Form Revised: February 2005

# TORONTO TRANSIT COMMISSION
# REPORT NO.

**MEETING DATE:** JANUARY 12, 2011

**SUBJECT:** 2011 TTC OPERATING BUDGET

**ACTION ITEM**

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## RECOMMENDATIONS

It is recommended that the Commission:

(1) Approve the 2011 TTC Operating Budget as detailed in this report and shown in Appendix A.
~~(2) Approve a 10¢ fare increase effective January 30th as shown in Appendix B.~~
(3) Endorse the service improvements and reallocations from under utilized time periods to accommodate the anticipated increase in ridership in 2011.
(4) Forward the 2011 TTC Operating Budget to the City of Toronto for approval of the 2011 transit operating subsidy to the TTC.
(5) Direct staff to develop a multi-year plan, in consultation with City of Toronto staff, to establish a fare/subsidy strategy taking into consideration appropriate targets for ridership levels, service initiatives and revenue/cost ratios.

## FUNDING

~~The 2011 TTC Operating Budget requires a City of Toronto subsidy of $412.9 million, $16.9 million less than the 2010 budgeted subsidy of $429.8 million.~~

~~When combined with the 2011 Wheel-Trans operating budget increased subsidy request to meet increasing demand of about $8.3 million, the total 2011 operating subsidy requirement for these two budgets combined represents a reduction of about $8.6 million from the 2010 budget.~~

10¢ fare increase (24)
City Subsidy 16
unspecified budget reduction (8)

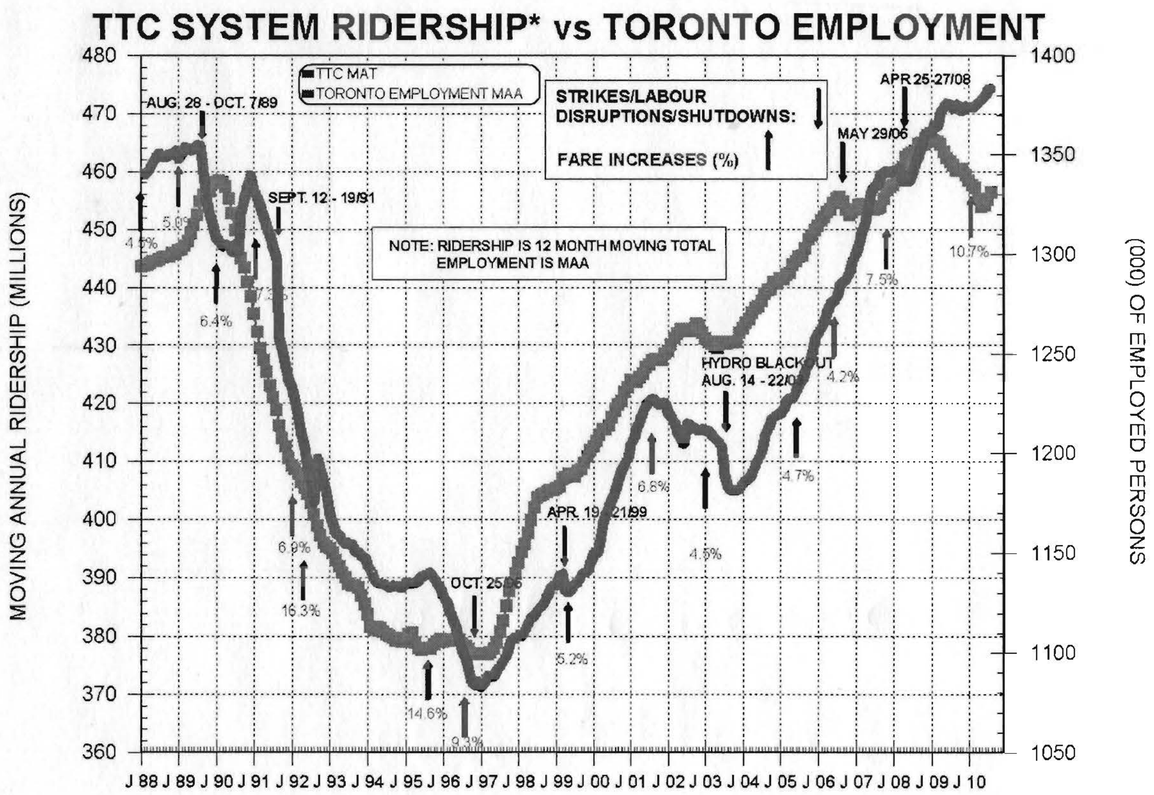
## BACKGROUND

### 2010 RIDERSHIP

Ridership in 2009 topped the 471 million level, an increase of 4 million from 2008 and, an all-time TTC record. This was in direct contrast to the experience of several major mass transit systems in North America including New York, Chicago and Philadelphia where increases implemented in 2008 as part of the TTC's Ridership Growth Strategy. The resultant service level was the highest the TTC has ever operated.

