annual journeys taken to the end of the comparable period in 2014.

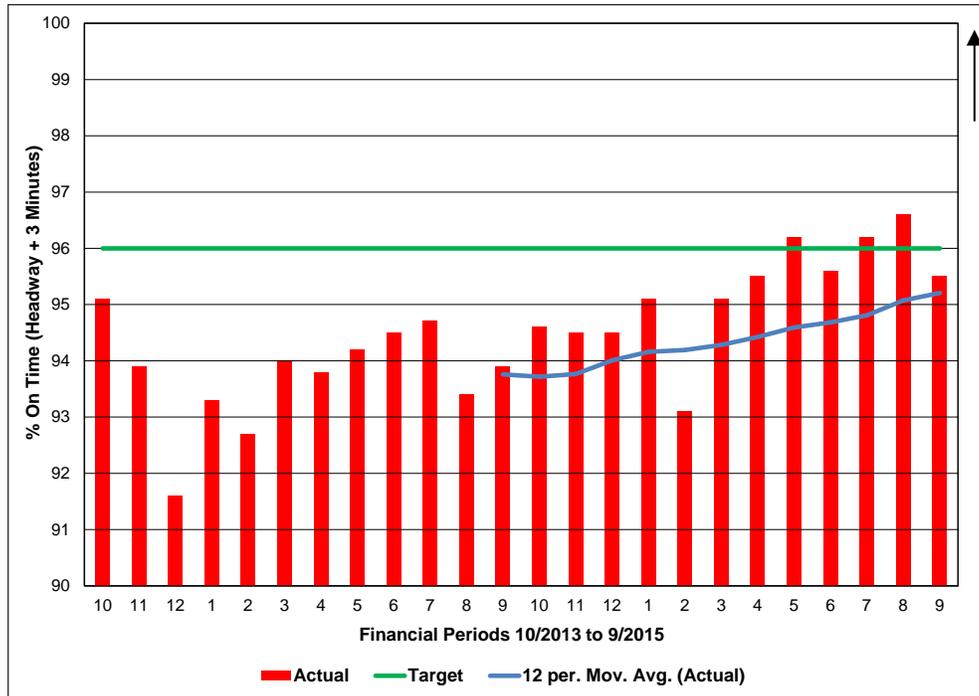


There were 52.277M customer journeys taken during Period 9 2015, which was 1.075M (2.0%) less than the budget of 53.352M journeys.

The number of customer journeys taken year-to-date to the end of Period 9 2015 was 400.921M, which was 6.937M (1.7%) less than the budget of 407.858M journeys.

2.4 – Punctuality – Subway

2.4.1 – Line 1 (Yonge-University)

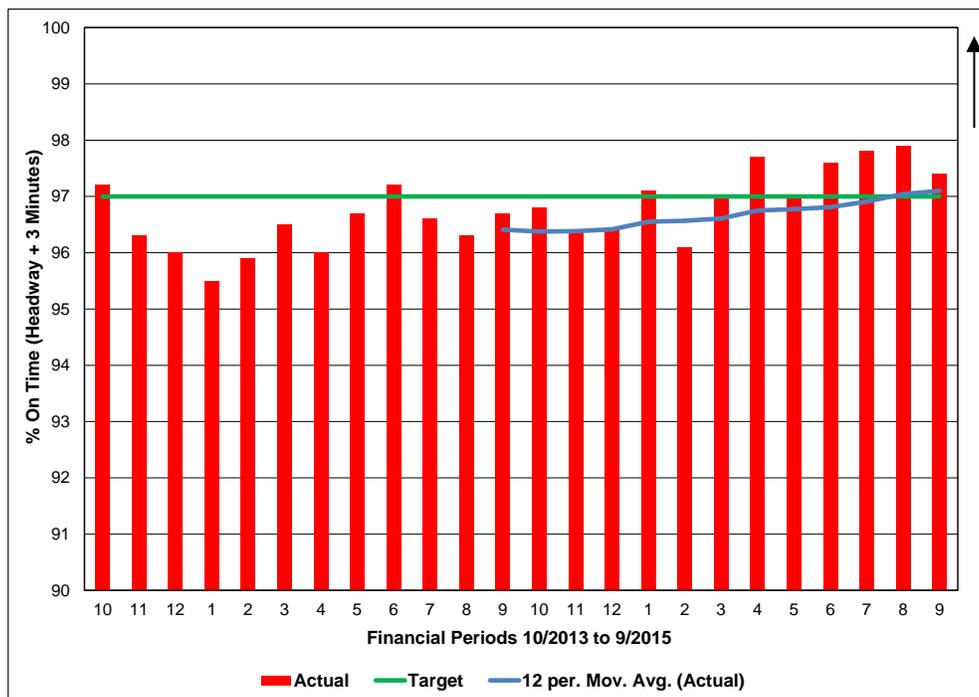


Performance in Period 9 decreased to below target for the first time in three periods.

The decrease was attributable to substantial increases in delay incidents of 20+ minutes, specifically customer illnesses and security incidents. The Station Staffing model that is being introduced will eventually see more resources in stations that can resolve these incidents faster, improving overall performance.

Despite the slip, the overall trend remains favourable and improvement is expected in Period 10.

2.4.2 – Line 2 (Bloor-Danforth)

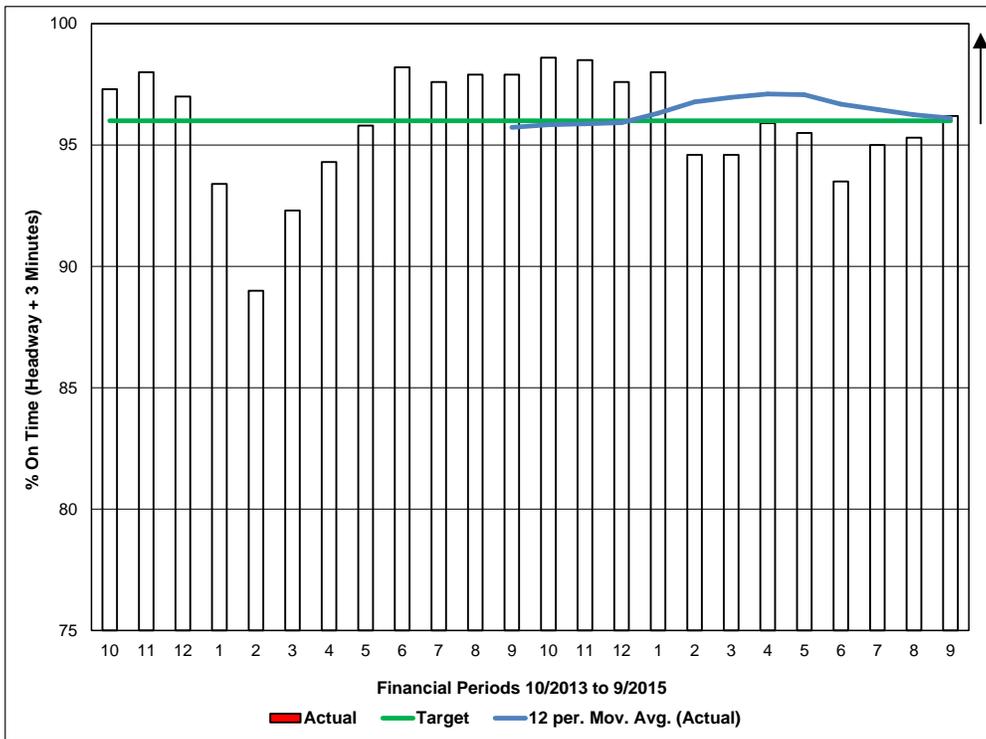


Performance in Period 9 decreased but achieved target for the seventh consecutive period.

Delay incidents of 5+ minutes increased dramatically, which had a negative impact on headway reliability.

Increases in the number of customer illness delays were offset by improved reliability in the T-1 fleet, with cooler temperatures helping reverse a trend of HVAC related failures. Maintenance programs have been initiated to ensure that the same issues will not be repeated in 2016.

