



Draft Annual Report for the Toronto Transit Commission for 2020

Date: June 3, 2021
To: TTC Audit and Risk Management Committee
From: Interim Chief Financial Officer

Summary

Each year, the TTC prepares an Annual Report which presents the consolidated financial statements of the TTC and its subsidiaries and non-financial statement information including the Chair's Letter, the CEO's Statement and statistical information.

This report presents the materials other than the financial statements which will be included in the 2020 Annual Report.

Note that the 2020 financial statements are being submitted to the Audit and Risk Management Committee for approval at this meeting through a separate report.

Recommendations

It is recommended that the TTC Audit and Risk Management Committee:

1. Approve the non-financial statement information to be published in the 2020 Annual Report.

Implementation Points

This report must be approved at the June 3, 2021 TTC Audit and Risk Management Committee Meeting to ensure timely publication and distribution of the 2020 Annual Report.

Financial Summary

There are no financial implications resulting from the adoption of this report.

Equity/Accessibility Matters

This report and its recommendations have no accessibility or equity issues or impacts.

Decision History

TTC's Corporate Policy 6.2.0 Financial Reporting to the Board, paragraph 4.1 states that annual audited financial statements must be included in the TTC's Annual Report.

Furthermore, at its meeting on February 9, 2017, the TTC Audit and Risk Management Committee approved the terms of reference of the Audit and Risk Management Committee, which includes a requirement to "review other sections of the annual report before release and consider the accuracy and completeness of the information" under its Financial Reporting Process and Financial Statements Responsibilities.

The report, dated October 19, 2016, outlining the Committee's terms of reference can be accessed by the link below:

[https://www.ttc.ca/About the TTC/Commission reports and information/Committee meetings/Audit Risk Management/2017/February 9/Reports/2_TTC Audit %20and Risk Management Committee Terms Of Referenc.pdf](https://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Committee%20meetings/Audit%20Risk%20Management/2017/February%209/Reports/2_TTC_Audit_%20and_Risk_Management_Committee_Terms_Of_Reference.pdf)

Issue Background

The report presents the non-financial statement information to be contained within the 2020 Annual Report.

Comments

The attached 2020 Annual Report will contain the following information:

1. Chair's Letter
2. CEO's Statement
3. 10-Year Non-Consolidated Financial and Operating Statistics
4. Management Directory

The 2020 Annual Report will be issued following approval of the consolidated financial statements at the June 16, 2021 TTC Board meeting.

Contact

Alex Cassar, Director – Budgets, Costing and Financial Reporting
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Signature

Josie La Vita
Chief Financial Officer (Interim)

Attachments

Attachment 1 – Draft 2020 TTC Annual Report



2020
Annual Report
Toronto Transit Commission



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Chair's Letter



While 2020 marked the 100th anniversary of the formation of the TTC Board, 2021 marks a century of the TTC's service to the citizens of Toronto

To: Mayor John Tory and Councillors of the City of Toronto

It is my privilege to submit the 2020 Annual Report for the Toronto Transit Commission (TTC). After celebrating the 100th anniversary of the TTC Board in 2020, this year will mark a century of service for the TTC – an incredible milestone in an unprecedented year.

As we've seen over the course of the COVID-19 pandemic, the TTC's greatest asset is its people. I would like to take this opportunity to acknowledge and commend the hard work and commitment of our TTC employees, who have kept the City of Toronto moving safely – day in and day out – through one of the most difficult periods in our history.

Over the last year, the TTC has taken impressive steps to strengthen its commitment to safety, reliability and customer service. We took swift and decisive action in response to the COVID-19 pandemic, implementing a number of new health and safety measures, including extensive disinfection protocols and one of the first mandatory face mask policies in Canada. As ridership dramatically declined through the worst months of the pandemic, the TTC consistently demonstrated resilience and adaptability while providing safe and demand-responsive service to Toronto and the surrounding region.