With the implementation of the January 3, 2010 fare increase as well as projections for flat or moderate economic and employment growth anticipated for the Toronto economy, ridership for 2010 was budgeted at 462 million. Accordingly, service levels were to be reduced, with a targeted average level of service commensurate with a ridership level of 462 million by year-end. Contrary to this expectation, ridership results were very strong, exceeding budget by almost 9 million rides to the end of July. This trend led to a decision by the Commission in May 2010 to reinstate the March service reductions and to cancel the planned reductions in September (in addition, a peak train was added on the Bloor-Danforth subway line in September to address overcrowding).

Historically, City of Toronto employment levels have been one of the most significant indicators in determining TTC ridership. Over the long term, changes in City of Toronto employment levels have tracked quite closely to TTC ridership changes as shown in the following graph.



* P7/02 includes World Youth Days

P:\stat01\hg-pres\0660RLFS

However, starting in 2009, City of Toronto employment started to drop, but TTC ridership continued to grow. Only in recent months have employment levels reflected growth over the same periods in 2009.

Favourable weather conditions last winter and economic uncertainty for riders have undoubtedly contributed to these strong ridership results. The large service improvements implemented in late 2008 have also prompted this growth as the service on the street much more closely matches the service hours of the subway, giving riders far more choice in transit options. It should be noted that the June results reflect the loss of an estimated 658,000 rides due to the G20 Summit.

## 2010 FINANCIAL RESULTS

The following table provides a summary of year-end projections for ridership, expenses, revenues and subsidy requirements.

| | 2010 | | |
|---|---|---|---|
| **(Millions)** | **PROJECTION** | **BUDGET** | **CHANGE** |
| **RIDERSHIP** | 477 | 462 | 15 |
| **EXPENSES** | $1,353.9 | $1,370.9 | ($17.0) |
| **REVENUES** | ($984.2) | ($941.1) | $43.1 |
| **SUBSIDY REQUIRED** | $369.7 | $429.8 | ($60.1) |
| **SUBSIDY AVAILABLE** | $429.8 | $429.8 | - |
| **SURPLUS** | $60.1 | - | $60.1 |

The current year-end projection indicates that the 2010 subsidy requirement will be about $60 million less than budget (i.e. a surplus) as a result of an additional $43 million in revenues and $17 million less in expenses than budgeted. Details of the major variances follow:

- **Passenger Revenues: $40 million increase.** An anticipated 15 million more passengers than budgeted, a higher average fare, deferred revenue adjustments, and lower token hoarding losses experienced earlier in the year are the key factors responsible for this favourable variance.

- **Other Revenues: $3 million increase:** Other revenues are higher than budgeted due to more favourable advertising revenues than anticipated.

- **Vehicle Fuel: $14 million decrease.** Lower diesel fuel costs primarily resulting from purchasing at spot market prices for the latter half of this year.

- **Other: $3 million decrease.** All other costs are down by a net of $3 million.

It should be noted that the current year-end projection of a $60 million surplus is to be regarded as a preliminary assessment which will be subject to further review and refinement once the normal year-end accounting adjustments for a number of balance sheet provisions including employee benefit liabilities, accident claims, deferred revenues, inventory obsolescence, etc. are completed early this year.

A further important consideration is that, effective January 2011, Canadian financial reporting standards, as set by the Canadian Institute of Chartered Accountants, will be changing. While most publicly traded enterprises will adopt International Financial Reporting Standards as their source for generally accepted accounting principles, a number of government organizations, including the TTC, will be required to use Public Sector Accounting Standards. The move to these new standards will entail a number of significant changes including the disclosure of budget information in the financial statements, the immediate recognition of the cost of employee benefits plan amendments as they are made, transitional impacts upon adoption of these standards, and, most significantly, a change to the classification of the pension fund from a defined contribution to a defined benefit plan which will affect how the TTC reports its pension obligations in its financial statements. The TTC may be obliged to disclose the pension solvency liability (currently in the order of $1 billion). Staff are continuing with their preliminary assessment of the impact of these new accounting standards on the 2011 budgets and financial statements and, any possible implications for the preparation of the 2010 financial statements.

