

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: December 19, 2013

SUBJECT: Chief Executive Officer's Report – December 2013 Update

ACTION ITEM

RECOMMENDATION

It is recommended that the TTC Board forward a copy of this report to (1) each City of Toronto Councillor and (2) the City Deputy Manager and Chief Financial Officer, for information.

DISCUSSION

The attached report provides a corporate-level focus on the organization's Key Performance Indicators (KPI).

These KPIs are presented in a performance "dashboard" format that allows the reader to view periodic performance in all of these areas at a glance. Targets for each KPI are provided although some are yet to be finalized. In addition, a "traffic light" indicates whether the organization is ahead of target (green), at risk (yellow) or below target (red) for the KPI in question and the trend arrows show whether performance is trending up or down.

In the balance of the report, detailed comments are provided highlighting and explaining issues concerning each of the KPIs.

December 6, 2013

42-81

Attachment: Chief Executive Officer's Report



TORONTO TRANSIT COMMISSION

CHIEF EXECUTIVE OFFICER'S REPORT

DECEMBER 2013 UPDATE



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TORONTO TRANSIT COMMISSION – MONTHLY SCORECARD



| Key Performance Indicator | | Description | Frequency | Latest Measure | Current | Target | Current Status | Trend | Ref. # |
|---|---|------------------------------|-----------|----------------|---------|---------|----------------|-------|--------|
| CSS | | Customer Satisfaction Survey | Quarter | Q3 | 75% | TBD | | | 2.2 |
| Customer Journeys | | Customer Trips | Period | P10 | 42.301M | 42.291M | | | 2.3 |
| Punctuality – Subway and Scarborough Rapid Transit (SRT) | | | | | | | | | |
| Yonge-University-Spadina | Headway + 3 minutes | Period | P10 | 95.1% | 96.0% | | | 2.4.1 | |
| Bloor-Danforth | Headway + 3 minutes | Period | P10 | 97.2% | 97.0% | | | 2.4.1 | |
| Sheppard | Headway + 3 minutes | Period | P10 | 99.2% | 98.0% | | | 2.4.1 | |
| SRT | Headway + 3 minutes | Period | P10 | 97.3% | 96.0% | | | 2.4.2 | |
| Punctuality – Bus, Streetcar, and Wheel-Trans | | | | | | | | | |
| Bus | Headway +/- 3 minutes | Period | P10 | 63.7% | 65.0% | | | 2.5.1 | |
| Streetcar | Headway +/- 3 minutes | Period | P10 | 70.2% | 70.0% | | | 2.5.2 | |
| Wheel-Trans | Within 10 minutes of schedule | Period | P10 | 80.8% | 90.0% | | | 2.5.3 | |
| Safety and Security | | | | | | | | | |
| Lost Time Injuries | Injuries / 100 Employees | Period | P10 | 4.24 | TBD | | | 2.6.1 | |
| Customer Injuries | Injury incidents / 1M Vehicle Boardings | Period | P9 | 2.12 | NA | | | 2.6.2 | |
| Behavioural Safety Index | Safety Focused Behaviour | Period | TBD | | | | | 2.6.3 | |
| Offences against Customers | Assault, theft, other | Period | P10 | 32 | NA | | | 2.6.4 | |
| Offences against Staff | Assault, threat, other | Period | P10 | 22 | NA | | | 2.6.5 | |
| People | | | | | | | | | |
| Attendance | Employee Absence | Period | P10 | 6.53% | < 6.50% | | | 2.7.1 | |
| Operator Hires | Actual vs. Budget | Period | P10 | 48 | 36 | | | 2.7.2 | |

TORONTO TRANSIT COMMISSION – MONTHLY SCORECARD



| Key Performance Indicator | | Description | Frequency | Latest Measure | Current | Target | Current Status | Trend | Ref. # |
|------------------------------------|------------------------------|-------------|-----------|----------------|-----------|--------|----------------|-------|--------|
| Device Availability | | | | | | | | | |
| Elevators | % Elevators Available | Period | P10 | 97.7% | 98.0% | | | 2.8.1 | |
| Escalators | % Escalators Available | Period | P10 | 97.1% | 97.0% | | | 2.8.2 | |
| Fare Purchase Opportunity | % TVM's / PVM's Available | Period | P10 | 97.0% | 96.4% | | | 2.8.3 | |
| Mystery Shopping and Audits | | | | | | | | | |
| Station Cleanliness | Cleanliness Audit Score | Quarter | Q3 | 72.3% | 75.0% | | | 2.9.1 | |
| Vehicle Cleanliness | Cleanliness Audit Score | Quarter | Q3 | 62.4% | 75.0% | | | 2.9.2 | |
| Information MSS | Customer Announcements Score | Quarter | TBD | | | | | 2.9.3 | |
| Staff Helpfulness MSS | Welcoming Staff Score | Quarter | TBD | | | | | 2.9.4 | |
| Financials | | | | | | | | | |
| TTC Revenue | Actual vs. Budget | Period | P1-10 | \$938.0M | \$947.7M | | | 4.1 | |
| TTC Operating Expenditure | Actual vs. Budget | Period | P1-10 | \$1258.9M | \$1284.2M | | | 4.1 | |
| Wheel-Trans Revenue | Actual vs. Budget | Period | P1-10 | \$4.7M | \$4.6M | | | 4.2 | |
| W-T Operating Expenditure | Actual vs. Budget | Period | P1-10 | \$85.1M | \$85.8M | | | 4.2 | |
| Capital Expenditure – Base | Actual vs. Budget | Period | P1-10 | \$418.5M | \$718.0M | | | 4.3 | |
| Capital Expenditure – TYSSE | Actual vs. Budget | Period | P1-10 | \$310.6M | \$569.0M | | | 4.3 | |

Key to Symbols



On target



Target at risk at current trend



Off target



Positive up from last



Positive down from last



Negative up from last



Negative down from last



No change from last

Note:

The black arrows in the top right corner of the accompanying charts in this report indicate the favourable direction of the Key Performance Indicator (KPI):

↑ Higher (or increasing) values for the KPI are favourable

↓ Lower (or decreasing) values for the KPI are favourable

Part 2 – Commentary and Current Issues

2.1 – Chief Executive Officer’s Commentary

The TTC Board recently approved our operating and capital budgets for 2014 and I am very encouraged that we have been able to successfully argue for a \$27 million (TTC: \$17M; Wheel-Trans: \$10M) increase in operating subsidies received from the City of Toronto. The TTC operating subsidy had been frozen for the past two years and if we account for the growth in ridership, the per rider subsidy has fallen from 93¢ in 2010 to 78¢ in 2013. This subsidy/rider is by far the lowest of any major transit system in North America. Comparable figures are: New York (\$1.03), Montreal (\$1.16), Chicago (\$1.68) and Boston (\$1.93). The increase for 2014 will help us to expand service to keep pace with ever-increasing ridership and to continue in our efforts to increase service reliability and drive up customer satisfaction. The subsidy increases are a reflection of our ongoing efforts to secure long-term, sustainable, and predictable funding from all levels of government. Another key step in this advocacy has been taken through the TTC Board’s approval of a recommendation to create a special task force made up of the TTC Chair and senior TTC and City executives to seek and obtain funding from the provincial and federal governments.

Customer journeys (ridership) were slightly above target in Period 10. The year-end outlook is that ridership and passenger revenues will fall slightly below target, primarily due to the combined effects of several severe winter storms, the severe rainstorm and flood aftermath in July, and decreases in the average fare that mostly stem from ongoing monthly pass sales growth.

Subway punctuality on the Yonge-University-Spadina line remained below target; however, performance improved for the third consecutive period and was at its highest level in the past two years. I am encouraged by this turnaround in performance and I attribute this to the good work of several teams that have been established to identify and resolve root causes of delays. Subway punctuality remained above target on the Bloor-Danforth and Sheppard lines. SRT punctuality continued ahead of target.

Bus punctuality improved but remained below target. Streetcar punctuality continued to be above target. Wheel-Trans punctuality continued to be below target.

Employee absence increased to be marginally above target. The overall trend continues to be encouraging with period results consistently lower than the comparable prior-year period.

Elevator availability fell below target; escalator availability continued to be above target. TVM/PVM availability remained above target.

On the financial side, total year-to-date TTC revenues were below budget, primarily due to two million fewer customer journeys than planned and a lower average fare than budgeted. This was offset by operating under-expenditures. It is currently projected that there will be a subsidy surplus of \$2 million by year-end. Capital expenditures were below budget for a host of reasons (see Section 4.3).

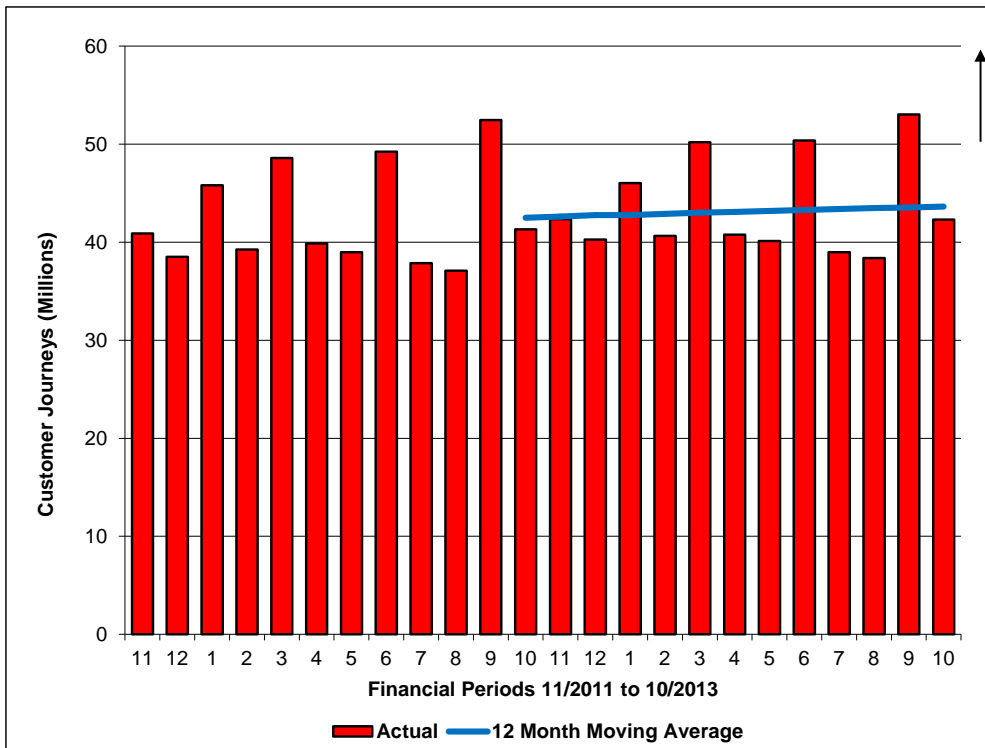
2.2 – Customer Satisfaction Survey

The Q3 2013 Customer Satisfaction Survey demonstrates an overall customer satisfaction rating of 75%. This represents a 4% decline in overall customer satisfaction compared to Q2 2013 (79%), but is slightly higher than the comparable period in 2012 (74%). There may be some seasonality trends evident in the Q3 results, as Q3 and Q4 trends in 2012 also reflected lower customer satisfaction levels than the first half of the year.