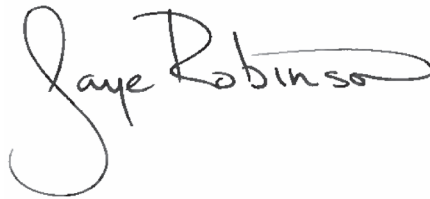
In December 2020, the TTC implemented their first 10-day closure to undertake significant infrastructure upgrades on the subway system. By all accounts, it was a resounding success. More than two years' worth of work was completed in 10 days, reducing the need for disruptive weekend and evening closures in future. Using this model, the TTC has since successfully accelerated many of the key state-of-good-repair and capital projects identified in our 15-year Capital Investment Plan.

The TTC Board also approved the landmark 10-Point Action Plan for Diversity and Inclusion and Five-Year Diversity and Human Rights Plan in December 2020. Together, these ambitious plans include short-term actions and long-term strategies to foster transformational change in all facets of the organization.

I would like to thank my fellow TTC Board Members for their commitment and leadership throughout the past year: Vice-Chair Joanne De Laurentiis, Deputy Mayor Denzil Minnan-Wong (Ward 16 Don Valley East), Councillor Brad Bradford (Ward 19 Beaches-East York), Councillor Jennifer McKelvie (Ward 25 Scarborough-Rouge Park), Councillor Shelley Carroll (Ward 17 Don Valley North), Councillor Cynthia Lai (Ward 23 Scarborough North), and our citizen Commissioners, Ron Lalonde, Julie Osborne and Fenton Jagdeo. On behalf of the TTC Board, I would also like to thank Mayor John Tory and Toronto City Council for their continued support.

As vaccination rates continue to improve across the region, the TTC will play a critical role supporting Toronto's recovery in the weeks, months and years to come.

Sincerely,

A handwritten signature in black ink that reads "Jaye Robinson". The signature is fluid and cursive, with the first letter 'J' being particularly large and stylized.

Jaye Robinson

TTC Chair, May 2021

The TTC Board

As at December 2020



Jaye Robinson
Chair



Joanne De Laurentiis
Vice-Chair

Commissioners



Brad Bradford



Shelley Carroll



Cynthia Lai



Ron Lalonde



Jennifer McKelvie



Denzil Minnan-Wong



Julie Osborne

Staying safe
on public transit:



**If you feel sick,
please stay home**

Do not use public transit if you have
a fever and/or new cough or difficulty
breathing.

For more information, visit [ttc.ca/covid-19](https://www.ttc.ca/covid-19)



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CEO's Statement



Despite ridership being reduced since the spring of 2020, we continued to move between 300,000 to 500,000 customers daily

To: TTC Chair and Commissioners, Mayor John Tory and Councillors of the City of Toronto

2020 was unlike any other year in the TTC's 100 years of service. From the start of the global pandemic, we carried on with an ambitious program of change while adapting to unprecedented operating impacts.

Despite ridership being reduced since the spring of 2020, we continued to move between 300,000 to 500,000 customers daily. We saw the TTC play a pivotal role in providing transit services to essential workers and those communities that are solely transit dependent. Relying on our frontline operators and employing a demand-service response, the TTC was proud to carry customers to work, to the grocery store and to medical appointments.

The TTC remained a model of financial responsibility throughout the year. Even before the pandemic struck, we made fiscal sustainability a key feature of our Five-Year Corporate Plan. Fiscal restraint over the last number of years allowed us to advance on our intergovernmental relations and secure funding for critical transit investment. We have made good progress on our business objectives while delivering a safe and reliable service.

Here are some of the projects and programs we accomplished in 2020 in keeping with our Five-Year Corporate Plan:

- We negotiated a new TTC/PRESTO settlement agreement, reviewed governance and oversight, and under the direction of the Board, we moved on our first Five-Year Fare Policy review.
- By mid-year, construction of our beautifully designed McNicoll bus garage and division was complete. The new complex opened for service in March 2021.
- In October 2020, we implemented the Eglinton East Bus Priority Lane as part of the City's RapidTO initiative, the first of several corridors proposed in our Five-Year Service Plan.
- In November 2020, we announced the completion of the fourth phase of Automatic Train Control installation, with ATC signalling covering about 75 per cent of Line 1 – from Vaughan Metropolitan Centre to Rosedale stations.

