

MEETING DATE: JULY 10, 2002

SUBJECT: Chief General Manager's Report Period 5 May 5 To June 1, 2002

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 May 5 to June 1, 2002 noting that:

- 2002 TTC Operating Budget

as reported in last period's CGM's report, the year-end shortfall is currently projected to be about \$32 million; this will be funded through a \$24 million draw from the Riders Reserve Fund and an \$8 million reduction in the Contribution to Capital;

- 2002 Wheel-Trans Operating Budget

that the current expenditures are projected to be on budget but that the unaccommodated rate will average approximately 3% for 2002;

- 2002-2006 Capital Program

that the 2002 year-end cash flow is now projected to be \$16.9 million under budget; 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).

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DISCUSSION

1. 2002 TTC Operating Budget

Year-to-Date

As indicated in previous reports this year, ridership for 2002 has continued to fall below expectations. Ridership in period 5 was 1.1 million (3.4%) below last year. For the year-to-date to June 1, ridership was 5.6 million (3.1%) under last year and 3.9 million (2.2%) under budget, with the corresponding passenger revenue \$5 million (1.8%) under budget. Expenses for the year-to-date were marginally over budget (0.5%), as the April 1 wage and salary increase starts being reflected.

Year-end Projections

The following table summarizes the year-end projections and budget variances:

	2002		
(Millions)	BUDGET	PROJECTION	CHANGE
RIDERSHIP	418	412	(6)
REVENUES	\$685	\$677	\$(8)
EXPENSES	\$(851)	\$(861)	\$(10)
SUBSIDY	\$152	\$152	\$0
SHORTFALL	\$(14)	\$(32)	\$(18)
DRAW FROM RIDERS STABILIZATION		\$24	

RESERVE FUND			
REDUCED CONTRIBUTION TO CAPITAL		\$(8)	

To balance the TTC budget, City Council, at its meeting of May 21, 22 and 23, 2002, approved the use of the entire \$24 million in the Riders Reserve Fund and the funding of the balance of the shortfall by a reduction in the TTC's Operating Budget Contribution to Capital.

(2) 2002 Wheel-Trans Operating Budget

The unaccommodated rate for period 5 was 5.6%, 3.1% so far this year and is projected to average approximately 3% for the year.

(3) 2002 - 2006 Capital Program

The current projection for the year-end cash flow is \$16.9 million less than budgeted. This underexpenditure is primarily due to the deferral of the contract award for the SRT Car Program of \$15.0 million to 2003.

2-Jul-02

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Attachment: CGM's Report