2.4.3 – Line 3 (Scarborough)

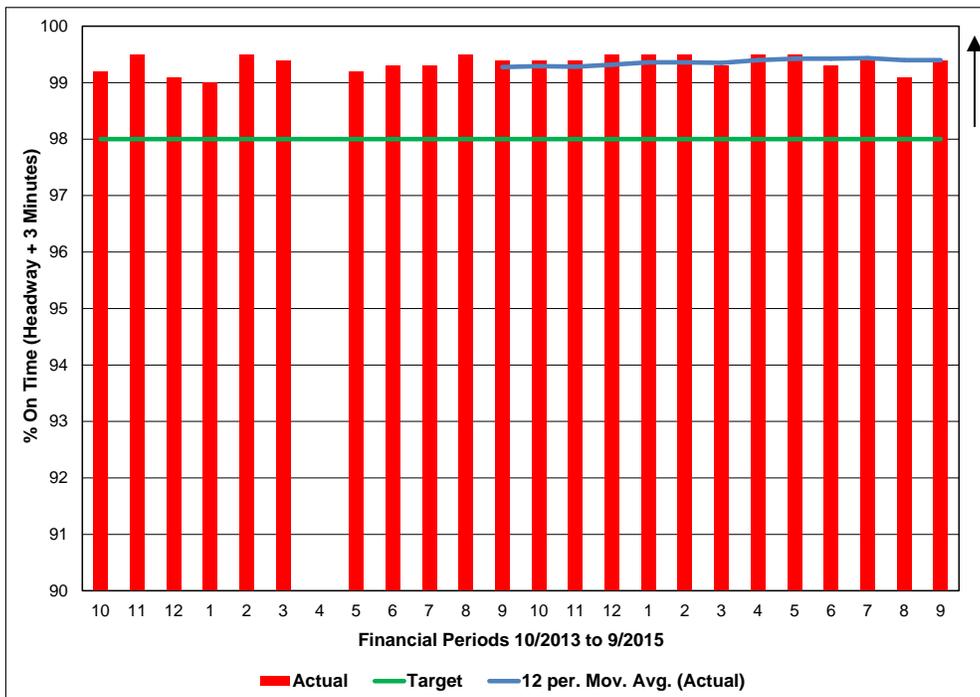


Performance in Period 9 was above target for the first time in eight periods and has now increased for three consecutive periods.

As summer has passed and high ambient temperatures have subsided, the SRT has been able to return to regular speed and braking profiles, and headway adherence has returned to target as a result.

A revitalization program is continuing and it is anticipated that the SRT will return to its former level of resilience where it is not as susceptible to hot weather as it was this summer.

2.4.4 – Line 4 (Sheppard)

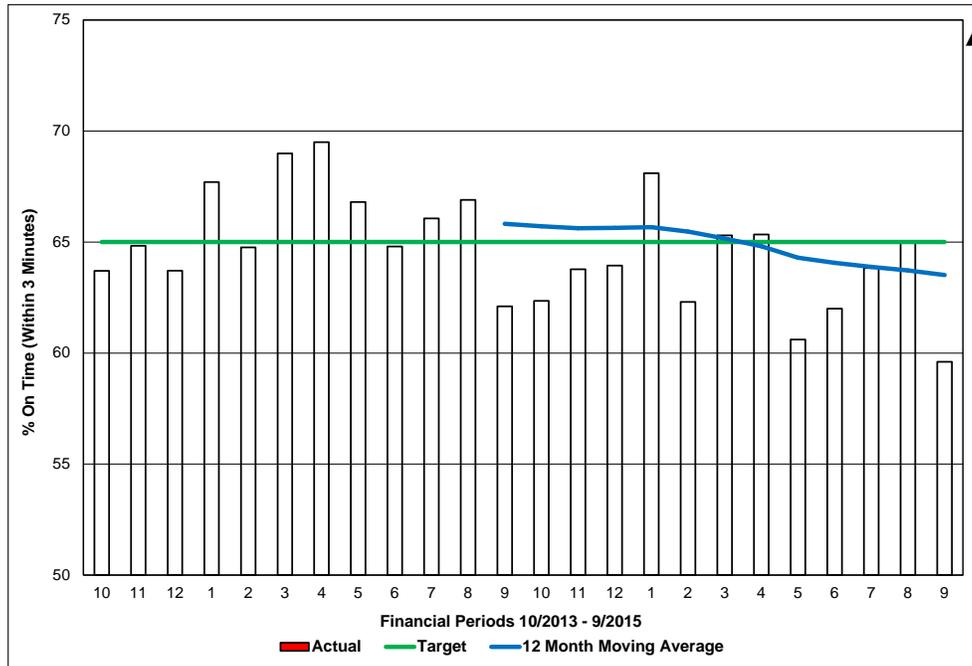


Performance in Period 9 remained well above target.

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

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

2.5.1 – Bus

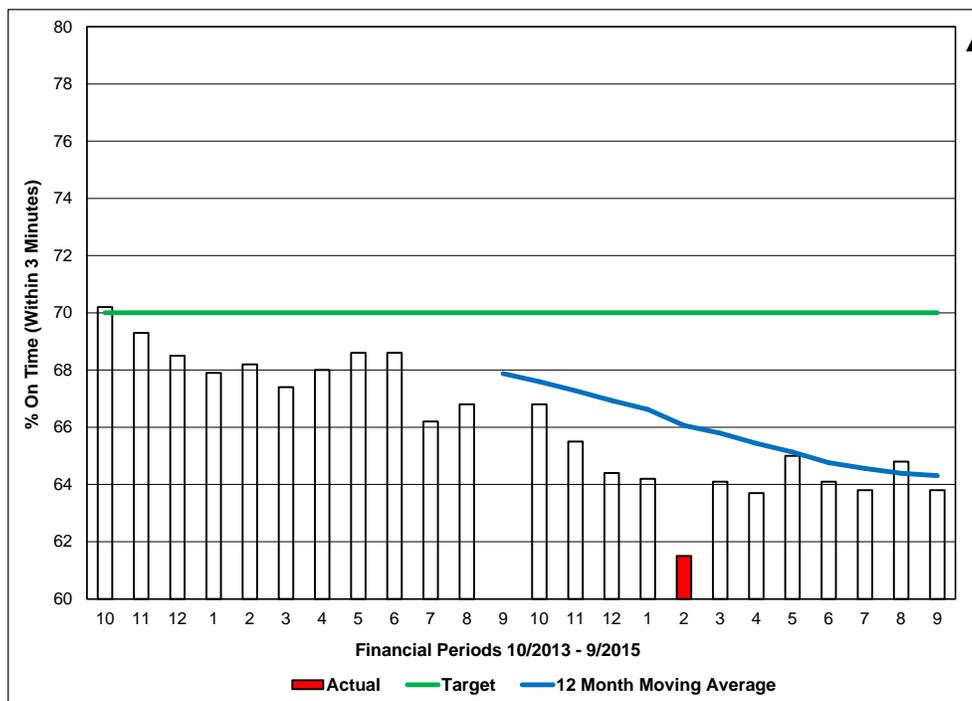


Performance in Period 9 decreased for the first time in four periods.

A seasonal performance drop occurs in Period 9 when school returns after the summer break. This year, the decline was exacerbated by the high volume of road construction, slowing travel on city streets.

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

2.5.2 – Streetcar

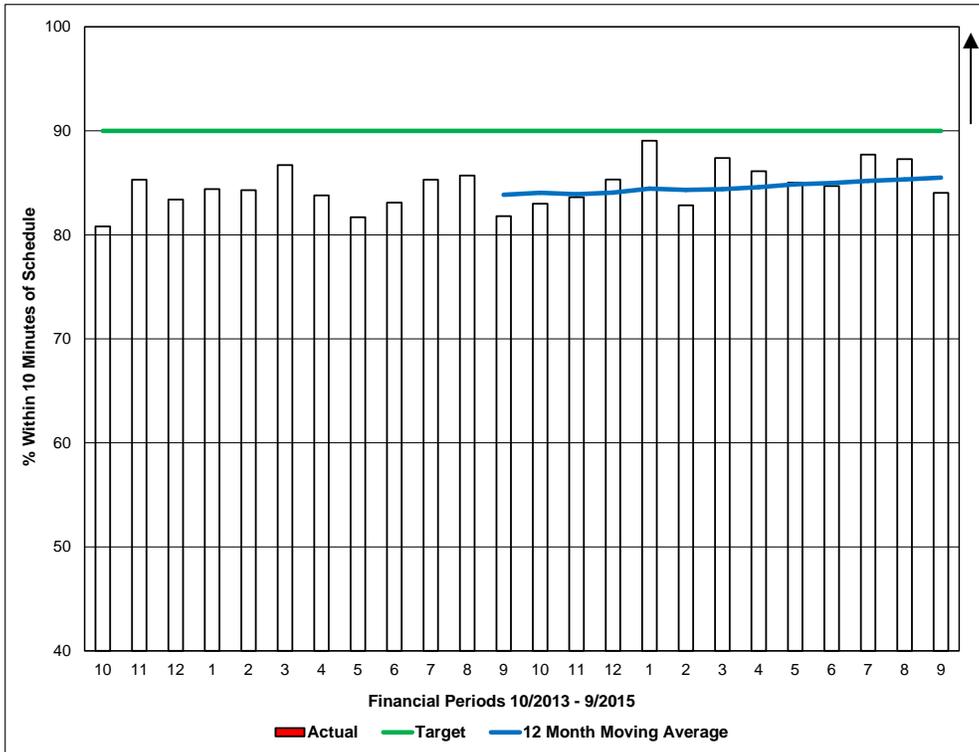


Performance in Period 9 decreased and continued to remain well below target.

The average short turns per week have continued to decrease as planned with the most recent service improvement on the 506 Carlton route. The next decrease is expected with the improvements targeted for the 501 Queen route.