-
- As well, in November, we began a new partnership with Telus Communications for Wheel-Trans overflow reservation calls to reduce the maximum customer wait times to two minutes.
 - Our 10-Point Action Plan on Diversity and Inclusion and Five-Year Diversity and Human Rights Plan were unanimously endorsed by our Board in December 2020, and represents the actions the TTC can do in the short- and long-term to begin to effect positive change on racism and bias within the organization.
 - By year's end we opened six accessible stations, bringing the total number of accessible stations to 52.
 - In December 2020, we launched the MyTTC mobile app, a new tool to keep employees informed of what is happening in the company.
 - And finally, by the end of the year, we were operating the largest fleet of battery-electric buses in North America – an example of our commitment to innovation and sustainability that makes the TTC a leader in the industry.

The first year of the pandemic taught us that we cannot always predict what lays ahead of us. So we will continue to focus on what is known. The TTC is moving forward while remaining committed to efficiency and fiscal sustainability. And not just as we complete our current corporate plan under the most challenging of circumstances, but as we look further ahead to the next five, 15 and 25 years.

As always, I extend my gratitude to our Commissioners, City Council and our provincial and federal partners for their ongoing support as we work to make changes that will benefit our existing customers and those we will welcome in the decades to come.

It is my privilege to lead the TTC into its 100th year of service in 2021.

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard J. Leary', written in a cursive style.

Richard J. Leary

Chief Executive Officer, May 2021

Executive Team



Richard J. Leary
Chief Executive Officer



Kirsten Watson
Deputy Chief Executive Officer



Michael Atlas
Head of Legal and
General Counsel (Acting)



Keisha Campbell
Chief Diversity and
Culture Officer



Gary Downie
Chief Capital Officer



Betty Hasserjian
Chief Safety Officer
(Acting)



Josie La Vita
Chief Financial Officer
(Interim)



**Kathleen
Llewellyn-Thomas**
Chief Strategy and
Customer Officer



Megan MacRae
Executive Director,
Human Resources



Mary Madigan-Lee
Chief People Officer

Executive Team



Fortunato Monaco
Chief Infrastructure and
Engineering Officer



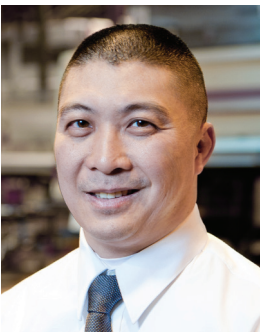
Natalie Poole-Moffatt
Chief Corporate
Affairs Officer



James Ross
Chief Operating Officer



Joan Taylor
Chief of Staff



Rich Wong
Chief Vehicles Officer



**Masks being sewn at
the Harvey Shop**

Supplementary Schedules (Unaudited)
Year ended December 31, 2020

CONVENTIONAL SYSTEM - 10 YEAR NON-CONSOLIDATED FINANCIAL & OPERATING STATISTICS (UNAUDITED)