Despite the decline in the overall customer satisfaction rating, there were some positive trends with customer satisfaction on specific aspects of TTC service. TTC customers noted improvements for Q3 2013 in the following areas: the smoothness of subway and bus travel, cleanliness of subway trains, the appearance of collector's booths, and the level of crowding inside buses.

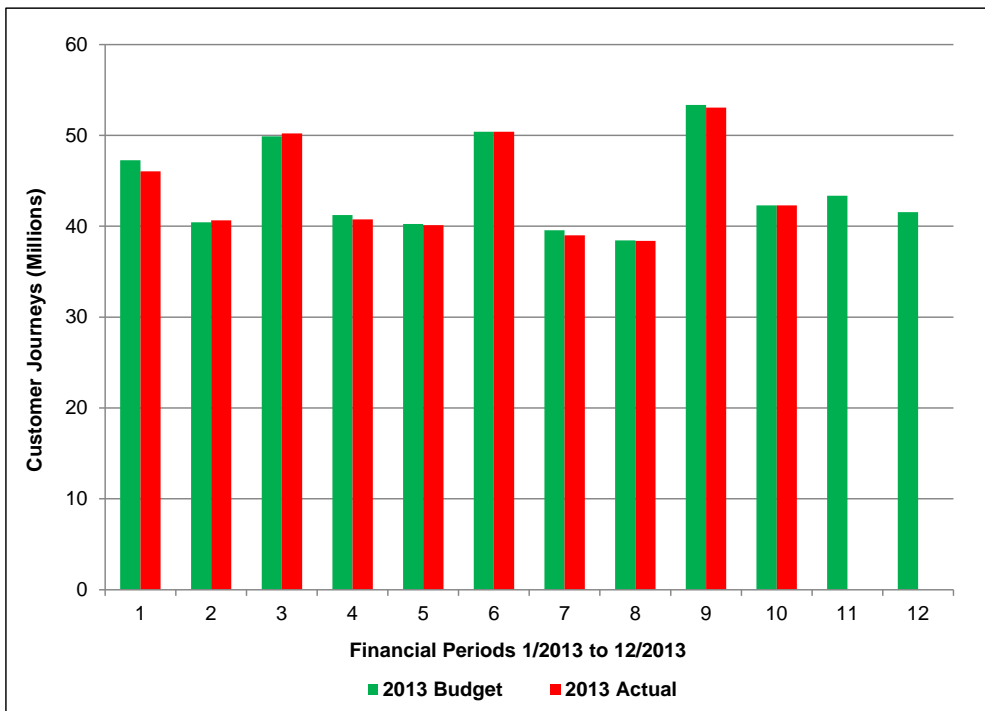
The detailed results for the Q3 2013 Customer Satisfaction Survey will be posted on the TTC's website before Christmas.

2.3 – Customer Journeys



There were 42.301M customer journeys (ridership) taken during Period 10 2013, which was 0.996M (+2.4%) more than the 41.305M journeys taken during Period 10 2012.

The annual number of customer journeys to the end of Period 10 2013 was 523.547M, which was 13.642M (+2.7%) more than the 509.905M annual journeys taken to the end of Period 10 2012.



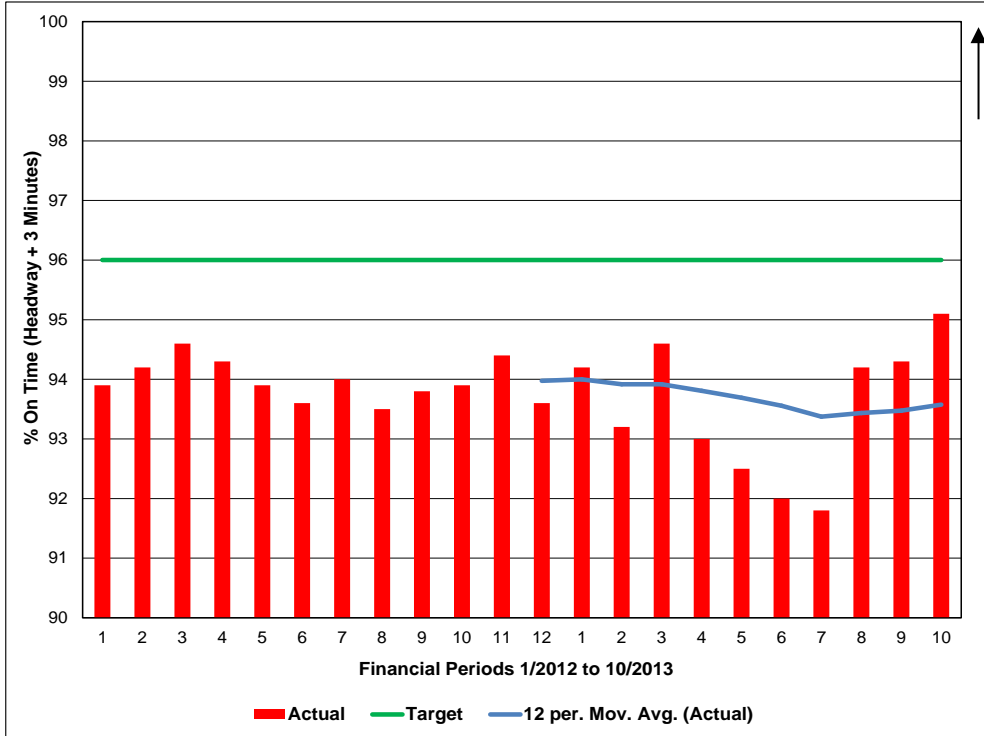
There were 42.301M customer journeys taken during Period 10 2013, which was 0.010M (+.02%) more than the budget of 42.291M journeys.

The number of customer journeys taken year-to-date to the end of Period 10 2013 was 440.909M, which was 2.181M (-0.5%) less than the budget of 443.090M journeys.

2.4 – Punctuality – Subway and Scarborough Rapid Transit (SRT)

2.4.1 – Subway

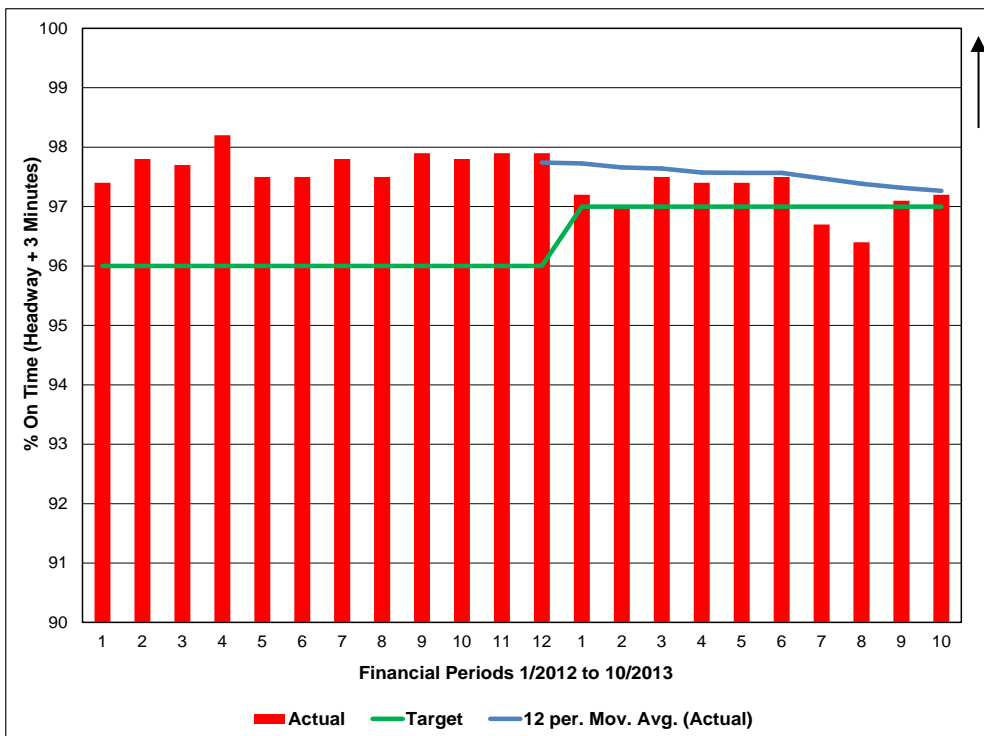
Yonge-University-Spadina Line



Performance in Period 10 increased for the third consecutive period.

The average weekly delay minutes in Period 10 were better than expected (180 actual vs. 270 target) and were lower than both the Period 9 and 24-month averages. This, along with a pilot program for Transit Control staffing on the YUS line, has resulted in better levels of performance than any other period in the past two years.

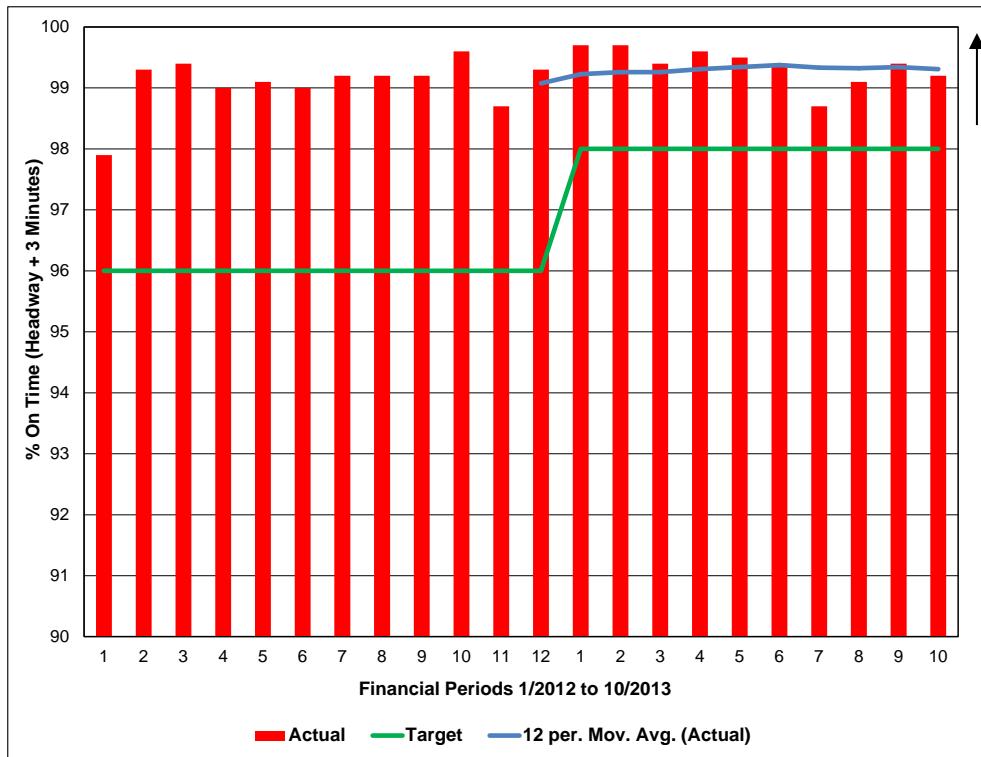
Bloor-Danforth Line



Performance in Period 10 remained above target for the second consecutive period.