## 2011 OPERATING BUDGET

### BACKGROUND

The TTC has long been recognized around the world as one of the most cost-effective and efficient mass transit systems in the world. According to a recent survey conducted by NOVA, an international transit benchmarking group of which TTC is a member, the TTC is clearly one of the lowest-cost (3rd) and most productive (4th) transit systems when compared to others of a comparable size and complexity.

One of the standard measures of overall productivity in the transit industry is the Revenue/Cost (R/C) ratio. Again, the TTC has long been a trend-setter. The two tables below show that the TTC compares favourably with Canadian and American mass transit systems.

| REVENUE/COST RATIOS | |
|---|---|
| TTC | 70% ~~71%~~ (2011) |
| MONTREAL | 56% (2009) |
| OTTAWA | 43% (2009) |
| VANCOUVER | 48% (2009) |

| REVENUE/COST RATIOS | |
|---|---|
| TTC | 70% ~~71%~~ (2011) |
| ATLANTA | 29% (2009) |
| CHICAGO | 40% (2009) |
| LOS ANGELES | 29% (2009) |
| NEW YORK | 54% (2009) |
| PHILADELPHIA | 38% (2009) |
| BOSTON | 42% (2009) |
| WASHINGTON | 45% (2009) |

## 2011 RIDERSHIP

Ridership is affected by a combination of factors including employment levels, demographics, retail trade activity, travel and tourism patterns, service levels, transit fares, income levels, gasoline/automobile prices, vehicle parking availability and rates, and traffic congestion. Some of these affect ridership in the longer-term such as demographics and income level. Others such as energy prices, employment levels, tourism, retail trade and significant world events can have both short and long-term ridership consequences. Other than service levels and fares, key variables that impact ridership are largely beyond the control of the TTC. TTC ridership in 2010 (477 million) was 5.8 million higher than the 2009 results and 15 million above budget. These results reflect the net impact of various positive and negative events/factors as outlined below.

- A major economic slowdown experienced in 2009 and the first five months of 2010 has had both positive and negative effects on the TTC. On the negative side, when riders lose their jobs, their usage of the TTC most likely declines. However, on the positive side, for those who retain their employment and are looking for ways to save money, they may have shifted part/all of their trip making to the TTC from the automobile. Although these items will not negate each other, the positive modal shift helped to moderate the ridership losses from employment declines;

- After employment decline from January to May 2010, the City of Toronto has experienced continuous job growth from June through November. There is a lead-lag relationship between employment growth/(decline) and ridership growth/(loss) as demonstrated by the fact that ridership was over budget in January to May even though employment had been declining; and

- In September, 2010, the Post-Secondary Student Metropass program was introduced. Sales of this new fare media were approximately 140K over the period September to December, however, VIP sales declined by about 90K and Other Adult Metropass sales dropped by almost 36K over the same period.

At the present time, the City of Toronto's most recent economic forecast has employment growth at 1.5% for 2011. ~~Based on this forecast, and the impact of the proposed 10¢ fare increase~~, ridership in 2011 is forecast at ~~483~~ 487 million.

## 2011 PROJECTED SHORTFALL

At the September 30, 2010 Commission meeting, TTC staff presented a report entitled "2011 Operating and Capital Budget Update". At that time, staff noted the 2011 TTC Operating Budget had an anticipated increase in operating subsidy estimated to be in the order of $53 million. The table below provides a listing of the changes made by staff to reduce this as much as possible.

| | | SUBSIDY CHANGE |
|---|---|---|
| **SEPTEMBER 30TH** | | + $53 million |
| **Changes** | | |
| • ~~10¢ fare increase – January 30th~~ | ~~24~~ | |
| • Elimination of PSAB Accounting Provision | 20 | |
| • Service Reallocations to accommodate growth | 7 | |
| • Station Managers Program Phasing | 6 | |
| • Advertising Revenues increase | 5 | |
| • Diesel Fuel Cost Reduction | 3 | |
| • Elimination of 10 Hour Rest Period for operators | 2 | |
| • Elimination of costs for New Head Office | 2 | 46 |
| • Elimination of Transit City Bus Plan Service | 1 | - ~~$70~~ million |
| ~~Subsidy Reduction from 2010 budget~~ | | ~~- $17 million~~ |
| unspecified budget reduction | | $ 8 million |