	2020 ¹³	2019	2018	2017
OPERATING STATISTICS (regular service inside City)				
Revenue Passenger Trips (Millions)	225.0	525.5	521.4	533.2
Basic Adult Token/PRESTO Fare (at December 31) (\$)	3.20	3.10	3.00	3.00
Average Number of Employees (including TCTI)	14,843	15,251	14,812	14,389
Hourly Base Wage Rate & Benefits per Operator (\$)	57.14	53.50	51.65	51.68
Kilometres Operated (Millions)				
Bus	131.5	145.1	143.2	142.0
Subway Car	85.0	93.5	92.6	82.9
Streetcar	9.9	11.9	11.4	11.5
Scarborough RT	3.3	3.5	3.4	3.4
Total Kilometres Operated	229.7	254.0	250.6	239.8
OPERATING REVENUE STATISTICS				
Operating Revenue - including property rental, etc. (\$ Millions)	583.7	1,253.9	1,226.2	1,234.5
Operating Revenue per Passenger Trip (\$)	2.59	2.39	2.35	2.32
Operating Revenue per Kilometre (\$)	2.54	4.94	4.89	5.15
OPERATING EXPENSE STATISTICS¹				
Operating Expenses (\$ Millions)	1,884.2	1,918.2	1,803.1	1,696.2
Operating Expense per Passenger Trip (\$)	8.37	3.65	3.46	3.18
Operating Expense per Kilometre (\$)	8.20	7.55	7.20	7.07
OPERATING SUBSIDY STATISTICS				
Operating Subsidy (\$ Millions)	1,296.4 ¹²	661.3 ¹⁰	576.9 ⁹	461.8 ⁸
Operating Subsidy per Passenger Trip (\$)	5.76	1.26	1.11	0.86
Operating Subsidy per Kilometre (\$)	5.64	2.60	2.30	1.92
REVENUE/COST RATIO	31.0%	65.4%	68.0%	72.8%
PASSENGER VEHICLE FLEET				
(Conventional & Wheel-Trans, owned and in service December 31)				
Buses	2,114	2,096	2,010	1,920
Subway Cars	848	848	848	848
Streetcars (CLRV & ALRV)	0	0	128	184
Streetcars (LFLRV)	204	198	117	57
Scarborough RT Cars	28	28	28	28
Wheel-Trans Buses	256	266	263	212
Total Vehicle Fleet	3,450	3,436	3,394	3,249

See accompanying notes for conventional system - 10 Year Non-Consolidated Financial & Operating Statistics (Unaudited)

2016 2015 2014 2013 2012 2011

538.1 537.6 534.8 525.2 514.0 500.2
 2.90 2.80 2.70 2.65 2.60 2.50
 14,095 13,651 13,209 12,920 12,739 12,674
 50.81 50.33 49.01 47.94 47.35 46.07 ¹¹

138.6 131.6 131.3 129.6 125.0 123.6
 83.0 82.2 80.8 79.3 78.6 76.1
 13.1 13.9 12.8 12.5 12.6 13.1
 3.5 3.4 3.5 3.5 3.1 3.3

238.2 231.1 228.4 224.9 219.3 216.1

1,196.3 1,179.1 1,157.5 1,120.2 1,087.3 1,026.4
 2.22 2.19 2.16 2.13 2.11 2.05
 5.02 5.10 5.07 4.98 4.96 4.75

1,712.6 1,695.7 1,589.5 1,491.7 1,472.4 1,460.0
 3.18 3.15 2.97 2.84 2.86 2.92
 7.19 7.34 6.96 6.63 6.71 6.76

516.3 ⁷ 516.6 ⁶ 432.0 ⁵ 371.5 ⁴ 385.1 ³ 433.6 ²
 0.96 0.96 0.81 0.71 0.75 0.87
 2.17 2.24 1.89 1.65 1.76 2.01
 69.9% 69.5% 72.8% 75.1% 73.8% 70.3%

1,926 1,861 1,869 1,851 1,857 1,819
 840 796 724 704 708 712
 219 235 247 247 247 247
 30 13 3 0 0 0
 28 28 28 28 28 28
 199 205 221 221 246 217

3,242 3,138 3,092 3,051 3,086 3,023

NOTES FOR CONVENTIONAL SYSTEM - 10 YEAR NON-CONSOLIDATED FINANCIAL & OPERATING STATISTICS (UNAUDITED)

