

MEETING DATE: NOVEMBER 28, 2001

SUBJECT: Chief General Manager's Report Period 9 September 2 To October 6, 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 September 2 to October 6, 2001, noting that:
 - 2001 TTC Operating Budget

At this time, it is expected that the slowing economy and fallout from the September 11 tragic events will result in a ridership of only 418 million rather than the 422 million previously projected. At the 418 million level, passenger revenues would be only \$634 million, rather than the \$640 million previously forecast. Consequently, a shortfall in the order of \$6 million is currently projected.

We will continue to monitor the situation closely and, at year-end, request a draw from the Riders Reserve necessary to offset this unexpected downturn in ridership.

- 2001 Wheel-Trans Operating Budget

The current projected year-end unaccommodated rate for Wheel-Trans remains at 3.5% 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 \$14.8 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

Ridership up to and including September 1 was 7.4 million rides (2.7%) over the amended budget. At the end of period 9, it was still 7.4 million rides ahead but only 2.4% over the budget. Passenger revenue for the year to October 6 was \$13.1 million over budget. Meanwhile, expenses were some \$4.5 million (0.7%) under budget for the year up to October 6.

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Year-end Projections

The following table summarizes the year-end projections:

	2001			
(Millions)	BUDGET	PROJECTION		VARIANCE (Budget vs 19NOV)
		As at 01SEP	As at 19NOV	
RIDERSHIP	413	422	418	5
REVENUES	\$655	\$672	\$665	\$10
EXPENSES	\$(814)	\$(820)	\$(819)	\$ (5)
SUBSIDY	\$148	\$148	\$148	\$ 0
SHORTFALL	\$(11)	\$0	\$(6)	\$5

Based on information and forecasts available prior to September 1, the 2001 TTC Operating Budget was considered to be balanced.

However, as noted in Recommendation (1) of this report, if recent ridership trends continue throughout the remainder of the year, a Riders Reserve draw in the order of \$6 million will be required to offset unanticipated ridership declines.

2) 2001 Wheel-Trans Operating Budget

Although the unaccommodated rate for period 9 was 5.5%, demand has softened since September 11 and the year-end unaccommodated rate is still expected to be under 4%.

Expenditures are still expected to be on budget by year-end. Savings have been achieved or planned to offset the estimated financial impact of staff unionization.

(3) 2001 - 2005 Capital Program

The current projection is that the year-end cash flow for 2001 will be about \$14.8 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).

20-Nov-01

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Attachment: CGM's Report