## 2011 FINANCIAL SUMMARY

The following table summarizes the 2011 Budget:

| (Millions) | 2010 BUDGET | 2011 BUDGET | CHANGE |
|---|---|---|---|
| **RIDERSHIP** | 462 M | ~~483 M~~ 487 | ~~+21M~~ 25 |
| **EXPENSES** | $1,371M | ~~$ 1,437 M~~ 1429 | ~~$66~~ 58 |
| **REVENUES** | $ 941M | ~~$ 1,024 M~~ 1000 | ~~$83~~ 59 |
| **SUBSIDY** | $ 430M | ~~$ 413 M~~ 429 | ~~($17)~~ -1 |

As can be seen from the table, overall the TTC will need $17 million less subsidy in 2011 than was budgeted for 2010. This is a result of an increase of 21 million rides from the 2010 budget of 462 million, the reallocation of some under-utilized service to accommodate the growth in ridership, a series of budget adjustments described in the previous section of this report ~~and lastly, a 10¢ fare increase as described later in this report~~.

FARE INCREASE

~~This budget includes a recommendation for a 10-cent fare increase effective January 30, 2011 to meet the service levels required for the projected increase in ridership. The fare increase will see an increase in adult fares of 10 cents – tokens will cost $2.60 while cash fares will remain unchanged at $3. Student and Senior fares will increase by 10 cents, however, cash fares for Students and Seniors will remain unchanged and all children's fares will be frozen at 2010 levels. All Pass prices will be increased proportionately as well. The complete fare schedule is attached to this report as Appendix B.~~

SERVICE

Service levels in 2011 are budgeted to accommodate a ridership level in the range of 483 million – 21 million rides greater than provided for in the 2010 budget and 6 million rides more than the 2010 actual ridership of 477 million. Accommodating continued ridership growth within current fiscal constraints has dictated the need to reallocate limited resources from existing under-utilized routes or time periods to those currently below our service standards (i.e. where overcrowding exists).

REVENUE

Passenger Revenues

Commensurate with a 21 million increase in ridership compared to the 2010 budget, this will result in an additional $53 million in revenue. ~~Adding the 10¢ fare increase, a net of $24 million or so, brings the revenue increase to $77 million. It is possible that this fare increase could yield a few million dollars more. Staff will monitor these results closely. If ridership above the 483 million level materializes, staff would recommend that service be added to accommodate this during the course of the year~~.

Other Revenues

Advertising revenues were favourable in 2010, exceeding that budget. For 2011, staff are budgeting an extra $5 million over the 2010 budget. In addition, an extra $1 million is expected from all other revenue sources.

Overall, revenues in total are budgeted to be ~~$83~~ $59 million higher than the 2010 revenue budget.

2011 EXPENSES

$58

Expenses are budgeted to be approximately ~~$66~~ million higher than the comparable 2010 budget. The following table summarizes those changes and the resulting workforce.

| BUDGET | CHANGE FROM 2010 BUDGET $Million | Workforce |
|---|---|---|
| • Collective Bargaining Agreements (CBA) | 13 | |
| • Other CBA Impacts | 7 | |
| • Other Employee Costs | 18 | |
| • Service Increase (from 462M to 483M rides) | 5 | 78 |
| • Service Adjustments - City Construction, Outside City | (6) | |
| • Vehicle & Facility Maintenance Programs | 7 | 14 |
| • Maintain existing service levels | 4 | 67 |
| • Inflationary Increases | 3 | |
| • Accident Claims | 3 | |
| • Customer Service Initiatives | 2 | ~~60~~ 31 |
| • Training Requirements | 2 | 14 |
| • Depreciation | 2 | |
| • Energy | 1 | |
| • Health & Safety | 1 | |
| • Operating Impacts of Capital Projects – IT Support | 1 | 10 |
| • Subway Station Cleanliness | 1 | |
| • Other (net) | 2 | 7 |
| Total | 66 | ~~250~~ 221 |
| unspecified budget reduction | (8) | |
| | $58 | |

Following is a brief explanation of each change.

