

MEETING DATE: JANUARY 21, 2002

SUBJECT: Chief General Manager's Report Period 11 November 4 To December 1, 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 November 4 to December 1, 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, once year-end results have been finalized, request a draw from the Riders Reserve, if 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 \$32.2 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 indicated in the report last month, ridership in period 11 recovered somewhat from the impact in periods 9 & 10 of the economic slowdown and the tragic events of September 11. Ridership in period 11 was 309,000 rides over budget (0.9%) and, for the year up to the end of period 11, was 7.2 million rides ahead of budget (1.9%), with the corresponding passenger revenue \$13.6 million over budget (2.4%). Meanwhile, expenses were some \$3.6 million under budget for the year up to December 1.

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
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The preliminary ridership results for the end of the year are consistent with the previous projection of 419 million rides. Staff continue to review various expenditures for 2001, including those related to balance sheet provisions such as long-term disability and workplace safety & insurance liabilities, accident claim liabilities, deferred revenues, inventory obsolescence, etc. While the latest expense estimates, based on preliminary information available to date, have been reflected in the projections above, these adjustments can only be finalized in period 12. Any net adjustments in period 12 will affect the currently projected shortfall of approximately \$3 million.

2) 2001 Wheel-Trans Operating Budget

The unaccommodated rate for period 11 was 4.3% and the year-end unaccommodated rate is still expected to be 4%, with expenditures still expected to be on budget for the year.

(3) 2001 - 2005 Capital Program

The current projection is that the year-end cash flow for 2001 will be about \$32.2 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-Jan-02

42-35-47

Attachment: CGM's Report