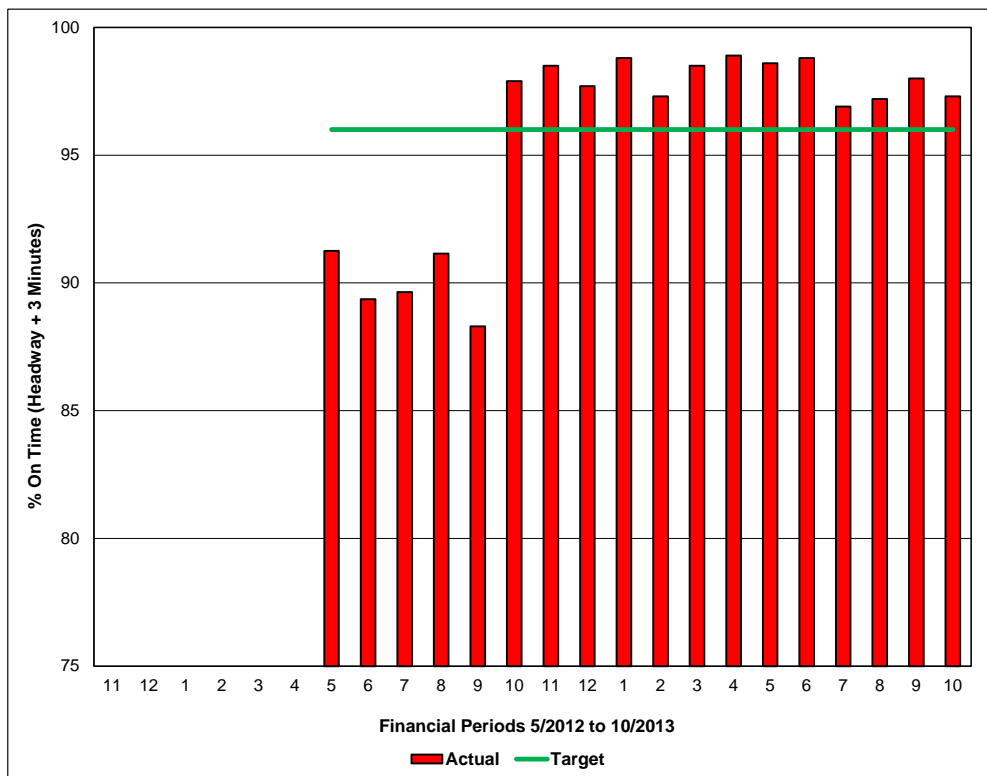
Performance in Period 10 was slightly below the 24-month average (97.2% vs. 97.5%) due to the fact that the average weekly delay minutes in Period 10 increased over Period 9 (203 vs. 176) and were slightly higher than the 24-month average (203 vs. 188).

Sheppard Line



Performance continued well above target in Period 10.

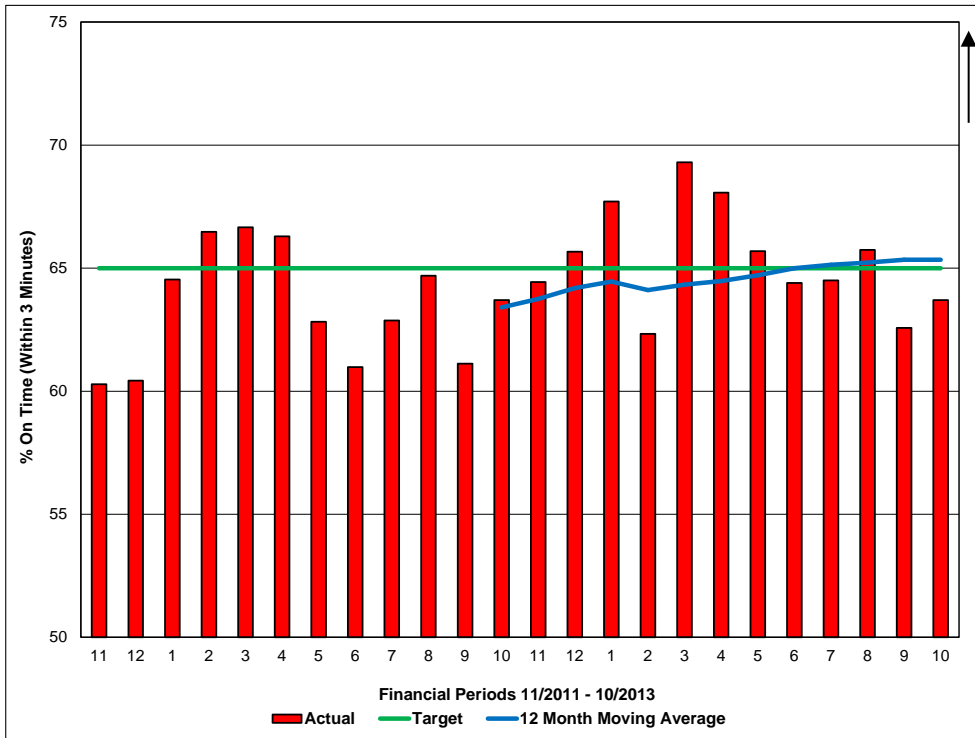
2.4.2 – SRT



The SRT line continues to perform well, albeit at a constrained performance profile due to its age.

2.5 – Punctuality – Bus, Streetcar, and Wheel-Trans

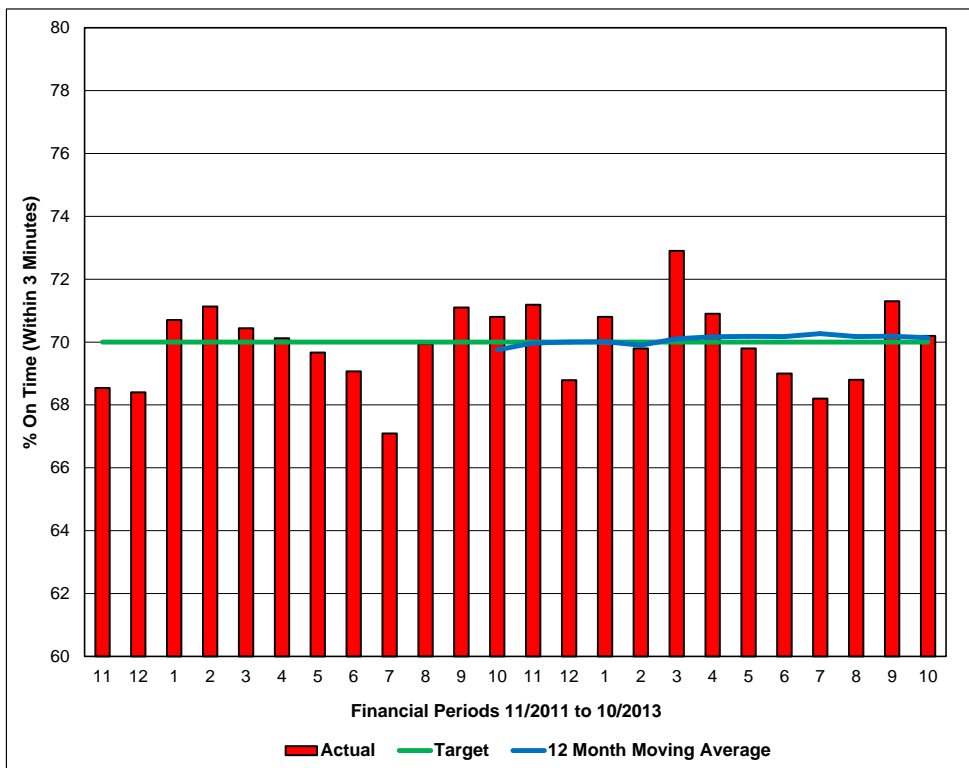
2.5.1 – Bus



Performance increased in Period 10 but remained below target.

Recovery from the expected seasonal adjustment during Period 9 continues. Bus divisions are working with Strategy and Service Planning to improve route dynamics.

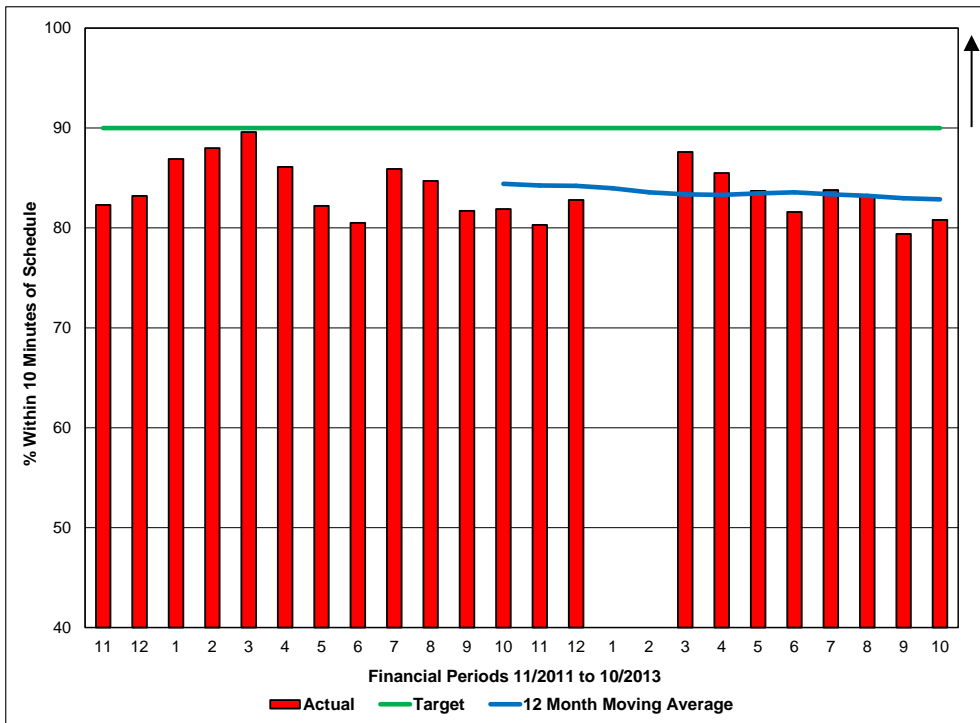
2.5.2 – Streetcar



Performance decreased in Period 10 but was above target for the second consecutive period.