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

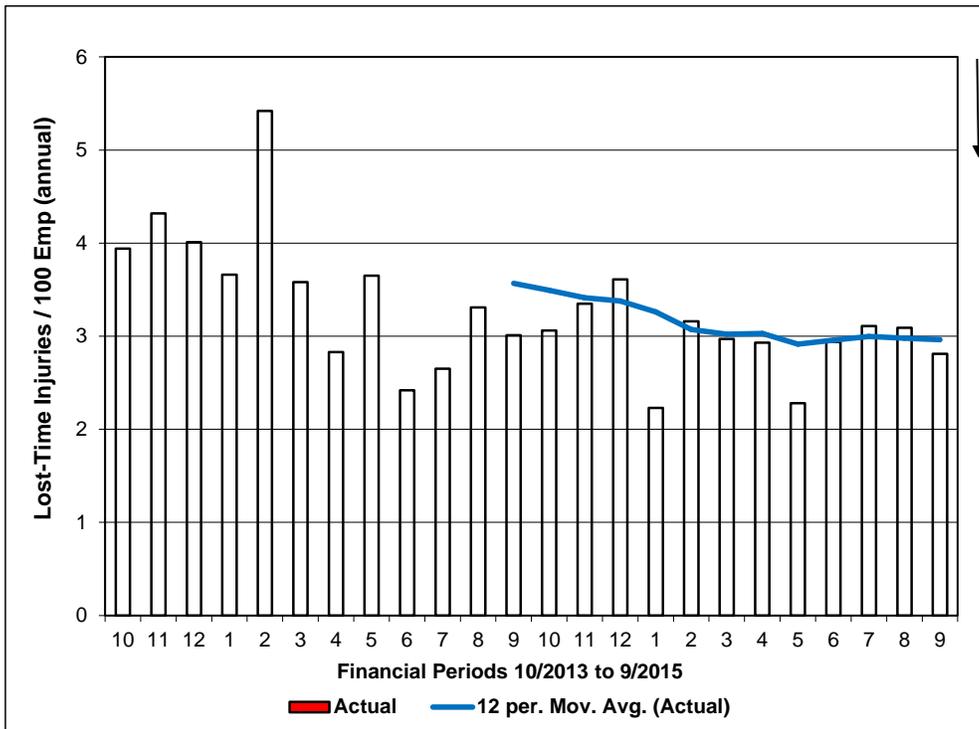
2.5.3 – Wheel-Trans



Performance decreased in Period 9 and continued to remain below target.

2.6 – Safety and Security

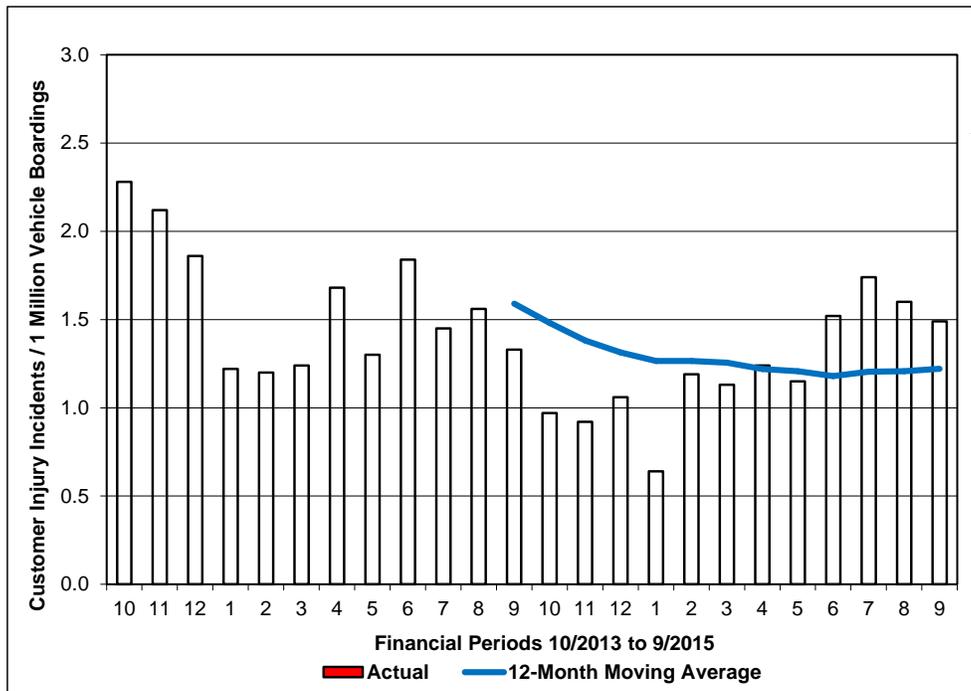
2.6.1 – Lost-Time Injuries (Annual Injuries / 100 Employees)



The annualized lost-time injury rate (LTIR) for Period 9 2015 was 2.81 lost time injuries per 100 employees which, was 7% lower than the LTIR of 3.01 for Period 9 2014.

The moving annual LTIR to the end of Period 9 2015 was 2.96 which, was 17% lower than the corresponding rate of 3.57 to the end of Period 9 2014.

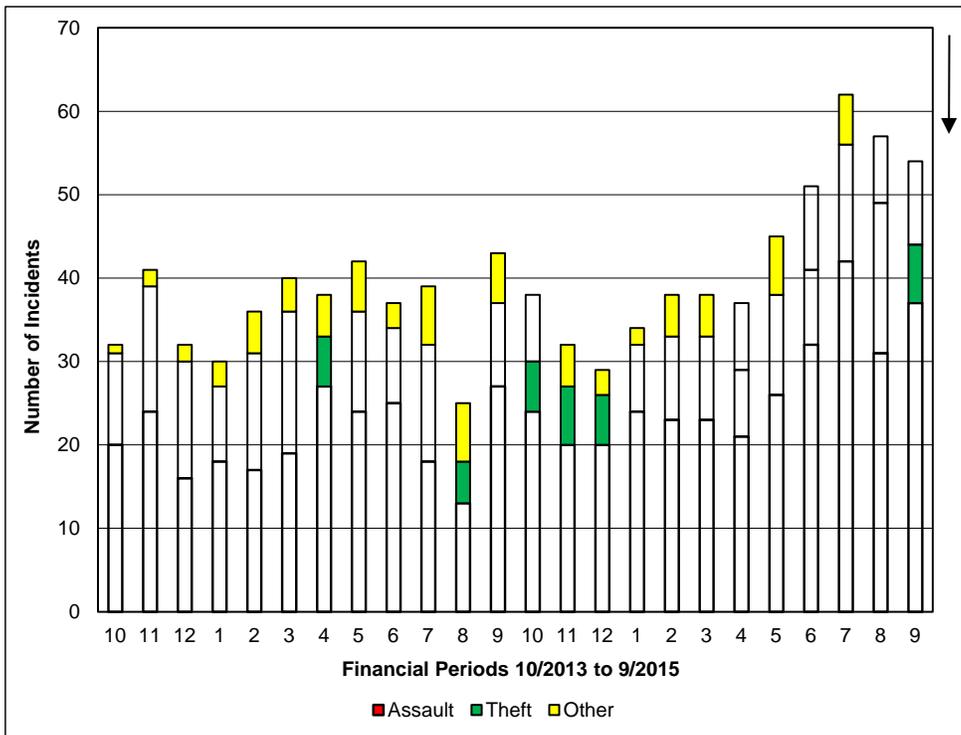
2.6.2 – Customer Injury Incidents (Injury Incidents / 1m vehicle boardings)



The customer injury incident rate for Period 9 2015 was 1.49 injury incidents per 1 million vehicle boardings, which was 12% higher than the corresponding rate of 1.33 for Period 9 2014.

The moving annual customer injury incident rate to the end of Period 9 2015 was 1.22, which was 23% lower than the corresponding rate of 1.59 to the end of Period 9 2014.