**PART 5: Major Changes in Operating Expenses**

The day-to-day expenses associated with running the TTC are budgeted to increase by 58 ~~$66.2~~ million (about 4.8%) in 2011. The increases fall into the following areas:

1. Wage and Benefit Increases based on the current CBAs: $12.6 million. The April 1, 2008 Collective Bargaining Agreements (CBAs) included wage increases of 3.0% per year effective April 1 in each of 2008, 2009 and 2010. The annualized impact of the April 1, 2010 wage increase has been incorporated together with certain other benefit improvements (e.g. group life insurance). An additional 0.5% pension contribution rate increase effective January 1, 2011 has also been included.

2. Other CBA Impacts: $7.1 million. As a result of fewer new hires in 2010 and anticipated for 2011 (relative to 2008 and 2009), the hourly-rated workforce will become more senior in their years of service. Consequently, higher costs will be

experienced due to wage progression as provided for in the CBAs, resulting in increased average wage rates.

3. Other Employee Costs: $17.8 million. These costs are expected to increase mainly due to the impact of increased labour costs, inflationary and utilization increases for both healthcare and dental benefits, a larger increase in the provision for post-employment benefit liabilities and higher absence costs due to sickness, etc. It should be noted that of the total Other Employee Costs budget, approximately $13.4 million has been incorporated into the budget for 2011 post-retirement non-cash benefit expenses (dental and healthcare) which will be covered through a long-term subsidy receivable from the City.

4. Service: $4.3 million and 78 positions. To accommodate an increasing ridership level from the 2010 budget level of 462 million to the 2011 forecast of 483 million, additional service along with the reallocation of resources from low ridership off-peak service, is required.

5. Service Adjustments: ($5.7) million. The primary drivers of this change include a reduction in the provision to maintain service levels during City construction projects and a reduction in the level of service operated beyond the City's boundaries as requested and fully paid for by York Region.

6. Vehicle & Facility Maintenance Programs: $7.3 million and 14 positions. Maintenance activities involving structural and collision repairs and engine module replacements on newer buses continue to become more complex and time-consuming due to the low-floor design and increasing componentry such as hydraulic, fire suppression, electronic engine controls and turbocharging systems. The aging ALRV streetcar fleet requires re-wheeling and frame beam repairs/replacements. Cracked torque arms on the T1 subway cars must be replaced on the entire fleet of 372 cars. Similarly, to maintain transit facilities, a number of safety and reliability initiatives focused on the maintenance of track and signal system infrastructure are planned along with a reduction in the backlogged sheet metal repair work.

7. Maintain existing service levels: $3.9 million and 67 positions. In order to support the level of services currently in place today, additional resources are required for: increasing vacation entitlements as the Operator and Collector workforces become more senior in their years of service; an increasing duty to accommodate employees with alternative work during periods when they are incapable of performing their regular duties; improved route management on existing bus routes; and the harmonization of the current 5-year bus recertification training program to a 3-year cycle so that its frequency is consistent with that of both streetcar and subway operations training; the maintenance of existing emergency equipment and new fire ventilation systems and the backlog of one-time work orders; increased track patrol activities; increased safety training requirements and information technology support for the Pass Vending Machine fleet expansion.

8. Inflationary Increases: $2.5 million. A general allowance of approximately 1.8% for CPI has been provided for inflationary increases on the purchase of goods and services, other than those noted specifically above.

9. Accident Claims: $3.1 million. Based on a recent independent actuarial assessment of current and future settlement costs, escalating costs associated with the adjudication and settlement of accident claims submitted to the Commission account for this increased requirement. It should be noted that of the total Accident Claims budget, approximately $14 million has been incorporated into the budget for 2011 non-cash expenses which will be covered through a long-term subsidy receivable from the City. Recently enacted legislative changes (effective September 1, 2010) will not immediately contain or reduce these costs because claims currently being processed fall under the old rules. TTC staff, through joint submissions with the Ontario Public Transportation Association and the Canadian Urban Transit Association, continue to urge the Provincial government to follow through with the key recommendation of the Financial Services Commission of Ontario that "the government should consider legislative amendments to reflect the unique status of public transit services operated by municipal authorities by excluding injuries from no-fault where no collision has occurred."