Construction projects throughout the city have resulted in reduced access and service disruptions on all routes. Management and supervisory staff have introduced various strategies to address these issues, including headway management and reductions in short-turns and turn-backs.

2.5.3 – Wheel-Trans

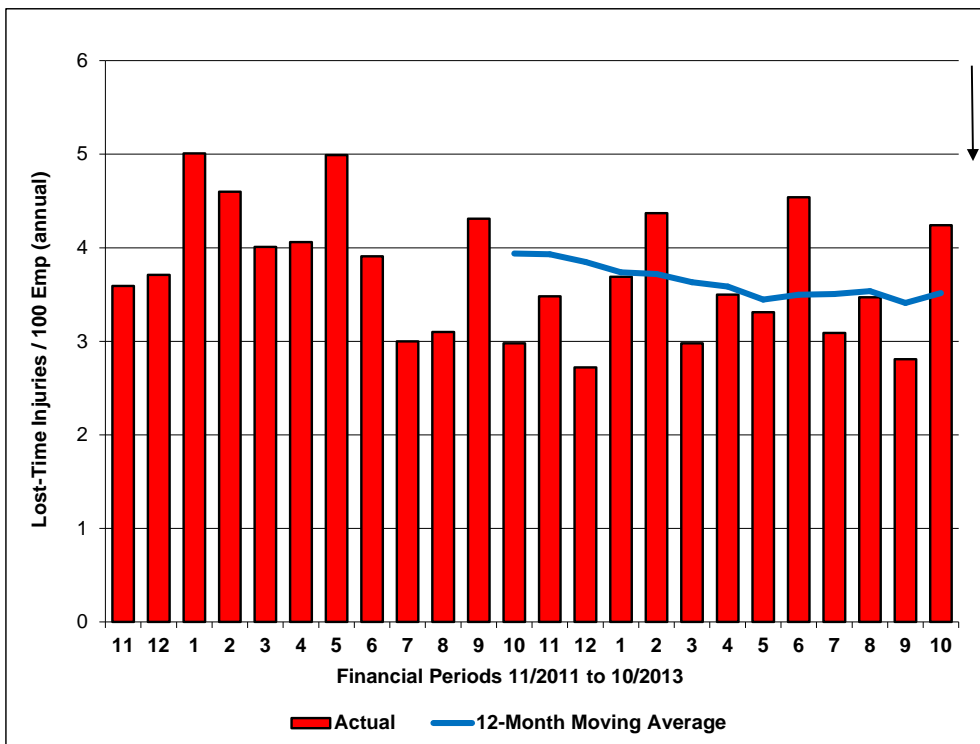


Performance increased in Period 10 but remained below target.

The improved performance was mainly due to earlier responses to late runs. In addition, pickups more than 50 minutes late dropped to their lowest level so far this year.

2.6 – Safety and Security

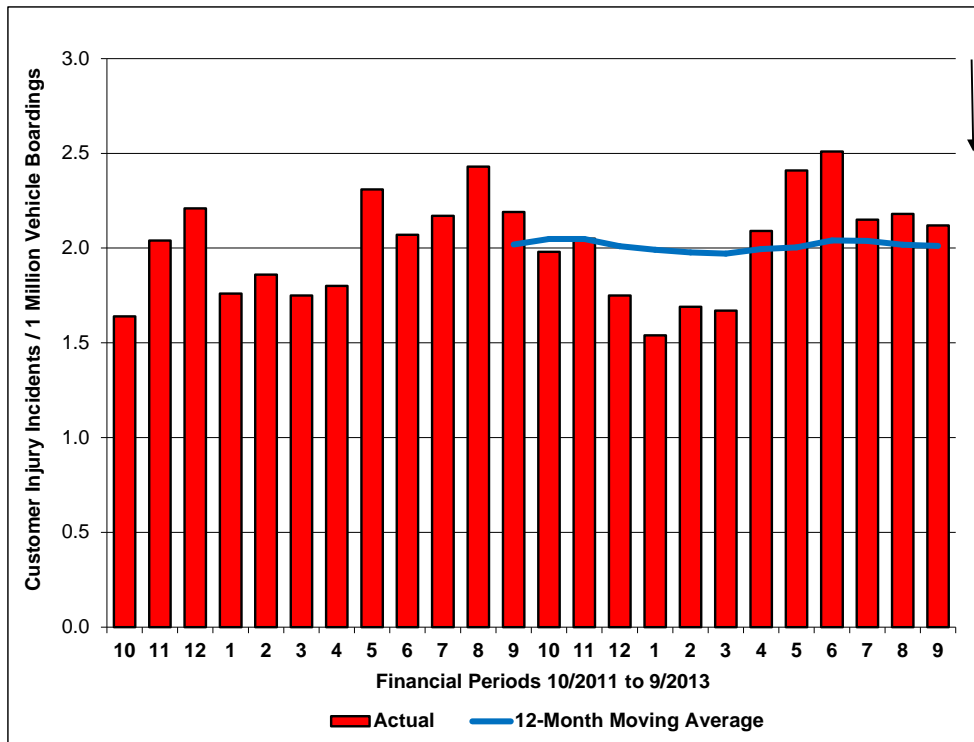
2.6.1 – Lost-Time Injuries (Annual Injuries / 100 Employees)



The annualized lost-time injury rate (LTIR) for Period 10 2013 was 4.24 lost-time injuries per 100 employees, which was 42% higher than the LTIR of 2.98 for Period 10 2012.

The moving annual LTIR to the end of Period 10 2013 was 3.52, which was 11% lower than the corresponding rate of 3.94 to the end of Period 10 2012.

2.6.2 – Customer Injury Incidents (Injury Incidents / 1m vehicle boardings)



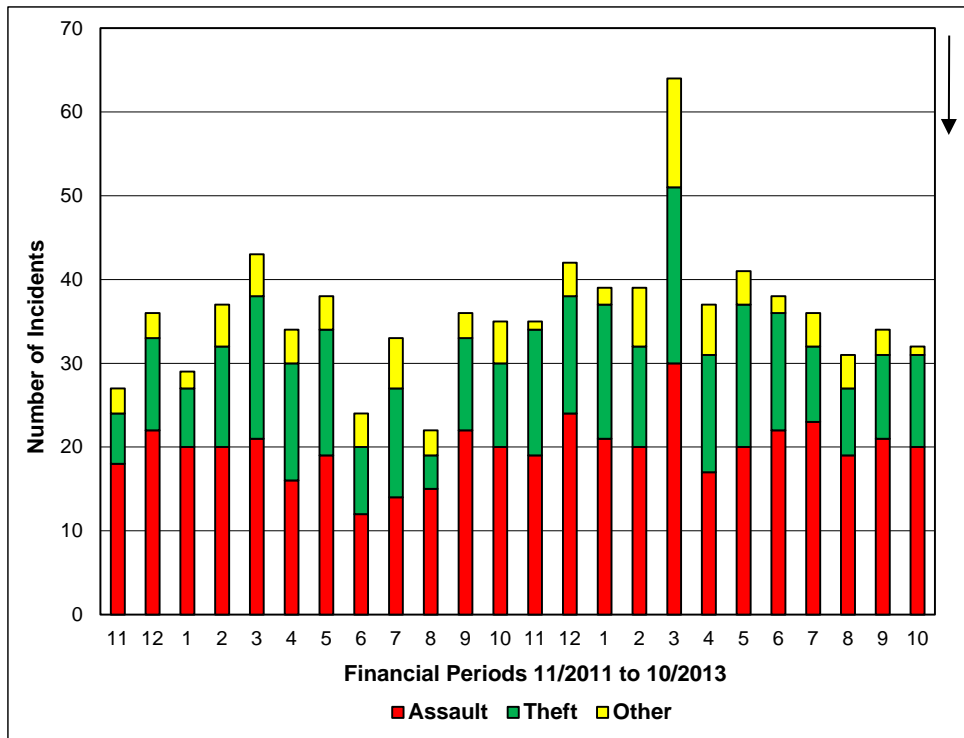
The customer injury incident rate for Period 9 2013 was 2.12 injury incidents per 1 million vehicle boardings, which was 3% lower than the corresponding rate of 2.19 for Period 9 2012.

The moving annual customer injury incident rate to the end of Period 9 2013 was 2.01, which was 0.5% lower than the corresponding rate of 2.02 to the end of Period 9 2012.

2.6.3 – Behavioural Safety Index

The data for this index are being gathered and calculated. This information will be presented in a future CEO Report.

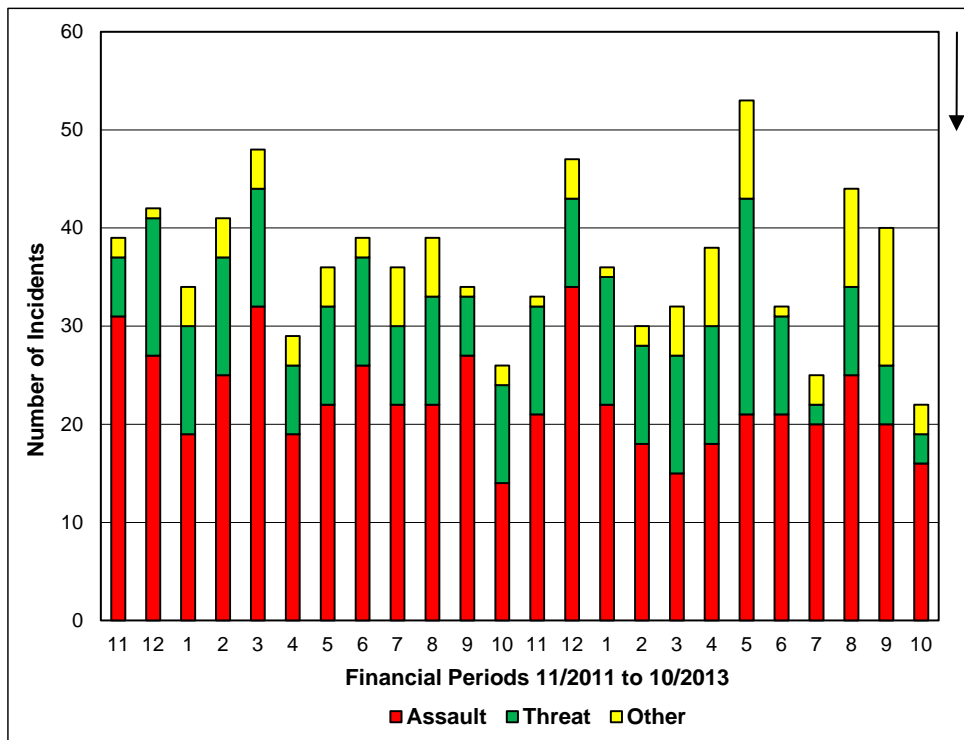
2.6.4 – Offences Against Customers



Total offences against customers decreased in Period 10.