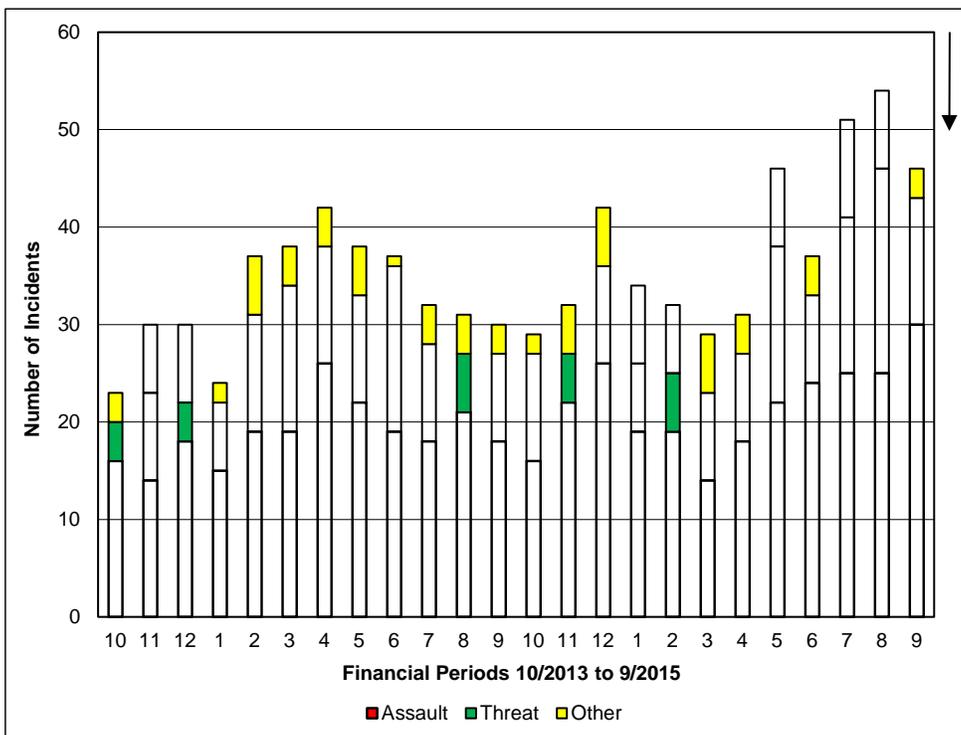
2.6.3 – Offences Against Customers



Total offences against customers decreased in Period 9.

Year-to-date to Period 9, there were 86 more offences (416 vs. 330) compared with the corresponding period in 2014. This includes 71 more assaults (259 vs. 188), the same number of thefts/robberies (96), and 15 more 'other' offences (61 vs. 46).

2.6.4 – Offences Against Staff

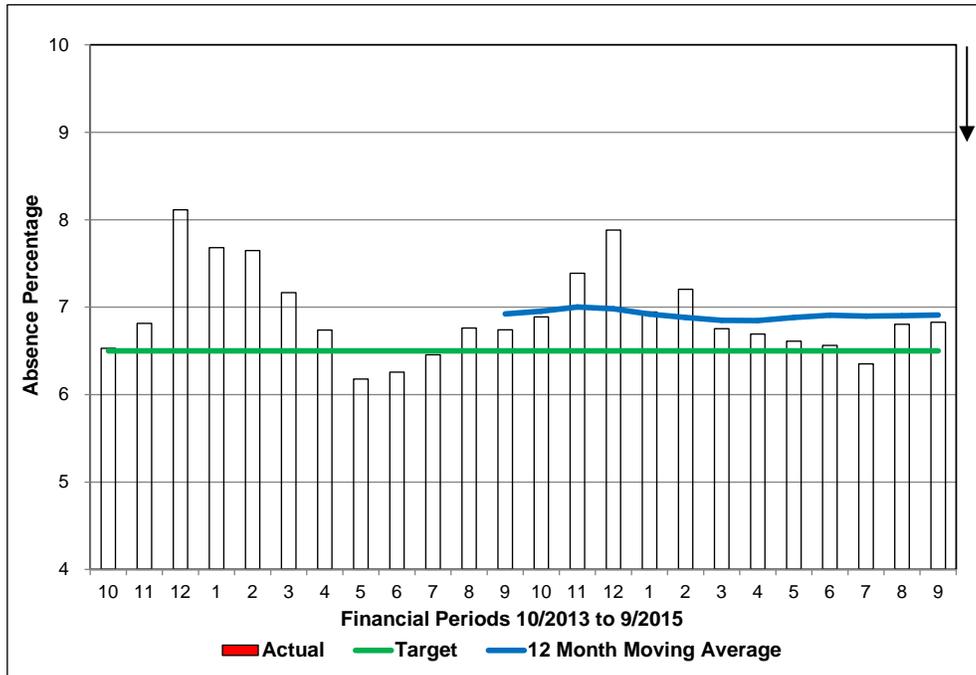


Total offences against staff decreased in Period 9.

Year-to-date to Period 9, there were 51 more offences (360 vs. 309) compared with the corresponding period in 2014. This includes 19 fewer assaults (196 vs. 177), seven more threats (106 vs. 99), and 25 more 'other' offences (58 vs. 33).

2.7 – People

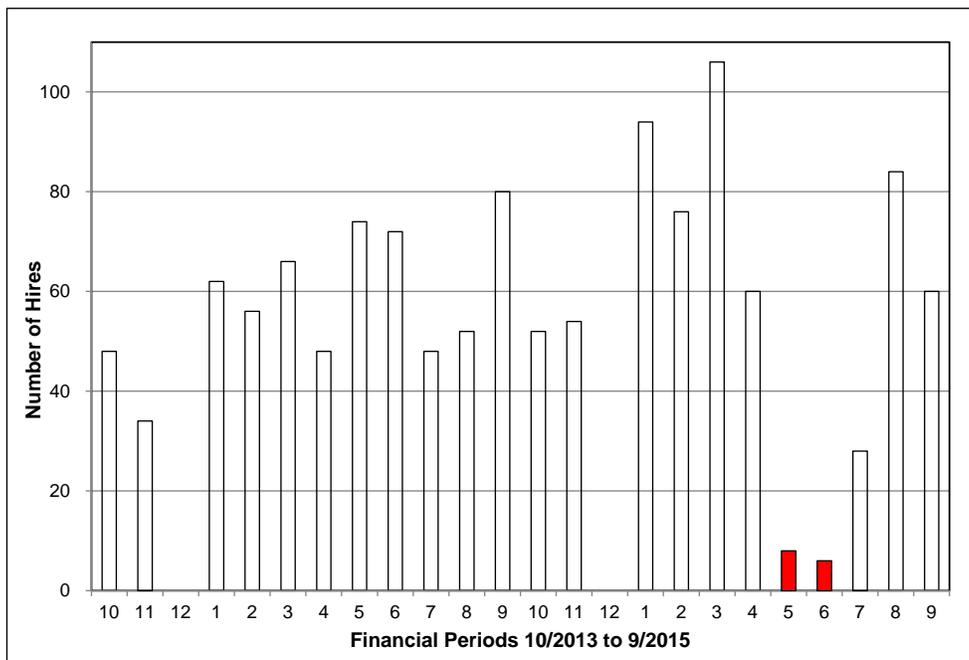
2.7.1 – Attendance



The absence rate in Period 9 increased marginally from Period 8 and was above target (unfavourable) for the second consecutive period.

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

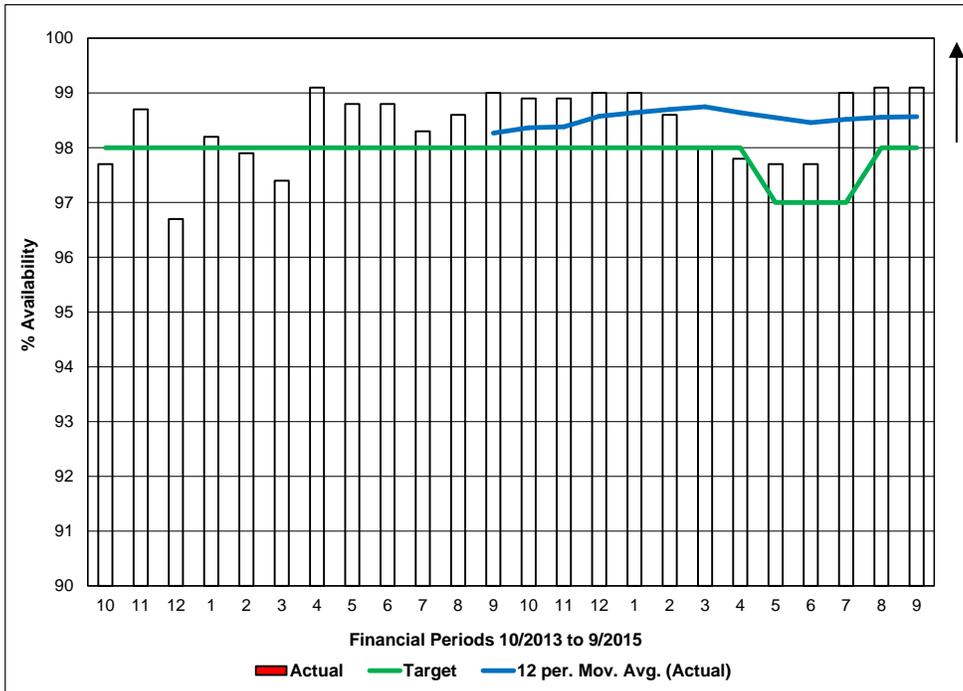
2.7.2 – Operator Hires



In Period 9, 60 Operators were hired and began training.