1. In 2011, the TTC adopted Public Sector Accounting Standards (PSAS) for its financial reporting. Prior to the adoption of PSAS, depreciation expense on subsidized assets was completely offset by the related capital subsidy and the accounting expense for the TTC Pension Fund was equal to the TTC's cash contributions. To maintain consistency with both the pre-2011 presentation in this schedule and the TTC's operating budget, beginning in 2011 the operating expenses exclude depreciation on subsidized assets, the TTC Pension Fund expense or income that is in excess of the TTC's cash contributions, and capital project write downs and environmental expenses that are funded through capital subsidy.
2. In 2011, the total subsidy paid by the City was \$317.7 million, consisting of \$342.0 million for the operating subsidy, \$3.4 million for the City special costs, less a \$14.6 million long-term payable for accident claims and a \$13.1 million long-term payable for employee benefits. The City allocated \$91.6 million of Provincial subsidy to the operating budget.
3. In 2012, the total subsidy paid by the City was \$278.4 million, consisting of \$293.5 million for the operating subsidy, \$3.5 million for the City special costs, less \$18.6 million long-term payable (employee benefits of \$23.3 million less accident claims of \$4.7 million). The City allocated \$91.6 million of Provincial subsidy to the operating budget.
4. In 2013, the total subsidy paid by the City was \$273.4 million, consisting of \$279.9 million for the operating subsidy, \$3.6 million for the City special costs, \$13.1 million for accident claims and less a \$23.2 million long-term payable for employee benefits. The City allocated \$91.6 million of Provincial subsidy to the operating budget.
5. In 2014, the total subsidy paid by the City was \$301.4 million, consisting of \$340.4 million for the operating subsidy, \$3.6 million for the City special costs, less \$42.6 million long-term payable (employee benefits of \$29.8 million less accident claims of \$12.8 million). The City allocated \$91.6 million of Provincial subsidy to the operating budget.
6. In 2015, the total subsidy paid by the City was \$373.8 million, consisting of \$427.0 million for the operating subsidy, \$19.2 million for capital from current, \$3.6 million for the City special costs, less \$26.6 million long-term payable for accident claims and \$40.1 million long-term payable for employee benefits, less \$9.0 million draw from the TTC Stabilization Reserve Fund and \$0.3 million draw from the City Tax Rate Stabilization Reserve. The \$427.0 million for operating subsidy includes \$2.0 million in funding for the Wheel-Trans deficit. The City allocated \$91.6 million of Provincial subsidy to the operating budget.
7. In 2016, the total subsidy paid by the City was \$396.0 million, consisting of \$426.4 million for the operating subsidy, \$3.7 million for the City special costs, \$6.3 million long-term payable for accident claims and less a \$40.4 million long-term payable for employee benefits. The \$426.4 million for operating subsidy includes \$1.7 million in funding for the Wheel-Trans deficit. The City allocated \$91.6 million of Provincial subsidy to the operating budget.
8. In 2017, the total subsidy paid by the City was \$383.5 million, consisting of \$370.2 million for the operating subsidy, \$14.2 million for contributions to Long-Term Liability Reserve, \$4.7 million for the City special costs, \$34.8 million long-term payable for accident claims and less a \$40.4 million long-term payable for employee benefits. The City allocated \$91.6 million of Provincial subsidy to the operating budget.
9. In 2018, the total subsidy paid by the City was \$491.6 million, consisting of \$485.3 million for the operating subsidy, \$6.9 million contribution to the TTC Stabilization Reserve, \$12.4 million for contributions to Long-Term Liability Reserve, \$5.1 million for the City special costs, and an \$11.8 million reduction in the long-term payable for accident claims and less a \$29.9 million increase in the long-term payable for employee benefits. The City allocated \$91.6 million of Provincial subsidy to the operating budget.
10. In 2019, the calculated subsidy of \$664.3 million is reduced to \$661.3 million in the 10 Year Non-consolidated Financial Statistics to reflect expenses funded by liquidated damages. Of this amount, \$91.6 million was sourced from Provincial Gas Tax to arrive at total conventional system City funding of \$569.7 million.

City Funding paid of \$529.6 million is comprised of \$569.7 million for the operating subsidy, \$3.5 million for the City special costs, \$3.7 million long-term payable for accident claims, less a \$7.0 million draw from the TTC Stabilization Reserve, less a \$15.7 million draw from Long-Term Liability Reserve and less \$24.6 million increase in long-term payable for employee benefits.

The WT deficit of \$1.5 million is added to the \$661.3 million to total \$662.8 million as the reported subsidy in the consolidated financial statements.
11. The 2011 average hourly wage & benefit per operator amount previously reported of \$45.05 has been updated to reflect negotiated improvements that were applied retroactively.
12. In 2020, the calculated subsidy of \$1,300.5 million is reduced to \$1,296.4 million in the 10 Year Non-consolidated Financial Statistics to reflect expenses funded by liquidated damages. Of this amount, \$91.6 million was sourced from Provincial Gas Tax and \$590.2 million from the Safe Restart Agreement to arrive at total conventional system City funding of \$614.6 million.