Year-to-date to Period 10, there were 60 more offences (391 vs. 331) compared with the corresponding period in 2012. This includes 34 more assaults (213 vs. 179), 21 more thefts and robberies (132 vs. 111), and five more 'other' offences (46 vs. 41).

2.6.5 – Offences Against Staff

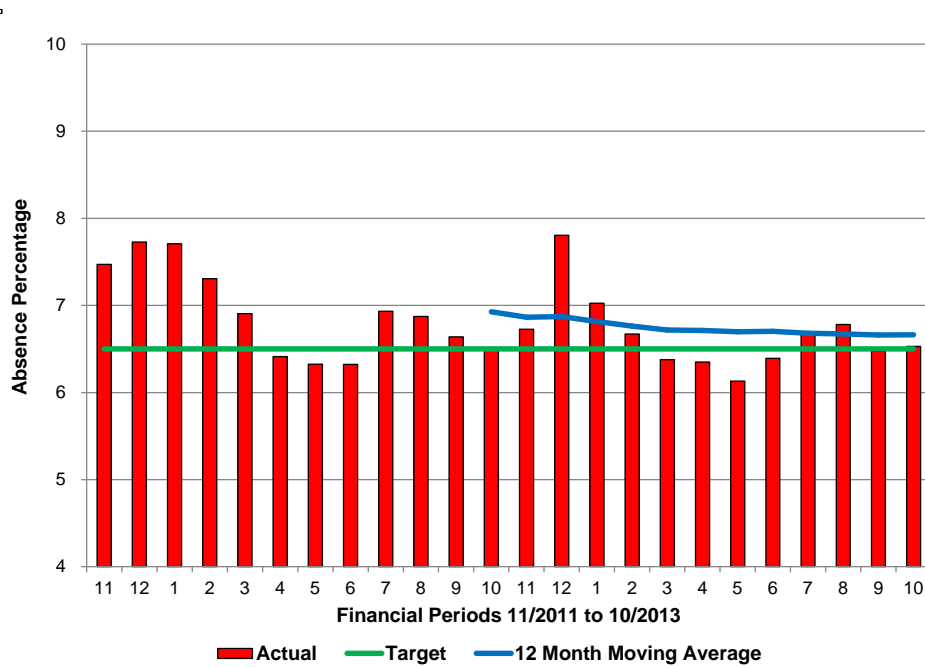


Total occurrences against staff decreased in Period 10.

Year-to-date to Period 10, there were 10 fewer offences (352 vs. 362) compared with the corresponding period in 2012. This includes 32 fewer assaults (196 vs. 228), one more threat (99 vs. 98), and 21 more 'other' offences (57 vs. 36).

2.7 – People

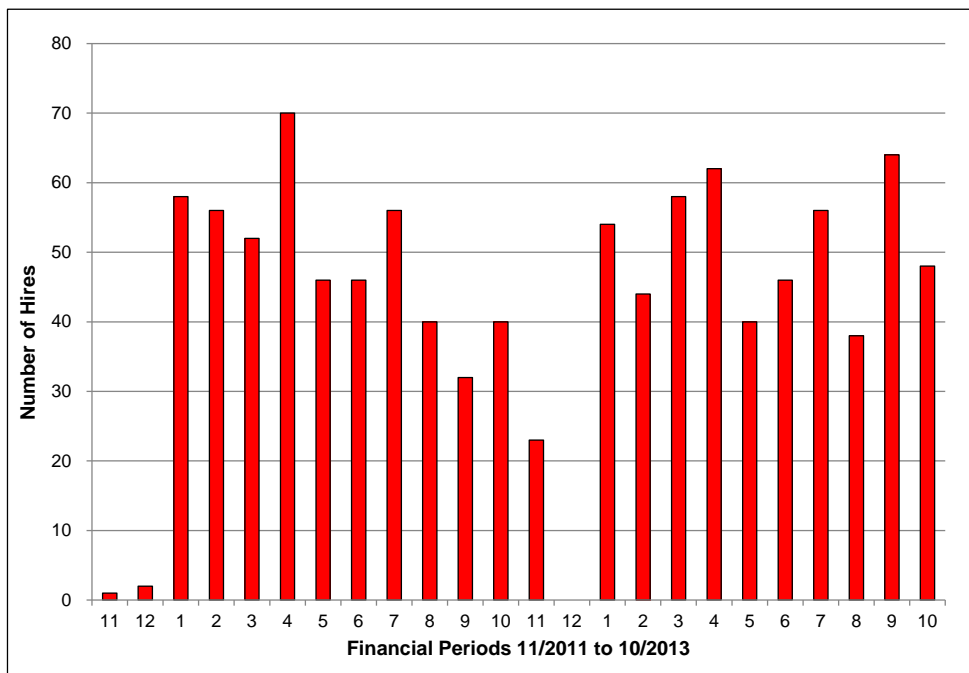
2.7.1 – Attendance



The absence rate for Period 10 increased slightly to 6.53%, which was marginally above the target of 6.50%.

The long-term absence trend is encouraging: for 20 of the past 23 periods, the results have been lower than the prior-year comparable period. Over the same timeframe, the moving annual rate has decreased 10% from 7.41 to 6.67.

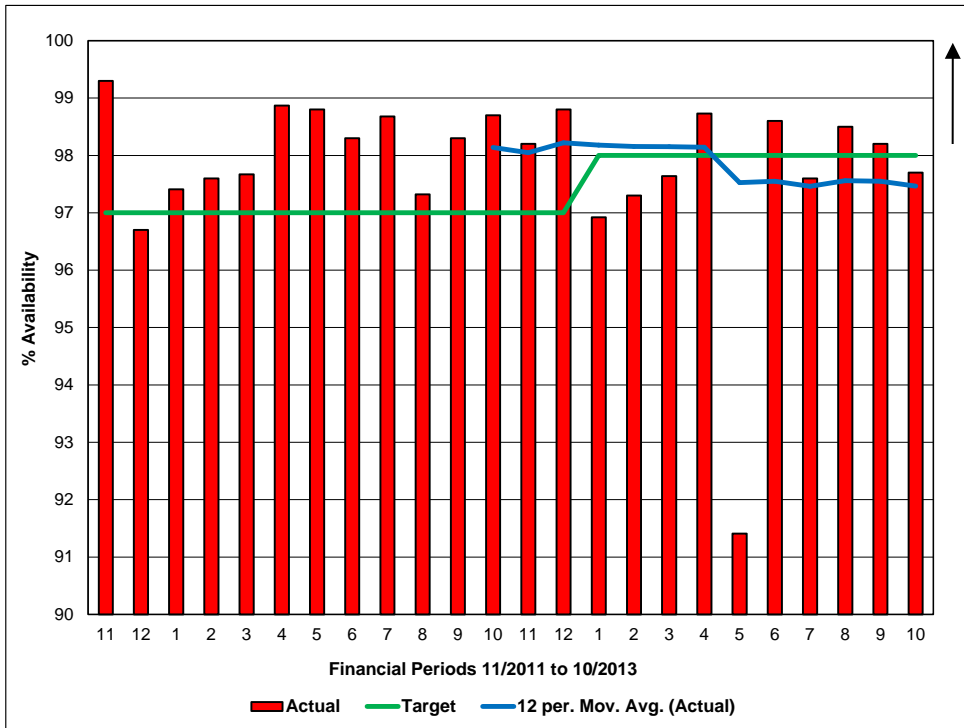
2.7.2 – Operator Hires



In Period 10, 48 Operators were hired and began training.

2.8 – Device Availability

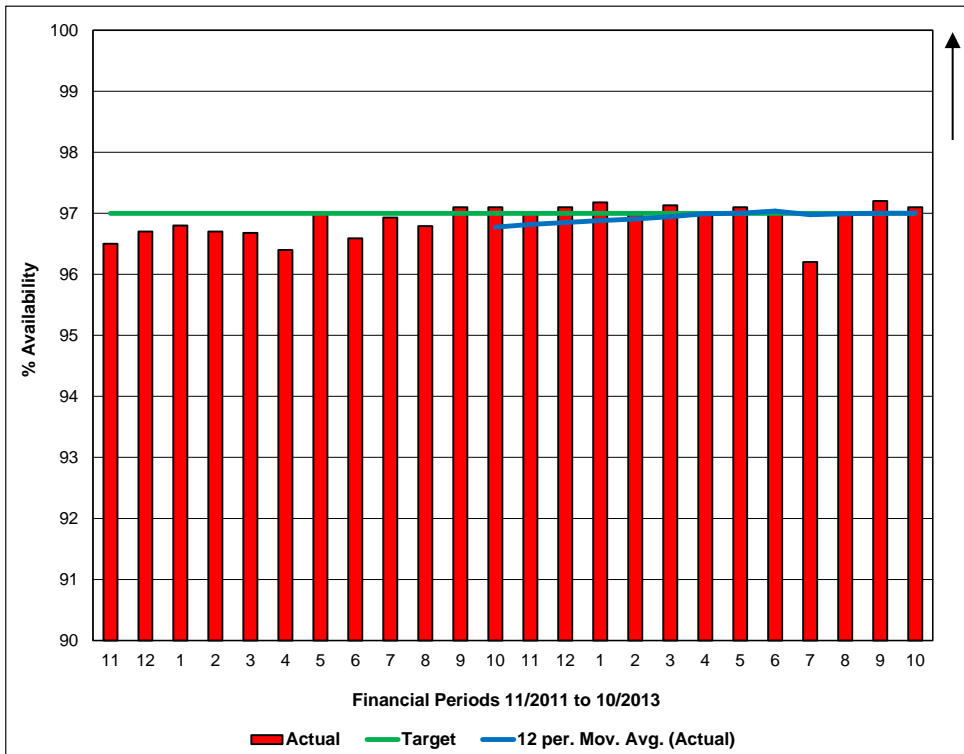
2.8.1 – Elevator Availability



Performance in Period 10 fell below target for the first time in three periods.

The decrease in performance was due to extensive damage of an elevator at St. George Station caused by an HVAC failure. The elevator has been repaired and returned to service.