10. Customer Service Initiatives: $2.1 million and ~~60~~ 31 positions. The roll-out of the Station Managers program introduced in 2010, enhanced customer service training for front-line personnel, increased resources to reduce abandoned telephone calls and the addition of a Chief Customer Service Officer, as recommended by the Customer Service Advisory Panel, constitute the majority of these initiatives.

11. Training Requirements: $1.6 million and 14 positions. New training requirements result from the transition to the new Toronto Rocket subway trains, the need for electrical skill sets for escalator maintenance personnel and additional bus rebuild instruction largely drive this requirement.

12. Depreciation: $2.2 million. Included in the TTC Capital Budget are assets that are not fully funded by the TTC's funding partners (e.g. computer hardware and software, automotive non-revenue vehicles, tools and shop equipment, revenue collection equipment). The TTC share of the net cost of these assets is capitalized, amortized over their useful lives and charged as depreciation expense to the TTC Operating Budget. For 2010 and 2011, the TTC share is at relatively high levels and, as a result, there is an increase in the TTC depreciation expense amount.

13. Energy: $1.0 million. The impact of the Ontario Harmonized Sales Tax on diesel fuel, hydro and natural gas purchases along with an anticipated increase in the price of hydro power are expected to be partially mitigated by expected diesel fuel price reductions based on current futures market forecasts.

14. Health and Safety: $1.3 million. With the June 2010 Occupational Health and Safety Act changes regarding the protection of employees from workplace violence, a need has been identified to secure armed guard services for the protection of certain employees of the Revenue Operations department.

15. Operating Impacts of Capital Projects – IT Support: $0.7 million and 10 positions. A fraction of the total resources utilized to develop and implement the Vehicle Work Order, Inventory & Purchasing and the Accounts Payable replacement systems will be required to provide ongoing support and maintenance when these systems are put into production in 2011.

16. Subway Station Cleanliness: $1.1 million. This requirement reflects the continuation of the cleaning blitz, utilizing unbudgeted temporary resources, introduced in the summer of 2010.

17. Other: $3.3 million and 7 positions. All other changes, including the leasing of facilities for the Revenue Operations and other departments, net out to an overall increase of about $3.3 million. The net workforce change includes 3 Information Technology positions, which will replace more expensive contracted resources.

## FUTURE OUTLOOK

As a preliminary step in the process to develop a multi-year strategy, a preliminary pro forma projection of revenues and expenditures for the years 2011 to 2013 has been prepared based on the following assumptions:

- ridership will grow based on current economic forecasts
- fares and the fare mix reflect the ~~proposed January 30, 2011 fare increase only~~ current fares
- service adjustments are to maintain service standards
- a new LRV carhouse will open in late 2013 (impact TBD)
- Transit City Rail Plan initiatives are excluded
- labour costs are as per the current Collective Bargaining Agreements
- accident claims and energy costs are estimated to increase at 10% per year
- pension solvency payments of $42 million per year commence in 2012
- all other costs are estimated to increase in line with current experience or based on actual or anticipated contractual commitments
- subsidy has been flat-lined at the 2011 level

The following table summarizes the estimated ridership, revenues, expenses, subsidies, and revenue/cost ratios for the years 2011 to 2013.

## 2011-2013 PRO FORMAS

**(Millions)**

| | | 2011 | 2012 | 2013 |
|---|---|---|---|---|
| Rides | 487 | 483 | 496 | 511 |
| Revenues | 1000 | $1,024 | $1,065 | $1,095 |
| Expenses | 1429 | 1,437 | 1,569 | 1,662 |
| Total Subsidy Required | 429 | 413 | 504 | 567 |
| Total Subsidy Available | 429 | 430 | 413 | 413 |
| Additional Subsidy Required | | (17) | 91 | 154 |
| Revenue / Cost Ratio | 70% | 71% | 68% | 66% |

Even with labor costs unchanged from the current Collective Bargaining Agreements in this table (in order to conservatively estimate how the TTC's financial situation will continue to present a significant challenge in the coming years), the amount of additional subsidy required will grow by over $150 million by 2013. Action is required to develop a strategy that will address the longer term requirements of the Toronto Transit Commission in order to continue to meet the needs of our riders, the citizens of the City of Toronto and for the Greater Toronto Area overall. Staff will be working to develop a multi-year plan, in consultation with the City, to establish a fare/subsidy strategy taking into consideration appropriate targets for ridership levels, service initiatives and revenue/cost ratios.