2.8 – Device Availability

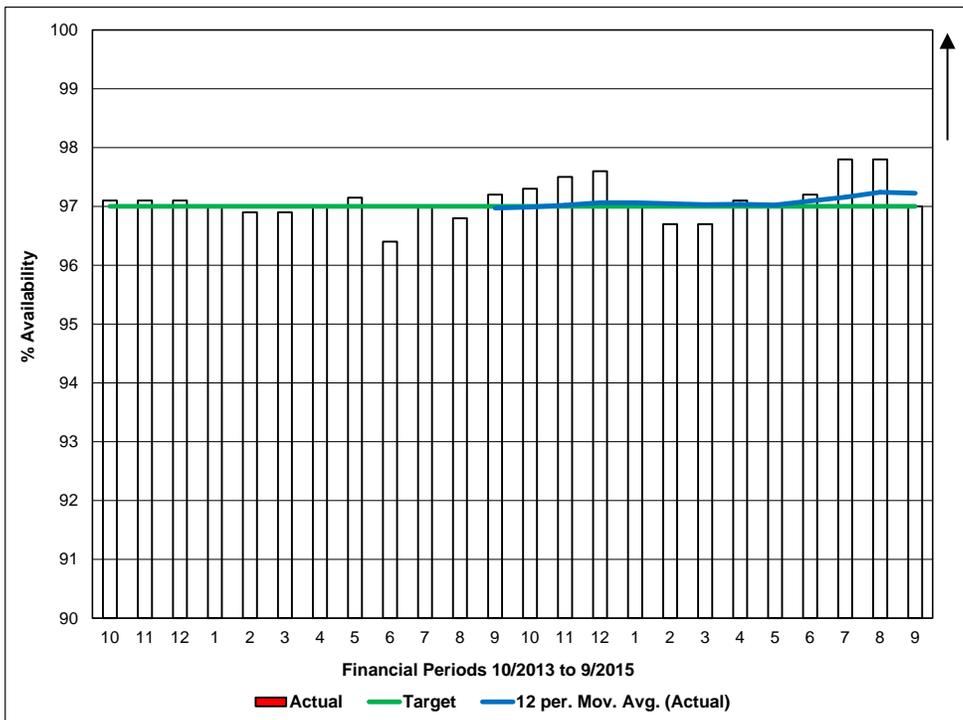
2.8.1 – Elevator Availability



Performance in Period 9 continued above target.

Elevator maintenance was completed as planned and scheduled.

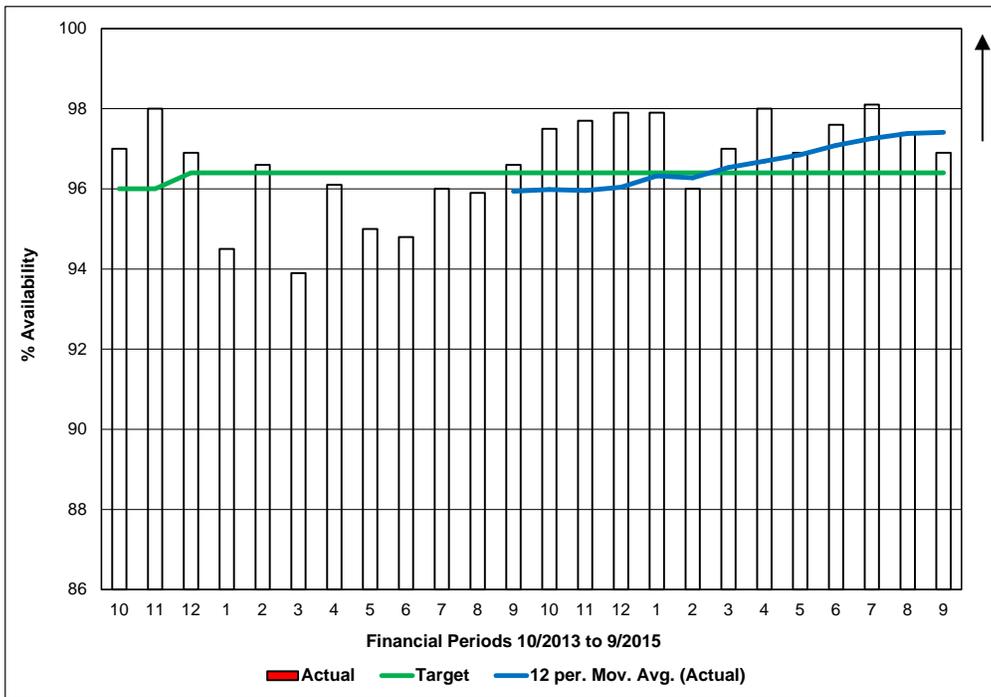
2.8.2 – Escalator Availability



Performance in Period 9 achieved target for the sixth consecutive period.

Maintenance programs are being completed as planned and scheduled.

2.8.3 – Fare Purchase Opportunity

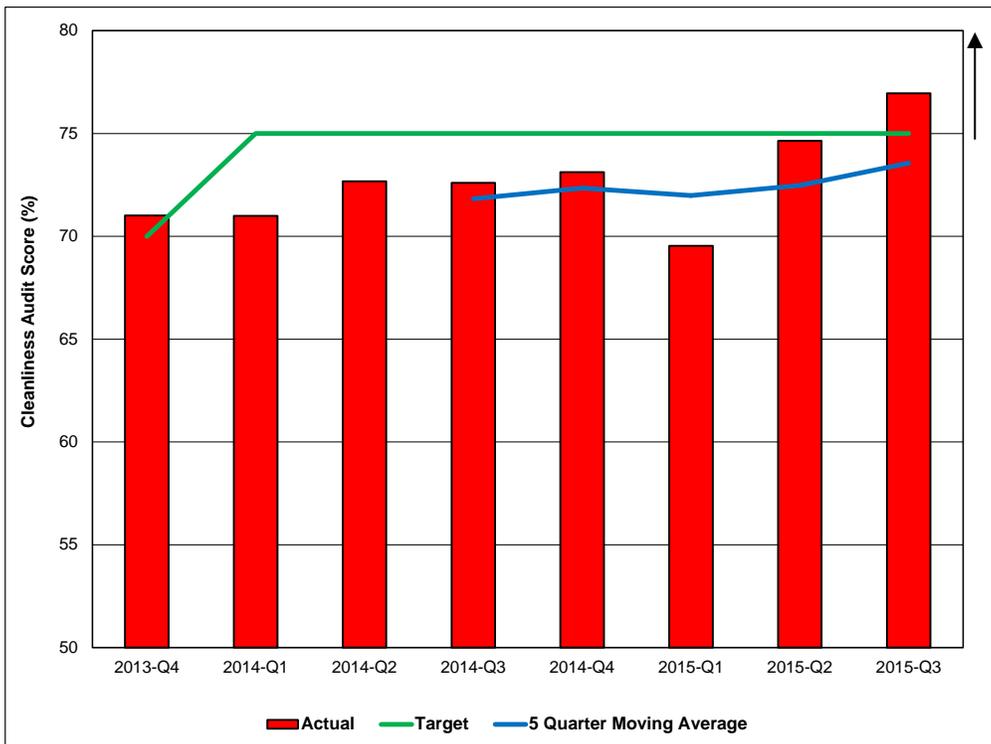


Performance decreased in Period 9 but remained above target for the seventh consecutive period.

The decrease in performance was attributable to software issues on Pass Vending Machines (PVMs) and an increase in bill acceptor jams on Token Vending Machines (TVMs).

2.9 – Mystery Shopping and Audits

2.9.1 – Station Cleanliness



Performance in Q3 2015 was above target for the first time in seven quarters.

The improved performance was due to progress realized during preparations for the Pan Am / Parapan Am Games. Additional labour resources were used to achieve Games targets.

In addition to the above, the Floor Recon project is moving into its final phase and most terrazzo walking surfaces have been refurbished.

Gains made by these projects are being maintained by the combined janitorial workforces.

2.9.2 – Vehicle Cleanliness

The existing cleanliness audit process for vehicles was developed and implemented throughout 2012 and 2013. The audit process is under review to identify improvements in data collection and assessment that will allow a more effective means of identifying root causes and developing action plans to increase vehicle cleanliness. The results of this review are being incorporated into a revised cleanliness audit contract specification. The revised cleanliness audits for buses, streetcars, and subway cars will begin in Q3 2015. A revised performance chart will be provided in this section when the results for Q3 2015 are available.