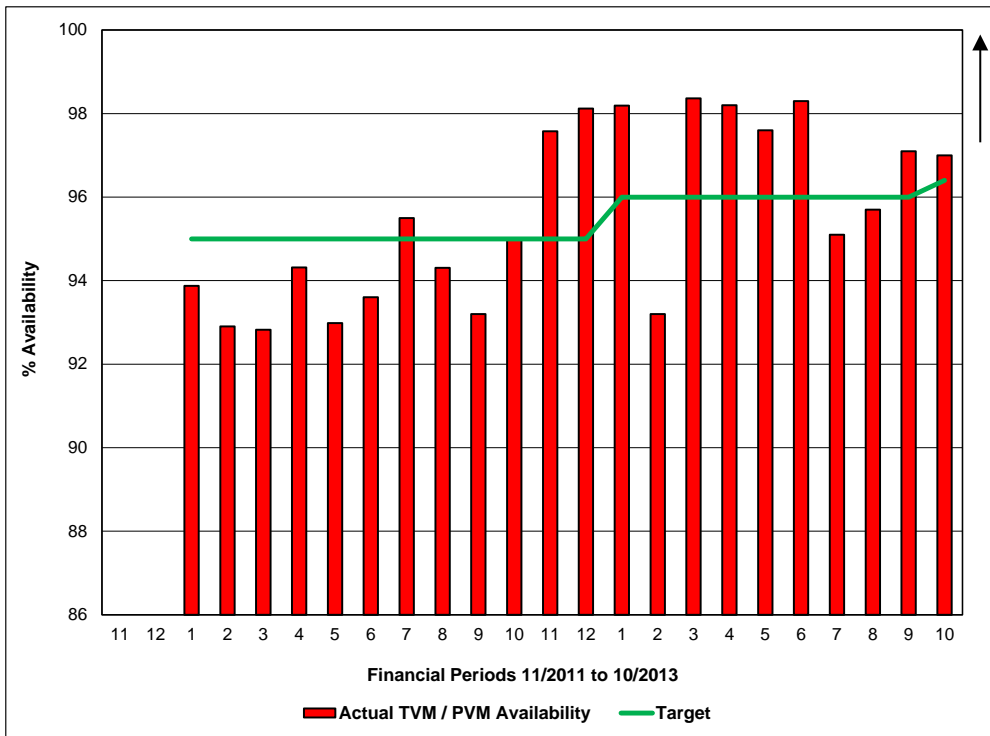
2.8.2 – Escalator Availability



Performance in Period 10 remained on target for the third consecutive period.

Maintenance programs are being completed as planned and scheduled, which is helping to keep maintenance trouble calls to a minimum.

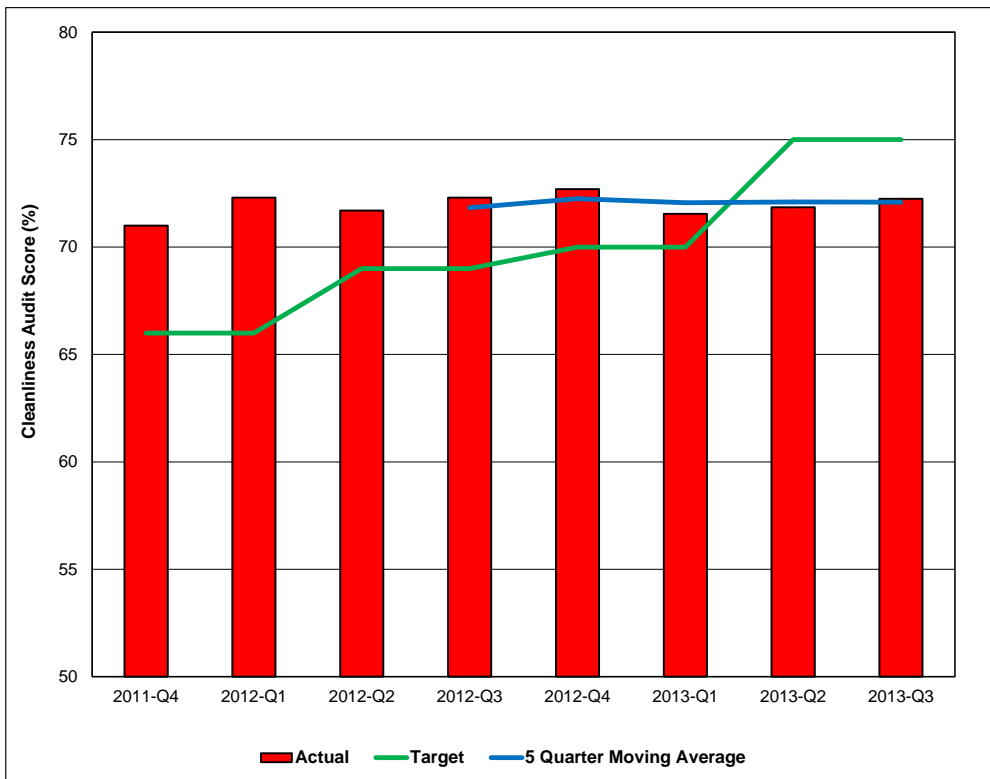
2.8.3 – Fare Purchase Opportunity



Performance in Period 10 remained above target for the second consecutive period.

2.9 – Mystery Shopping and Audits

2.9.1 – Station Cleanliness

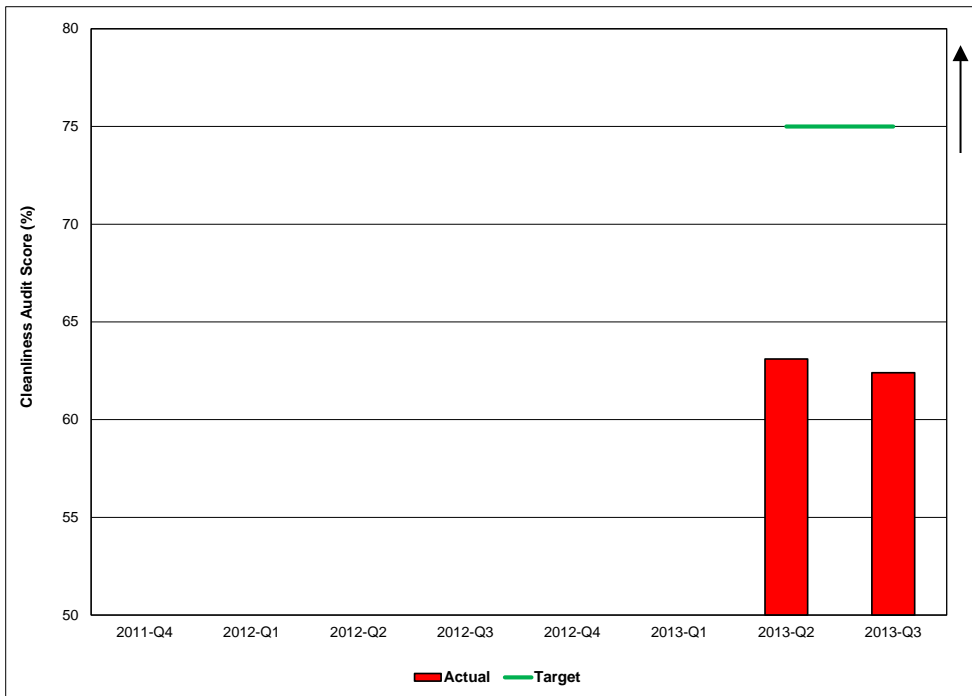


Performance increased marginally in Q3 but remained below the new stretch target of 75%.

Q3 results fell below target despite attempts to maximize cleaning throughout the summer via the station enhancement, accelerated relamping, and floor reconditioning programs.

Station Supervision has been negatively impacted by vacancies and illnesses. Increased supervision will be attained in conjunction with the full implementation of the Group Station Manager concept in Q4 2013.

2.9.2 – Vehicle Cleanliness



Overall performance decreased in Q3.

Subway/SRT cleanliness improved slightly, new cleaning initiatives and audit controls are expected to achieve sustained improvements. Streetcar cleaning efforts have been enhanced but the Q3 audit results are inconsistent with observed improvements by staff. Similar lower-than-expected results were also observed in Subway/SRT. Management is following-up with the Auditor to determine if the results are being skewed by vehicle-age appearance rather than by cleanliness.

Q3 results for Buses slightly declined. The quality of vehicle cleanliness remained high at facilities where the service line is contracted out. Slight declines were experienced at all other facilities, all of which are scheduled to be contracted out effective in late November 2013.

2.9.3 – Information MSS

The data for this index are being gathered and calculated. This information will be presented in a future CEO Report.

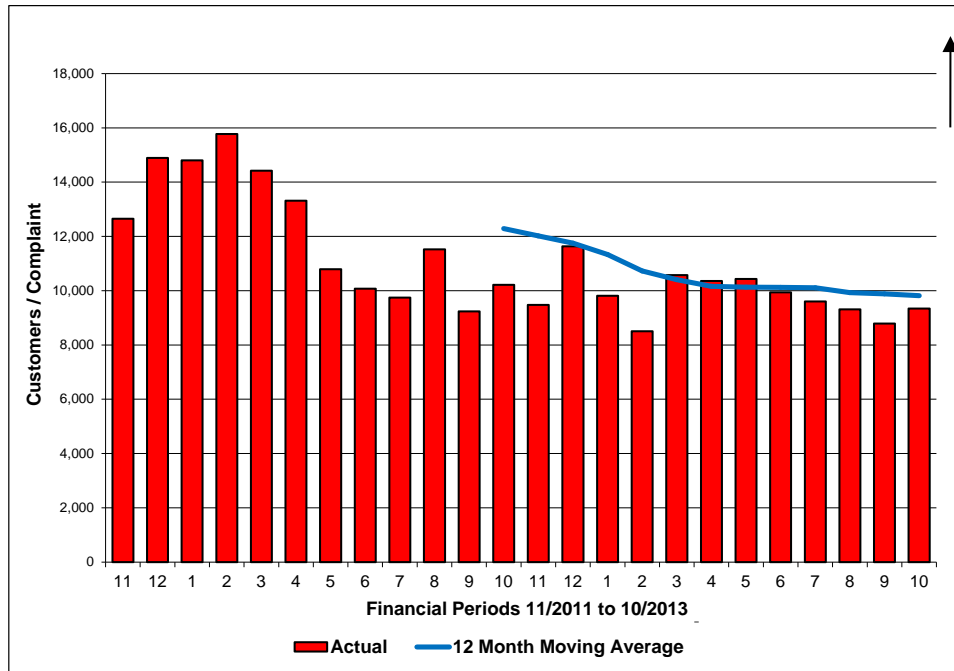
2.9.4 – Staff Helpfulness MSS

The data for this index are being gathered and calculated. This information will be presented in a future CEO Report.

Part 3 – Customer Measures and Improvement Program Progress

This section provides information on various customer-related issues, including trends for customer complaints and compliments, customer satisfaction improvement initiatives, and major closures and diversions.

