

MEETING DATE: September 25, 2001

SUBJECT: Chief General Manager's Report Period 7 July 8 To August 4, 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 July 8 to August 4, 2001, noting that:
 - i. a \$1 million shortfall is still expected for the 2001 TTC Operating Budget;
 - ii. the 2001 year-end cash flow for the 2001-2005 Capital Program is currently projected to be under budget by approximately \$8.1 million; and that
 - iii. the current projected year-end unaccommodated rate for Wheel-Trans is 4.3% and the projected budget shortfall is \$118,000; 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 for the first seven periods of the year was 6.9 million rides (2.8%) over the amended budget. Furthermore, despite the recent fare increase, ridership in July was 0.8 million rides ahead of last year. Passenger revenue for the year-to-date was consequently over the amended budget, by \$11.3 million (3.1%). Meanwhile, expenses were some \$2.7 million (0.6%) under the year-to-date budget.

Year-end Projections

The following table summarizes the year-end projections, based on current results and assumptions:

	2001		
(Millions)	BUDGET	PROJECTION	CHANGE
RIDERSHIP	413	422	9
REVENUES	\$655	\$672	\$17
EXPENSES	\$(814)	\$(821)	\$ (7)
SUBSIDY	\$148	\$148	\$ 0
SHORTFALL	\$(11)	\$(1)	\$10

Due to the continuing positive ridership results and forecasts, the year-end ridership is expected to range from 417 to 426 million, with 422 million still the most likely figure. The corresponding revenues are forecast to be \$672 million, with expenses expected to exceed budget by less than 1%. As a result, it is still anticipated that the year-end shortfall will be in the order of \$1 million.

2) 2001 Wheel-Trans Operating Budget

Wheel-Trans continued to experience higher than anticipated levels of demand. Some of this increase has been accommodated through the reallocation of funds to provide additional service. However, the unaccommodated rate for period 7 was still 4.5%. On a year-to-date basis, the unaccommodated rate was 3.7%, compared to a target of 2.2%. It is expected that this increased level of demand will continue for the balance of the year and that the year-end unaccommodated rate will be in the 4 to 5% range.

The projected over-expenditures total \$118,000, which are due primarily to higher than budgeted heating costs and property taxes. However, it should be noted that the year-end projection does not include any potential financial impact for staff unionization since negotiations for a first collective agreement have not yet been concluded.

(3) 2001 - 2005 Capital Program

The current projection is that the year-end cash flow for 2001 will be some \$8.1 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).

13-Sep-01

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Attachment: CGM's Report