City Funding paid of \$596.8 million is comprised of \$614.6 million for the operating subsidy, plus \$3.1 million for the City special costs, less \$5.7 million long-term payable for accident claims and \$33.2 million long-term payable for employee benefits, plus a \$18.0 million contribution to the City's land acquisition reserve.
13. 2020 Statistics have limited comparability to other years due to the impact of the COVID-19 pandemic.

Management Directory

April 2021



Executive Team

Richard J. Leary

Chief Executive Officer

Kirsten Watson

Deputy Chief Executive Officer

Michael Atlas

Head of Legal and General Counsel
(Acting)

Keisha Campbell

Chief Diversity and Culture Officer

Gary Downie

Chief Capital Officer

Betty Hasserjian

Chief Safety Officer (Acting)

Josie La Vita

Chief Financial Officer (Interim)

Kathleen Llewelyn-Thomas

Chief Strategy and Customer
Officer

Megan MacRae

Executive Director, Human
Resources

Mary Madigan-Lee

Chief People Officer

Fortunato Monaco

Chief Infrastructure and
Engineering Officer

Natalie Poole-Moffatt

Chief Corporate Affairs Officer

James Ross

Chief Operating Officer

Joan Taylor

Chief of Staff

Rich Wong

Chief Vehicles Officer

Senior Management and Department Heads

Sedat Akkaya

Head, Project Management Office

Valerie Albanese

Head, Human Rights and
Investigations

Deborah Brown

Head, Marketing and Customer
Experience

Glen Buchberger

Head, Plant Maintenance

Claudio Caschera

Head, Subway Transportation

Bem Case

Head, Vehicle Programs

Sam Castiglione

Head, Operations Financial Control

Andrew Dixon

Head, Special Constable Service
(Acting)

Shabnum Durrani

Head, Corporate Communications

Sean Fuller

Head, Light Rail Transit Operations

Dwayne Geddes

Head, Wheel-Trans

Angela Gibson

Head, Strategy and Foresight

Scott Haskill

Head, Project Development and Planning

Bruce Hoang

Director, Corporate Services
Transformation (Temporary)

Grant Houston

Head, Service Delivery Control
(Acting)

Peter Hrovat

Head, Streetcar Infrastructure

Michelle Jones

Head, Revenue Protection

Orest Kobylansky

Executive Director, Operations

Pam Kraft

Head, Property, Planning and
Development

Pierre Lagace

Head, Procurement and Category
Management

Christine Leach

Head, Audit, Risk and Compliance
(Acting)

Susanna Lee

Head, Farecard Team (Acting)

Deborah Lyon

Head, Streetcar Transportation

Sal Maltese

Head, Operations Training Centre
(Acting)

Lynn Middleton

Head, Transit Control (Acting)

Mark Mis

Head, Service Planning and Scheduling

Sue Motahedin

Head, Customer Service Centre

Jane Murray

Chief Project Manager, Construction

Harpreet Nagi

Head, Rail Cars and Shops

David Nagler

Head, Community and Council Relations

Lou Narduzzo

Head, Subway Infrastructure

Predrag Petrovic

Head, Engineering

Allan Pritchard

Head, Bus Maintenance and Shops

Anne Prybyla

Director, Talent Management

Wendy Reuter

Head, Research and Analytics

Meghan Rogers

Director, Employee Relations (Acting)

Rob Rush

Head, Materials Management

Chris Salvador

Head, Revenue Operations

Dhaksayan Shanmuganayagam

Head, Information Technology
Services

Robert Smith

Head, Bus Transportation

Amanda Sonier

Head, Operations Support

Ellen Stassen

Head, Stations

Karen Thorburn

Head, Corporate Initiatives

Chad Townsend

Litigation Counsel, Legal

Eduard Toader

Head, Employee Services and
Systems (Acting)

Frank Trianni

Head, Streetcar Maintenance



An employee wearing a TTC branded mask; which was also available at the TTC Shop.