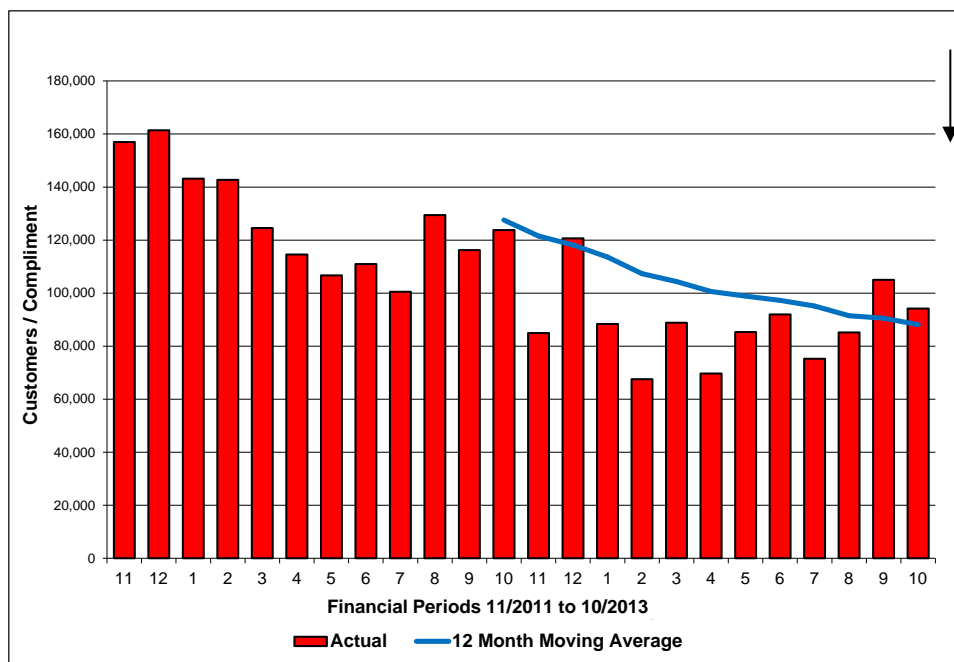
3.1 – Customer Complaints



Customers per complaint improved slightly in Period 10 for the first time in five periods. The result is comparable to the value achieved in Period 10 2012 and to the values achieved earlier this year.

The TTC has seen an increase in the number of complaints related to surface delays, particularly in areas where street construction is occurring.

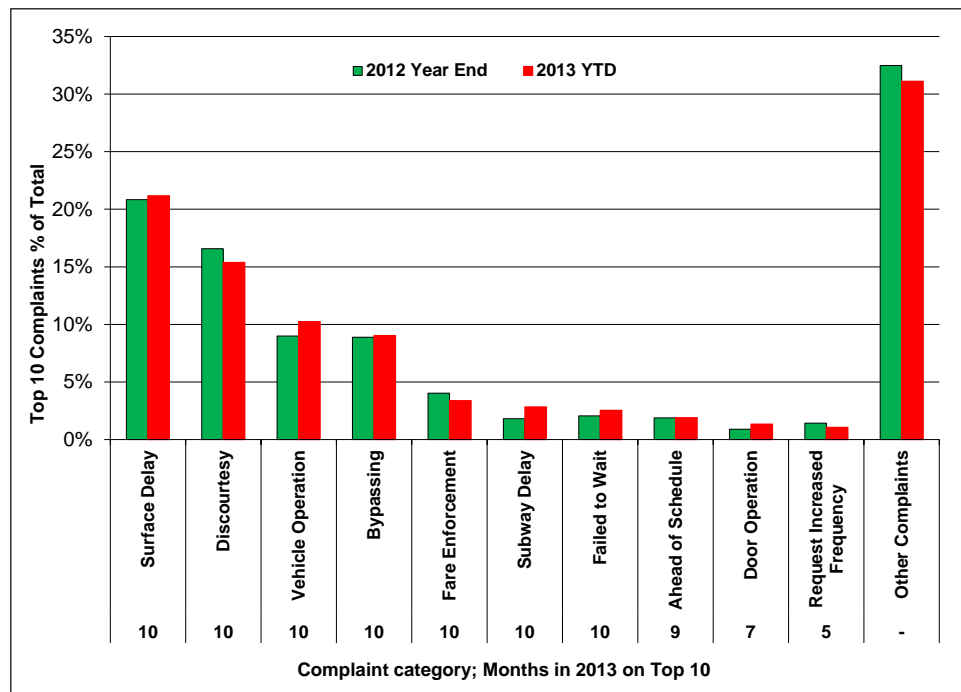
3.2 – Customer Compliments



Customers per compliment showed a positive trend in Period 10 after two periods of negative trends.

The current result is significantly more positive than for the comparable period in 2012; however, the customer per compliment value has still not returned to the more positive levels achieved earlier in 2013.

3.3 – Top Ten Complaints



The general proportion and types of complaints remained largely unchanged; however, there have been increases in the proportion of complaints regarding surface delays and vehicle operation. On a positive note, the percentage of complaints related to discourtesy is slightly lower than last year.

Consistent with results reported in previous periods, the top four complaint categories continue to account for over 50% of all complaints received by TTC.

3.4 – Commentary on Customer Satisfaction Improvement

The TTC achieved eight of nine Customer Charter commitments for Q3 2013. The nine commitments covered a range of initiatives including maintenance blitzes at selected stations, receipt of another two prototype low-floor streetcars, receipt of one prototype model of a new, larger “bendy bus” for testing purposes, and commencement of the construction phase of the Coxwell Station Easier Access project. Due to production issues on the vehicle suppliers’ production line, only four Toronto Rocket train sets were delivered in the third quarter rather than the five sets that were targeted in the Charter. Progress for all nine initiatives is posted on the TTC’s website. A further thirteen Customer Charter commitments have been made for Q4 2013 and the results for these will be reported when they become available.

The TTC’s annual Customer Town Hall was conducted at City Hall on November 21. The event was well attended by members of the public and included good feedback between TTC customers and TTC staff. The session confirmed a number of key customer concerns that have been identified in previous sessions (e.g. service delays) and the TTC has made these issues a focus in the development of its 2014 Customer Charter.

In November, the TTC officially welcomed its 29 billionth customer since the TTC was established in 1921. The 29 billionth customer was Robert Kinsey of Leaside, who was selected as a long-time subscriber to the TTC’s Metropass Discount Plan.

Pape Station is now fully accessible with the opening of its indoor passenger waiting area, bicycle parking, and new elevators. Earlier this year, other parts of Pape Station were renovated including floors, stairs, finishes, ceilings, and a new outdoor bus waiting area.

3.5 – Major Closures and Diversions

North Yonge Subway Line Early Closure

Throughout 2014 and 2015, subway service north of Eglinton Station will end early at approximately 12:30 a.m., Sunday through Friday, for tunnel structural repair work. Regular service will continue to be maintained from Downsview Station to Eglinton Station.

During the nightly early closures, a replacement bus shuttle service will be available from 12:30 a.m. to 2:30 a.m., servicing the bus terminals at Eglinton, Lawrence, York Mills, Sheppard-Yonge, and Finch Stations.

| Mode | Area Affected | Dates | Reason |
|-----------|--|-----------------------|--|
| Streetcar | Queens Quay Union Stn to Spadina | Jul 29/12 – Jun 22/14 | Waterfront Toronto Queens Quay Reconstruction |
| Streetcar | Spadina Ave. and Queens Quay including Loop | May 13/13 – Mar 30/14 | Platform Upgrades & Track Replacement |
| Streetcar | Kingston Rd. Queen to Victoria Park | Jun 3/13 – Dec 21/13 | Track Rehabilitation |
| Streetcar | York St. Wellington to Queen | Jun 23/13 – Dec 14/13 | Track Rehabilitation (at York St.) |

Detailed information on alternative services available during closures/diversions is provided on the TTC's website.

Part 4 – Financial Commentary

This section provides detailed information about the TTC and Wheel-Trans Operating Budgets. In addition, progress on the TTC's Capital Program and specific information about selected capital projects is also provided.

4.1 – TTC Operating Budget

2013 Year-to-Date Results

To the end of Period 10 (November 2), total revenues were \$9.7 million (2.4%) below budget primarily due to 2.2 million (0.5%) fewer customer journeys than planned and a slightly lower average fare (1.14¢ or 0.6%) stemming from marginally higher (about 1.5%) monthly pass sales. Over the same time period, expenses were \$25.3 million (2%) below target largely due to savings on diesel prices and utilities, workforce gapping, other employee costs, and the timing of certain non-labour expenses.

2013 Year-End projections

| (millions) | Projection | Budget | Variance |
|----------------------------------|------------|-----------|----------|
| 2013 TTC Operating Budget | | | |
| Customer Journeys (Ridership) | 526 | 528 | (2.0) |
| Revenue | \$1,121.1 | \$1,130.0 | (\$8.9) |
| Expenses | \$1,530.2 | \$1,541.0 | (\$10.8) |
| Subsidy Required | \$ 409.1 | \$411.0 | (\$1.9) |
| Subsidy Available | \$411.0 | \$411.0 | - |
| Surplus/(Shortfall) | \$1.9 | - | \$1.9 |

The currently projected year-end subsidy surplus of \$1.9 million reflects the following significant projected revenue and expense variances:

Passenger Revenues: \$10.2 million decrease

The number of customer journeys for the year is expected to be marginally (about 2 million) below target. Additionally, as noted in previous reports, higher than anticipated monthly pass sales continue to cause a slight decline in the average fare. Consequently, it is estimated that passenger revenues will fall about \$10.2 million below budget by the end of the year.

Other Revenues: \$1.3 million increase

The sale of retired subway cars accounts for this positive revenue variance.

Workforce Gapping: \$8.3 million increase

Delays in filling budgeted positions are expected to generate these savings which are net of any additional overtime requirements necessitated by these vacancies.

Diesel Fuel: \$6.5 million decrease

To date, the price paid for diesel has generally been lower than budgeted.

Other Employee Costs: \$5 million decrease

Both health and dental care costs have been lower than budget so far this year.

Non-labour expenses: \$3.6 million decrease

Reduced requirements particularly for bus fleet maintenance and general facilities maintenance are anticipated.

Utilities: \$1.0 million decrease

On a year-to-date basis, natural gas rates have been lower than budgeted.

Accident Claims settlements: \$13.6 million increase

With several large claims having been settled earlier this year, staff are reassessing the year-end projection with the TTC's actuary.

4.2 - Wheel-Trans Operating Budget**2013 Year-to-Date Results**

To the end of Period 10 (November 2), total revenues were slightly (\$109K or 2.3%) above budget primarily due to 27K (1.1%) additional customer journeys made. Over the same time period, expenses were below target by \$743K (0.9%) primarily due to savings on diesel (lower prices and bus service operated) and workforce gapping.