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January 11, 2011
42-107-14

Attachments: Appendix A – 2011 Operating Budget Summary
~~Appendix B – Fare Schedule~~

8

includes $8 million unspecified budget reductn.

# TORONTO TRANSIT COMMISSION
## 2011 OPERATING BUDGET
($000s)

| | 2010 BUDGET | 2011 BUDGET | 2011 vs 2010 BUDGET CHANGE |
|---|---|---|---|
| **REVENUES** | | | |
| Passenger Revenues | 888,000 | 965,450 | 77,450 |
| Outside City Services & Charters | 18,475 | 17,748 | (727) |
| Advertising | 15,250 | 20,250 | 5,000 |
| Rent Revenue | 9,233 | 8,829 | (404) |
| Commuter Parking | 8,857 | 9,470 | 613 |
| Other Income | 1,300 | 2,434 | 1,134 |
| **TOTAL REVENUES** | 941,115 | 1,024,181 | 83,066 |
| | | -24,000 | |
| **EXPENSES** | | | |
| CGM's Office | 13,985 | 14,349 | 364 |
| Engineering & Construction Branch | 3,514 | 3,828 | 314 |
| Executive Branch | 79,199 | 84,708 | 5,509 |
| Operations Branch | 818,291 | 844,051 | 25,760 |
| Other Employee Costs * | 234,300 | 257,925 | 23,625 |
| Vehicle Fuel | 87,667 | 85,533 | (2,134) |
| Traction Power | 35,111 | 37,623 | 2,512 |
| Utilities | 19,598 | 20,431 | 833 |
| Depreciation | 24,200 | 26,400 | 2,200 |
| Taxes and Licences | 3,943 | 3,906 | (37) |
| Accident Claims & Insurance ** | 29,755 | 32,937 | 3,182 |
| Non-Departmental Expenses/Cost Recoveries | 21,357 | 25,401 | 4,044 |
| **TOTAL EXPENSES** | 1,370,920 | 1,437,092 | 66,172 |
| | | -8000 | |
| **Operating Subsidy Required** | 429,805 | 412,911 | (16,894) |
| **2010/11 Operating Subsidy** | 429,805 | 429,805 | |
| **REDUCED SUBSIDY REQUIREMENT** | - | (16,894) | |

* City Council's approval of the 2006 TTC and Wheel-Trans operating budgets included the establishment of a long-term receivable from the City for budgeted non-cash expenses related to post-retirement benefits. Consequently, in 2010, the $17.6 million budget for these expenses has been deducted to match the City's subsidy for the current year. For 2011, the budget is $13.375 million.

** City Council's approval of the 2010 TTC and Wheel-Trans operating budgets included the establishment of a long-term receivable from the City for budgeted non-cash expenses related accident claims. Consequently, in 2010, the $25.75 million budget for these expenses has been deducted to match the City's budgeted subsidy for the current year. For 2011, the budget is $14 million.

10¢ Fare Increase $24M
City Subsidy 16
Unspecified Budget Reductn 8
Ø

APPENDIX B

The fare increase effective January 30, 2011 is as follows:

**Fare Schedule**
**Proposed 10-cent fare increase**

| | Current Fare | Proposed Fare |
|---|---|---|
| **Adult** | | |
| -Cash | $3.00 | $3.00 (unchanged) |
| -Token | $2.50 | $2.60 |
| -Weekly Pass | $36.00 | $37.25 |
| -Regular Metropass | $121.00 | $126.00 |
| -VIP | $107.00 | $111.25 |
| -MDP | $111.00 | $115.50 |
| **Senior/Student** | | |
| -Cash | $2.00 | $2.00 (unchanged) |
| -Ticket | $1.65 | $1.75 |
| -Weekly Pass | $28.00 | $29.75 |
| -Regular Metropass | $99.00 | $104.00 |
| -MDP | $89.00 | $94.00 |
| **Child** | | |
| -Cash | $0.75 | $0.75 (unchanged) |
| -Ticket | $0.55 | $0.55 (unchanged) |
| **Day Pass** | $10.00 | $10.50 |
| **GTA Pass (TTC Portion)** | $28.00 | $29.00 |
| **Post-Secondary Student Metropass** | $99.00 | $104.00 |

$24M
16
8

10 ¢ Fare Increase
City Subsidy
Unspecified Budget
Reduction