2.9.3 – Information MSS

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

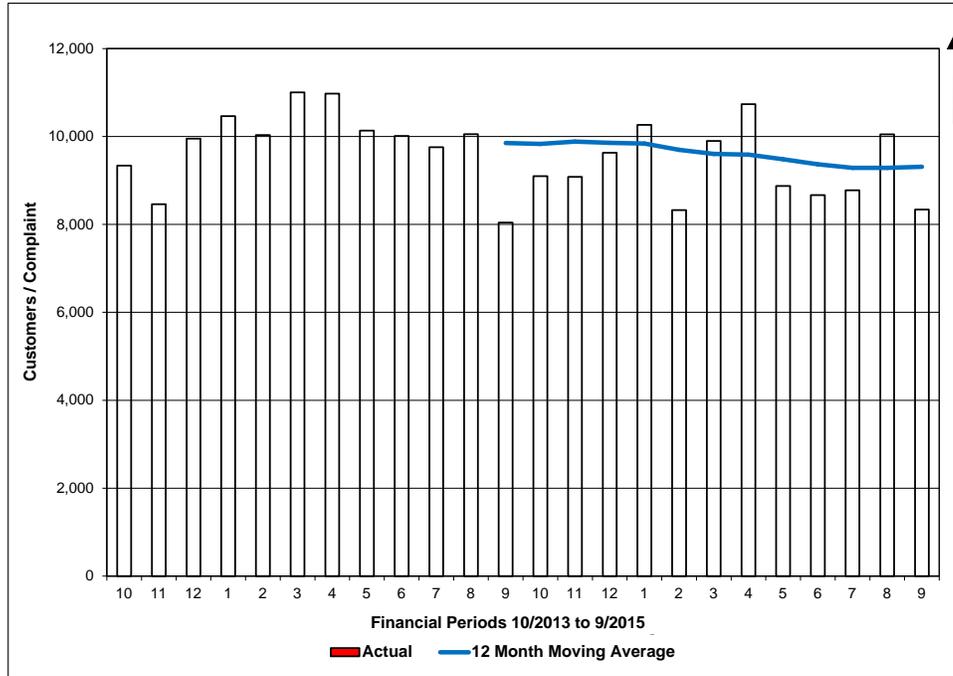
2.9.4 – Staff Helpfulness MSS

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

Part 3 – Customer Measures and Improvement Program Progress

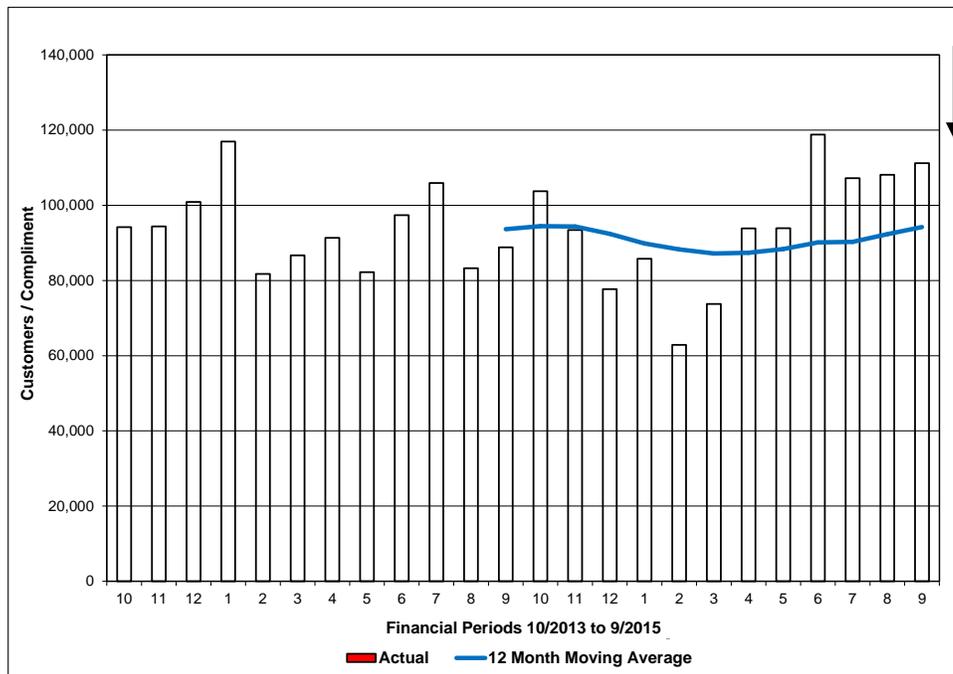
This section provides information on various customer-related issues, including trends for customer complaints and compliments, customer satisfaction improvement initiatives, and major closures.

3.1 – Customer Complaints



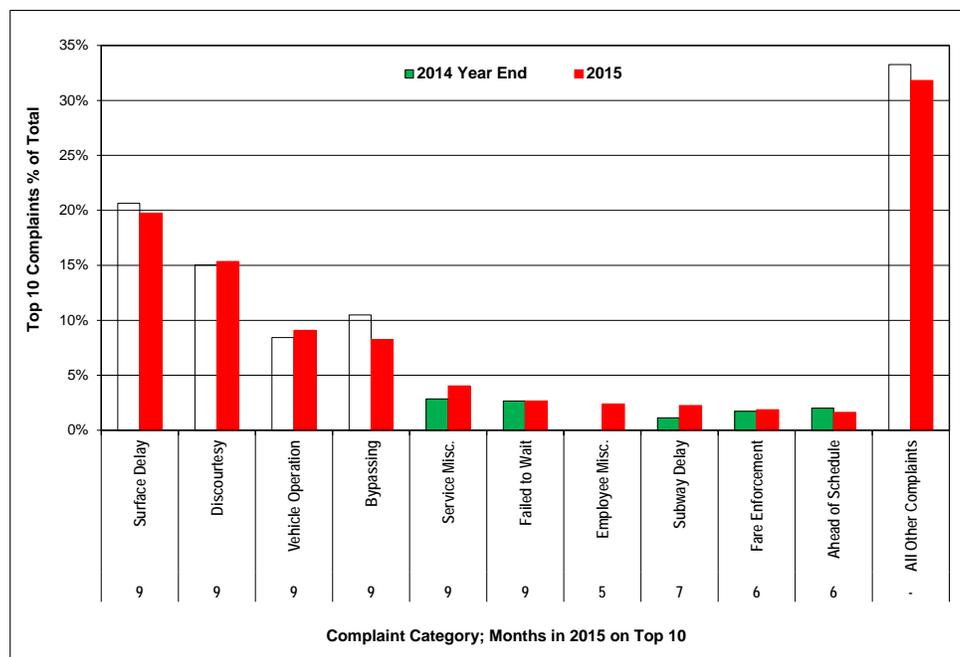
Customers per complaint decreased (unfavourable) in Period 9 after trending above the 12 month rolling average last period.

3.2 – Customer Compliments



Customers per compliment marginally increased (unfavourable) in Period 9 and continued to trend well above the 12-month rolling average.

3.3 – Top Ten Complaints



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

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

3.4 – Commentary on Customer Satisfaction Improvement

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

In Q3 2015, three of five Customer Charter commitments were achieved. The three initiatives included: providing excellent service during the Pan Am / Parapan Am games through increased levels of service and more customer service staff; completing an overhaul of the street-level elevator at Dundas West Station and restore service in the third quarter; and installing bike repair stands at 10 stations to encourage cycling as part of our customer’s commute.

In Q3 2015, two of five Customer Charter commitments were not achieved: all TTC operators and station staff were not wearing the new, modern TTC uniform; this is expected to occur in Q4 2015. Construction did not begin on the Easier Access project at Royal York Station due to a delay in the award of the construction contract. This project is expected to be re-tendered in 2016.

The TTC continues to conduct Meet the Managers sessions at subway stations. So far in 2015, sessions have been conducted at the following stations: Coxwell, Donlands, Dundas West, High Park, Islington, King, Ossington, Rosedale, Sheppard, Wellesley, Wilson, and Yorkdale. A session was also held at the Humber North Bus Loop.

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

Throughout this year’s baseball playoff run, TTC added extra subway trains before and after each home playoff game to take Toronto Blue Jays fans out to the ball game then bring them safely home. TTC ambassadors were also available to assist customers at Union, St. Andrew, and Spadina Stations.

Canadian war veterans and peacekeepers teamed up with grade six students to launch the Toronto Royal Canadian Legion’s annual TTC Poppy Campaign. Canadian war veterans and peacekeepers pinned poppies on students to remind Toronto to wear a poppy in honour of the men and women who served Canada. On Remembrance Day, Wednesday, November 11, at 11 a.m., the TTC brought vehicles to a halt to remember those who died in service of our country. All TTC buses and streetcars carried a sign on Remembrance Day reading “Lest We Forget” and a message ran on all platform video screens throughout the subway system. The TTC Honour Guard took part in the Remembrance Day service at the Cenotaph at Old City Hall. All current and former members of Canada’s military and one companion rode for free on the TTC.

3.5 – Major Closures

Line 1 (Yonge-University) - North Yonge Segment

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

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

This early closure will conclude at the end of 2015.

Yorkdale Commuter Parking Lot

The TTC commuter parking lot at Yorkdale Shopping Centre is being demolished for redevelopment and is unavailable for use by TTC customers. The TTC commuter lots at Wilson, Downsview, and Finch Stations are alternatives during construction. The new TTC commuter parking lot at Yorkdale is expected to open in early 2016.

