

MEETING DATE: DECEMBER 19, 2001

SUBJECT: Chief General Manager's Report Period 10 October 7 To November 3, 2001

RECOMMENDATION

It is recommended that the Commission:

1. receive for information the attached Executive Summary of the Chief General Manager's (CGM's) report covering the period October 7 to November 3, 2001, noting that:

- 2001 TTC Operating Budget

a shortfall of approximately \$3 million is currently projected; we shall continue to monitor this situation closely and, at year-end, request a draw from the Riders Reserve as necessary;

- 2001 Wheel-Trans Operating Budget

the current projected year-end unaccommodated rate for Wheel-Trans is 4% and there is no projected budget shortfall;

- 2001 – 2005 Capital Program

the 2001 year-end cash flow is currently projected to be under budget by approximately \$20.6 million; and

1. forward a copy of this cover report and the Executive Summary to each City Councillor for information (noting that the detailed CGM's report is available on request from the Office of the General Secretary of the Commission).

DISCUSSION

1. 2001 TTC Operating Budget

Year-to-Date

As a reflection of the economic slowdown and the tragic events of September 11, ridership for periods 9 and 10 was 1 million lower than for the comparable periods last year. However, for the year up to the end of period 10, ridership was still 6.9 million rides ahead of budget, with passenger revenue \$12.9 million over budget. Meanwhile, expenses were some \$3.8 million under budget for the year up to November 3.

Year-end Projections

The following table summarizes the year-end projections:

	2001		
(Millions)	BUDGET	PROJECTION	CHANGE
RIDERSHIP	413	419	6
REVENUES	\$655	\$667	\$12
EXPENSES	\$(814)	\$(818)	\$ (4)
SUBSIDY	\$148	\$148	\$ 0
SHORTFALL	\$(11)	\$(3)	\$8

It was noted at the previous Commission Meeting for the 2002 budget presentations that, if the ridership trends exhibited after the September 11 tragedy were to continue throughout the remainder of the year, a Riders Reserve draw in the order of \$6 million would be required to offset the ridership declines. However, the preliminary results for November now indicate a softening of this downward trend. It is now projected that year-end ridership will range from 418 to 420 million, with 419 million the most likely figure, an improvement of 1 million over the earlier post-September forecast. Revenues will be correspondingly higher and, with a further \$1 million to be trimmed from the expense forecast, the shortfall is now expected to be about \$3 million.

2) 2001 Wheel-Trans Operating Budget

The unaccommodated rate for period 10 was 5.8% and the year-end unaccommodated rate is now expected to be 4%, with expenditures still expected to be on budget by year-end.

(3) 2001 - 2005 Capital Program

The current projection is that the year-end cash flow for 2001 will be about \$20.6 million less than the budgeted cash flow. This potential under-expenditure is mainly due to further slippages or deferrals on various projects into 2002 (page A6).

7-Dec-01

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Attachment: CGM's Report