Streetcar and Subway

Mode	Area Affected	Dates	Reason
Subway	Line 2 (Bloor-Danforth) Keele Stn to St. George Stn	Nov 21/15 – Nov 22/15 Dec 5/15 – Dec 6/15	Infrastructure Maintenance

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

Part 4 – Financial Commentary

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

4.1 – TTC Operating Budget

2015 Year-to-Date Results

To the end of Period 9 (October 3), total revenues were \$18.5 million (2%) below budget primarily due to 6.9 million (1.7%) fewer customer journeys than planned (excluding any allowance for free rides associated with the Pan Am and Parapan Am Games) and a lower average fare (1.8¢ or 2.6%) stemming from ongoing fare media sales trends.

Over the same time period, expenses were marginally below budget (\$16.4 million or 1.3%) largely due to the reductions in certain non-labour expenses (including diesel, hydro and accident claim settlements).

2015 Year-End Projections

(millions)	Projection	Budget	Variance
2015 TTC Operating Budget			
Customer Journeys (Ridership)*	537	545	(8)
Revenue	\$1,184.6	\$1,206.7	(\$22.1)
Expenses	\$1,666.0	\$1,689.4	(\$23.4)
Subsidy Required	\$481.4	\$482.7	(\$1.3)
Subsidy Available**	\$482.7	\$482.7	-
Surplus/(Shortfall)	\$1.3	-	\$1.3

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

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

Currently, a \$1.3 million year-end subsidy surplus is projected before incorporating any potential settlement for the passenger revenue and expense impacts of the Pan Am and Parapan Am Games. A number of key budget variances account for this projection as follows:

Passenger Revenues: \$25 million decrease

The number of customer journeys for the year is expected to be in the order of 537 million, which is 8 million or 1.5% below the target of 545 million. Most of this shortfall stems from the negative impact of severe cold temperatures and snow, ongoing planned system closures, labour disruptions at two universities and the March 1 fare increase. Staff continues to monitor both ridership and revenue performance and will provide updates in future reports.

Other Revenues: \$2.9 million increase

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

Non-labour expenses: \$10.8 million decrease

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

Leasing expenses: \$5.1 million decrease

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

Hydro & Utilities: \$4 million decrease

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

Other Employee Costs: \$3.5 million decrease

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

Diesel: \$3.5 million decrease

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

Accident Claims settlements: \$1.5 million decrease

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

Contribution to Capital: \$5.2 million increase

The \$13.9 million contribution towards the purchase of 50 new buses associated with certain 2015 service enhancements will be exceeded because all buses are now expected to be delivered in 2015.

PRESTO fees: \$0.9 million increase

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

Other: \$1.1 million decrease

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

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

To the end of Period 9 (October 3), total revenues were marginally above target (\$134K or 2.8%). This reflects slightly higher revenues from 159K (6.4%) more customer journeys partially offset by a lower average fare (\$0.06 or 3.4%).

Over the same period, expenses were \$0.3 million (0.4%) above budget primarily due to the incremental expense associated with providing more customer journeys which has been largely offset by workforce gapping and employee benefit savings, and lower diesel fuel expenses.

2015 Year-End Projections

(millions)	Projection	Budget	Variance
2015 Wheel-Trans Operating Budget			
Customer Journeys (Ridership)	3.492	3.246	0.246
Revenue	\$6.5	\$6.2	\$0.3
Expenses	\$116.5	\$115.3	\$1.2
Subsidy Required	\$110.0	\$109.1	\$0.9
Subsidy Available*	\$109.1	\$109.1	-
Surplus/(Shortfall)	(\$0.9)	-	(\$0.9)

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

As noted in previous CEO Reports, trip demand for Wheel-Trans service has been greater than anticipated, and in particular, the increase has strengthened even further since the end of the summer. Based on current trends, 2015 customer journeys are projected to be 246K (7.6%) higher than the target of 3.246 million. This is in part due to resources added to the Reservations area which have effectively reduced the call abandonment rates and allowed for the accommodation of more trip requests than originally contemplated.

At this time, a subsidy shortfall in the order of \$0.9 million (0.9%) is projected by year-end after accounting for increased expenses of about \$1.2 million (1%) and higher revenues of \$0.3 million (4.8%) associated with providing the additional customer journeys. To minimize the costs of the additional trips, service is being delivered through less-expensive contracted taxis. In addition, projected reductions in diesel fuel and employee benefits, and savings from workforce gapping are helping to mitigate the projected subsidy shortfall. Staff will continue to monitor demand and will report on any further budgetary impacts when appropriate.

4.3 - Capital Program

2015 Year-to-Date Results

Capital expenditures to the end of Period 9 (October 3) reflect lower than projected activity and include continued progress on vehicle and construction contracts already in place. Significant variances in the current period stem from under-spending on delayed facility contract work and vehicle deliveries.

2015 Year-End Projections

(millions)	Projected	Budget*	Variance
2015 Capital Program Budget			
Base Program	\$971.6	\$1,075.1	(\$103.5)
Toronto-York Spadina Subway Extension (TYSSE)	\$449.2	\$444.2	\$5.0
Scarborough Subway Extension (SSE)	\$22.9	\$50.3	(\$27.4)

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

Base Program: \$103.5 million under

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

Subway Track: \$6.2 million over

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

Surface Track: \$6.7 million under

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

Communications: \$10.1 million under

The projected under expenditure is mainly due to scope/schedule changes to the Train Door Monitoring project to support the 4 car trainsets on Line 4; the transfer of budget funds for AODA compliance to the Rail Cars and Shops program (RC&S) for a train-borne solution; deferral of SCADA RTU funds to 2016 due to procurement and manufacturer delays; deferral of the McBrien Building radio equipment pending a final decision on the relocation; delay of subway antenna cable installation due to other higher priority installations; deferral of subway station PA head end funds awaiting refined scope requirement from Stations group, and deferral of video equipment replacement funds due to new requirements for intrusion detection systems.

Signal System: \$11.1 million under

Variance is due to slippage of work at Wilson Yard Resignalling Project. Resignalling of the yard area outside of TYSSE and T1/TR scope that is to commence in 2017; delay in the decisions re: a Workcar Advanced Warning System, resulting in installation work being slipped to 2016; the Streetcar Trackswitch and Controllers Rehabilitation/Replacement. Project has been postponed to 2016 due to TTC stakeholders reviewing final solution for hardware replacement and migration plan.

ATC Resignalling: \$30.5 million under

Cancellation of two Computer Based Interlocking contracts will result in a significant reduction in payments in 2015. During the transition from the two signaling suppliers to one, TTC forces have been redirected to non- ATC SOGR work and non-ATC closures which together with unused ATC closures accounts for a \$30.5 million under-spend for 2015.

Finishes: \$6.2 million over

Variance is due to prior year slippage and timing; Roofing work at Queensway slipped from 2014 while roofing work at Lakeshore and Kipling advanced. Station Finish Renewal work at York Mills Station (wall panel work) slipped from 2014.

Equipment: \$9.1 million over

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

Streetcar Network Upgrades (\$13.9 million over) and Leslie Barns Project (\$15.4 million under):

The variance for the two projects is based on advanced upgrade work on Queen Street (\$12.9 million) that was budgeted in the Leslie Barns Project that was later determined should have been budgeted in the Streetcar Network Upgrades (SNU) project. An in-year budget adjustment will be submitted to the Board before the end of the year.

On Grade Paving Rehabilitation Program: \$7.1 million over

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

Bridges and Tunnels: \$9.1 million over

- Bridges/Structures Maintenance: Union Station slippage from prior year and estimated cost increases are based on actual experiences now that Union is near completion; there is an acceleration of funds for Lawrence Bus Loop (from 2016) as work is anticipated to be undertaken during the 2015 construction season as well as scope increase for added waterproofing system.
- Maintenance of Joint Bridges: There was a delay in the award of the contract by City of Toronto for work associated with the concrete rehabilitation at the Prince Edward Viaduct Bridge. This resulted in work being carried over from 2014 into 2015.

Fire Ventilation Upgrade: \$4.8 million over

Variance reflects transfers from Union brought forward from future years.

Toronto Rocket/T1 Rail Yard Accommodation: \$10.5 million over

Variance is due to prior year slippage and timing; cost estimate changes and construction delays for site services (stage 1) and advanced construction for Wilson Carhouse North Expansion and site services (stage 2).

Purchase of Buses: \$13.4 million over

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

Purchase of Streetcars: \$73.8 million under

Variance is due to delays in the delivery of streetcars.

Purchase of Automotive Non-Revenue Vehicle: \$8.6 million under

Variance is due to slippages of vehicle deliveries from 2015 to 2016.

Information Technology – Computer Equipment & Software: \$11.3 million under

Some projects and activities have been deferred to 2016 due to a lack of office space to accommodate staff.

Toronto-York Spadina Subway Extension (TYSSE): \$5.0 million over

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

Scarborough Subway Extension (SSE): \$27.4 million under

- Scarborough Subway Project variance is mainly due to delays in hiring staff, awarding consultant contracts, and the environmental assessment process (-\$20.9M).
- Identification of the recommended alignment is nearing completion, at which point, design work will begin. This is consistent with the presentation at the May 27, 2015 Board Meeting, where the Board was advised that design would be proceeding in advance of the public review process.
- SRT Life Extension Project variance is due to a schedule change as a result of the Pan Am Games. The schedule change mainly resulted from a delay in hiring workforce and unavailability of a second maintenance track. The Pan Am Games also delayed the project by about one month.

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 and the T1 fleet on Lines 2 and 4.

The Wilson Yard construction of the carhouse north expansion, new substation building, track additions and signal system work is ongoing. The contract for Keele Yard was awarded on September 29, 2015 and site work is forecast to commence by the end of 2015.

To date, 69 Toronto Rocket trainsets have been accepted into revenue service. The complete Toronto Rocket fleet will consist of:

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

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

A reliability improvement plan comprised of component and system testing is largely completed. Retrofit work has been progressing well. An attainable schedule to install low ceiling handholds, exterior door chimes, and the blue priority seating has been established. Key train performance indicators and reliability are improving.

5.2 Streetcar Program and Maintenance & Storage Facility

Streetcar Procurement and Implementation

Ten new streetcars continue to operate very reliably on the 509 Harbourfront and 510 Spadina routes. The 11th revenue service vehicle, 4412, entered service on November 10; the next vehicle is anticipated to arrive and begin final inspection and burn in testing before the end of November.

At the October 28, 2015 Board Meeting, the Board approved the staff report recommendation to immediately commence a claim or legal action against Bombardier for all damages sustained by the TTC relating to or arising from the schedule delays in the delivery of the streetcars and any other non-performance related issues. Work on this recommendation is underway.

The Board also approved motions requesting staff to initiate additional actions related to the Bombardier contract including a request to the CEO Bombardier to appear before the Board at its November meeting to explain Bombardier's failure to meet past deadlines and delivery commitments for streetcars going forward. An invite was issued to the CEO Bombardier.

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: completed January 2012.
2. Hydro One Cable Relocation: completed July 2013.
3. Leslie Barns Maintenance and Storage Facility

This contract consists of the construction of the maintenance facility and storage yard on the site. TTC had access to the facility on November 2, 2015 and service from Leslie Barns will begin on November 22, 2015. Completion of the work is expected in Q2 2016.

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. Lake Shore Boulevard was restored to 3 lanes on September 1, 2015 and the connection track was ready for use on September 21, 2015.

The landscape enhancements are scheduled to be completed by the Q2 2016 as part of the Leslie Street Connection Track Contract.

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

The Construction Liaison Group (CLG), comprised of local businesses and residents, school representatives and local Councillors, meets on a monthly basis to address construction issues for residents and businesses. The last meeting was held on October 22, 2015. The next meeting is scheduled for early 2016 and will focus on lessons learned and recommendations from the CLG. Safety walks to identify specific concerns to cyclists and pedestrians are planned after every new construction stage and as required. The next safety walk is planned for November 2015.

The Community Liaisons have continued their outreach efforts by continuing to hold one-on-one meetings with local businesses and residents and responding to emails, phone calls and walk-in questions and concerns from the community. The next issue of the project e-newsletter is expected in the Spring of 2016.

TTC successfully drove a low floor streetcar down the newly finished Leslie Street connecting track in the early morning hours of September 22, 2015 and into the Leslie Barns Facility to begin commissioning of the run-around track and overhead. The vehicle completed initial testing and was driven back out northbound along Leslie Street on September 28, 2015. The new streetcars will be operating into the yard on an as-needed basis to commission the balance of the yard and the carhouse and equipment as they become available.

5.3 Station Enhancements

Union Station

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

Easier Access

Work to make stations accessible is on-going at Woodbine, St. Clair West, Ossington, Coxwell and Dupont Stations, including bus loop closures at Woodbine and Coxwell for the construction of elevators.

Utility relocation work to make Dupont Station accessible is ongoing. The Contract to install the elevators at Dupont Station is expected to be awarded in Q4 2015, subject to approval at the November TTC Board Meeting.

Work to overhaul an elevator at Finch Station is on-going and scheduled to be completed by Q4 2015.

5.4 Automatic Train Control (ATC)

The ATC project continues to remain on schedule and budget. A detailed quarterly update will be provided to the December Board Meeting.

Installation of all equipment has been completed at track level and inside the equipment rooms at the Engineering Test Track & Training Facility (ETTF) at TTC Wilson Subway Yard. Arrangements are underway for a demonstration of the ATC operation at Wilson Yard for the Board Members.

5.5 PRESTO / TTC Farecard

The TTC PRESTO Farecard project continues to remain on schedule and within budget. A detailed update will be provided to the December Board Meeting.

The implementation of PRESTO at the TTC is divided into two major phases: Phase 1 and Phase 2. The Phase 1 roll-out commenced in Fall 2014 and includes the installation of fare payment functionality on-board the first 50 low-floor, accessible streetcars and off-board at select streetcar transit stops for the 510 Spadina, 511 Bathurst, 505 Dundas, and 509 Harbourfront routes. The on-board PRESTO Fare Payment Machines accept tokens and cash and issue Proof-Of-Payment (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. To date, off-board PRESTO Fare Payment Machines and Ticket Validators have been installed at 13 stops along the 510 Spadina route and two stops along the 509 Harbourfront route. Additional off-board equipment will be installed along the Bathurst 511 route during November and December 2015. In addition all new low floor accessible streetcars in revenue service have been equipped with PRESTO Fare Payment Machines and Ticket Validators.

The Phase 1 scope also includes the upgrade and replacement of PRESTO fare payment equipment at 14 subway stations and the installation new equipment at 12 additional subway stations. The installation of the initial fare payment equipment is now complete. The installation of additional machines to allow customers to load value on to the PRESTO card will be completed at 23 of these 26 stations prior to the end of 2015.

PRESTO equipment has also been installed at the TTC's MDP Office located at Yonge and Davisville to enhance the services available to PRESTO customers. PRESTO customers are able to get assistance with purchasing a PRESTO card, loading value onto the PRESTO card, among other services.

The Phase 2 scope includes the remaining roll-out of PRESTO at the TTC to include all subway stations; buses, legacy (Articulated Light Rail Vehicle – ALRV and Canadian Light Rail Vehicle – CLRV) streetcars, and Wheel Trans. The installation of PRESTO equipment on legacy streetcars has commenced. The PRESTO fare payment equipment will be put into revenue service and made available for customer use in December when the PRESTO installation work has been completed for the majority of streetcars. All legacy streetcars will be enabled for PRESTO prior to the end of 2015. The design for buses is nearing completion with plans to commence technical field trials testing in December 2015.

Field studies to determine whether sufficient power is available at TTC subway stations to support PRESTO equipment are now complete. The design of the required electrical upgrades at subway stations are now complete at 57 subway stations and the electrical construction work to upgrade the power configuration have been completed at 37 stations.

5.6 Toronto-York Spadina Subway Extension (TYSSE)

The TYSSE Project remains on schedule for opening by the end of 2017.

The six stations are in advanced stages of construction and are all planned to be closed in before winter. At Downsview Park Station, the green roof on the two station entrance buildings is nearly complete. At Finch West Station, the bus terminal columns and elevated slab are progressing. At York Station, the main concrete waffle roof slab was placed (2800 m3). At Pioneer Village Station, the waterproofing and backfill on the station roof was completed, and the bus terminal roofing commenced. At Highway 407 Station, the main escalators are being installed, and the parking lot base course paving is nearly complete. At VMC Station, the Highway 7 area was handed over to YRT for roadwork, and the trainways were handed over for trackwork.

The running tunnels are complete and 75% of the track is installed. Cabling and equipment for railway systems are being installed in the tunnels. The first traction power substation has been energized. Cable pulls have begun into the station chases and rooms per the priority handovers.

The initial report of the 120 Day Project Reset Program completed by Bechtel is under review. The re-baselined schedule has been accepted as the plan to complete the work by the end of 2017. A detailed assessment of contractor claims and changes is expected to be reported to the Board by the end of 2015.

5.7 Subway Wireless Network

The TTC has a 25-year agreement with Broadcast Australia PTY Limited (now BAI Canada) for the implementation of a wireless network throughout the subway system, which will be capable of handling all existing Cellular and Wi-Fi bands. The project involves implementing the network in all existing and future subway stations, platforms, stairways, mezzanines, hallways, and tunnels.

The initial portion of the network was activated for public use at St. George and Bloor/Yonge Stations on December 10, 2013. As of March 24, 2015, TTC customers have Wi-Fi access at 14 subway stations, including all the stations on Line 1 in the “U” and 4 stations on Line 2 from Bloor/Yonge to Spadina. There are 12 stations under design review in conjunction with the PRESTO implementation. Construction activities commenced on August 31, 2015, at Bathurst, Castle Frank, Christie, Dupont, and Sherbourne Stations. Construction at Lansdowne and Main Stations started on November 2, 2015.