2013 Year-End Projections

| (millions) | Projection | Budget | Variance |
|--|------------|---------|----------|
| 2013 Wheel-Trans Operating Budget | | | |
| Customer Journeys (Ridership) | 2.913 | 2.877 | 0.036 |
| Revenue | \$5.7 | \$5.6 | \$0.1 |
| Expenses | \$102.5 | \$102.4 | \$0.1 |
| Subsidy Required | \$96.8 | \$96.8 | - |
| Subsidy Available | \$96.8 | \$96.8 | - |
| Surplus/(Shortfall) | - | - | - |

While there is currently no projected overall year-end subsidy variance, the projected \$0.1 million revenue surplus is expected to be offset by an equivalent increase in expenses. The higher expenses largely reflect greater than anticipated contracted sedan taxi service requirements which are expected to be almost completely mitigated through savings from lower diesel fuel costs, and workforce gapping and associated benefits in the administrative areas.

4.3 - Capital Program**2013 Year-to-Date Results**

Capital expenditures to Period 10 (November 2) reflect significant project work activity through the peak construction season and include continued progress on construction, vehicle, and other supply contracts already in place. While there is still expectation of further progress and recognition of incurred expenditures to be picked up in the 2013 financial results, under-spending on vehicle delivery milestones and on delayed facility contract work are the most significant variances in the current period results.

2013 Year-End Projections

| (millions) | Projection | Budget | Variance |
|------------------------------------|------------|---------|-----------|
| 2013 Capital Program Budget | | | |
| Base Program Total Costs | \$692.6 | \$878.8 | (\$186.2) |
| TYSSE Project | \$395.7 | \$660.5 | (\$264.8) |

Base Capital Expenditures: \$186.2 million under

The current projected spending on the base capital program reflects expectations of being under budget \$186.2 million (before the application of the carry forward) involving a number of major program variances as outlined below:

Surface Track: \$12.9 million under

Track replacement work deferred to 2014 as well as cost savings.

YUS ATC Resignalling: \$27.9 million under

Slippage of ATC and Computer Based Interlocking Contracts and contingency.

Leslie Barns Maintenance & Storage Facility: \$49.2 million under

Facility construction is progressing slower than anticipated and staff is working on a recovery schedule with the contractor; Leslie St. contract awarded six months later than original schedule.

Toronto Rocket/T1 Rail Yard Accommodation: \$9.0 million under

The schedule has slipped due to delay in design refinement.

Purchase of Buses: \$14.7 million under

Slippage of 16 articulated buses into 2014 due to change in the delivery schedule by the manufacturer.

Purchase of Subway Cars: \$14.6 million over

Slippage of milestone payments, PST, and escalation from 2012 to 2013 partially offset by 2013 slippage of milestone payments to 2014.

Legacy LRVs: \$31.0 million under

Slippage of 2013 project milestones due to changes in delivery schedule and transfer of contract change allowance and contingency to 2014.

PRESTO / TTC Farecard Project: \$10.3 million under

Various factors have delayed project start up in 2013, therefore reducing resource requirements and slippage of costs to 2014.

TYSSE Project Expenditures: \$264.8 million under

The project schedule has been negatively impacted by less than expected contractor performance and other earlier issues. Schedule concerns remain on all major facilities contracts. Staff continues its efforts to minimize the impact of potential schedule delays and to improve overall contractor performance.

Part 5 - Critical Projects

5.1 Toronto Rockets and Rail Yard Accommodation

Under the TR/T1 Rail Yard Accommodation project, major expansions are planned to address storage and maintenance of the Toronto Rocket on the YUS line and consolidated storage of the T1 trains on the BD line. The work includes:

- Wilson Yard: carhouse expansion, storage tracks and corresponding ladder tracks, runaround tracks, signal system, substation, T&S building renovation;
- Davisville Yard: carhouse expansion, consolidation of T&S facility;
- Keele Yard: facility rehabilitation for storage of T1 trains;
- Kipling Station: storage track; and
- Greenwood Yard: conversion of CN delivery track to storage and T&S building renovation.

Forty-three trainsets have been accepted for revenue service to date. This marks the acceptance of the fourth trainset for the 21 H-6 replacement trainset option after the Acceptance of Trainset 39 of the base order on August 6, 2013.

The established delivery schedule calls for commissioning two trainsets per month. Due to technical issues in manufacturing and poor, albeit improving, reliability of trains in service, a delivery gap exists and the 2013 year-end quantity target will not be met. A revised delivery schedule is being worked on for implementation as early as logistics would allow.

Retrofit work for trains that missed the ATO-readiness cut-in date on the Thunder Bay production line is progressing well. Only two more trains are awaiting ATO retrofit work in Bombardier's Kingston plant. Upon completion of the retrofit, all TR trains on property will be ATO-ready.

A reliability improvement plan comprising of component and system testing is largely completed. Retrofit work has been progressing well. Key train performance indicators and reliability are improving.

The overall 70 trainset Toronto Rocket project is comprised of 39 trainsets for replacement of H4 and H5 series cars, 21 trainsets for replacement of H6 cars, and 10 trainsets for the Toronto-York Spadina Subway Extension (TYSSE) needs.

5.2 Streetcar Program and Maintenance & Storage Facility

Streetcar Procurement and Implementation

The final design phase of the low floor streetcar procurement project is largely complete. The three test vehicles (4400, 4401, 4402) have undergone extensive testing in Thunder Bay, throughout the Toronto streetcar network, as well as at the National Research Council in Ottawa for comprehensive hot/cold environment tests. The year-long series of tests have allowed engineering teams to collect necessary technical data, understand real-world performance of these custom-designed vehicles, confirm functionality of systems and components and make improvements, develop specialized operational procedures, and prepare for safe, reliable, and efficient service of the new accessible fleet.

In addition to testing all systems and features onboard the streetcars, there have also been comprehensive human factors assessments including evaluation by members of the ACAT Design Review Subcommittee. The

demonstrations have been a culmination of years of consultation with the committee and the public. Further input was collected during an evaluation session for continued dialogue with ACAT and engineering design changes were initiated to further improve the transition between the accessibility ramp and the vehicle floor through the door threshold allowing people with mobility devices to use the new streetcars with even greater ease.

Based on the test results operational experience, and defined design improvements, a production vehicle configuration is being established and production manufacturing of the vehicles is beginning. Vehicle deliveries to Toronto and associated commissioning activities for the new streetcars will commence in the early portion of next year. Program efforts now increase in ensuring a smooth launch and transition to the new fleet for our customers and internally.

Revenue service of the new streetcars is scheduled to begin in the third quarter of 2014 on the 510 Spadina route. Deployment will then carry on incrementally to the other streetcar routes in the following order: 511 Bathurst, 509 Harbourfront, 505 Dundas, 501 Queen & 508 Lakeshore, 504 King, 512 St Clair, 502 Downtowner, 503 Kingston Rd, and 506 Carlton as more new streetcars are delivered and as the planned network upgrades are completed. Completion of the 204 vehicle order from Bombardier and the eventual conversion of the whole streetcar fleet will be in 2019.

Leslie Barns Streetcar Maintenance & Storage Facility Project

The Leslie Barns project consists of four major contracts. A description and the status of each major contract are as follows:

1. Soil Removal and Capping

The site preparation contract was completed in January 2012.

2. Hydro One Cable Relocation

The contract was completed in July 2013.

3. Leslie Barns Maintenance and Storage Facility

This contract consists of the construction of the maintenance facility and storage yard on the site. The contract was awarded on April 12, 2012 with completion in June 2014. The contract is trending towards completion on budget; however delays to the scheduled substantial completion date of June 2014 have been identified. The contractor has been requested to develop a recovery schedule to mitigate the delay. A recovery schedule was received and reviewed and construction is proceeding accordingly. The facility is now expected to be ready for use in early 2015.

4. Leslie Street Connection Track

This contract consists of the construction of the streetcar tracks from the Leslie Barns site entrance to the existing streetcar network on Queen Street, associated utility relocations, road reconstruction, streetscape enhancements on Leslie Street and Queen Street, and the perimeter landscaping of the Leslie Barns site. The contract was awarded on April 8, 2013. Work is progressing on schedule for completion by end of 2014 and the connection track will be ready for use early 2015.

The Leslie Street Connection Track budget is trending towards a budget shortfall of \$60M mostly due to

extensive utility work including: relining or replacing existing storm and sanitary sewers and replacing an existing watermain; and enhanced streetscape and landscape work. City Finance is aware of the increase and the shortfall has been addressed in the TTC's 2014-2023 capital budget.

Landscape Enhancements - Lake Shore Boulevard to the Leslie Street Spit

The City of Toronto's Notice Approval Conditions (NOAC) for the project, requires landscape enhancements on the west side of Leslie Street from Lake Shore Boulevard to Commissioners Street, and both sides of Leslie Street from Commissioners Street to the entrance to the Leslie Street Spit. The design was presented to affected residents and businesses in October 2012 and was well received. The streetscape design was also presented again at the joint public meeting with Waterfront Toronto that was held in April 2013. The landscape enhancements will be completed by the end of 2014 as part of the Leslie Street Connection Track Contract.

Decorative Hydro and Street Lighting Poles

The NOAC requires decorative hydro transmission poles and compatible decorative street light poles that integrate with the streetscape design. The current design replaces the hydro poles with tapered, coloured concrete poles. All other poles are selected from a family of tapered, complementary coloured steel poles, and new streetlight fixtures and brackets have been adopted. The design details are being finalized with the City of Toronto, TTC and Toronto Hydro.

Communications Strategy

Meetings regarding construction disruptions and traffic management were held with the community and businesses in March, April and May 2013.

The Construction Liaison Group (CLG), comprised of local businesses and residents, school representatives, Councillor McMahon and Councillor Fletcher, is continuing to meet on a monthly basis and will have its fifth meeting on December 10, 2013. The CLG acts as a key communication link between the local community and the TTC construction team.

The Leslie Barns project winter newsletter is now scheduled for mid-December 2013 in order to incorporate information being provided by the Leslieville BIA. The Leslie Twitter page, launched in June 2013, is being used on a regular basis to provide construction updates and to promote local business. Additional initiatives to help promote the Leslieville BIA include advertising of events on the Leslie Barns website, promotional signage and incorporating the BIA benches into the streetscape design on Queen Street. The Community Liaisons have continued their outreach efforts by participating in local community events and will continue to hold one-on-one meetings with local businesses and respond to emails, phone calls and walk-in questions and concerns from the public.

5.3 Station Enhancements

Union Station

The new concourse was partially opened to the public in May 2013 and the excavation completed in October 2013. The east portion of the second platform structure has commenced.

Project is on schedule for completion in early 2015.

Dufferin Station

The second exits on Russett Avenue were opened on August 28, 2013. The project is expected to be completed by summer 2014.

Pape Station

The station was closed for 12 days from August 19, 2013 to August 30, 2013 to advance construction. The station reopened on schedule with a positive reaction from customers. Elevators to make the station accessible were put into service October 31, 2013. The second exit is expected to be completed by the end of 2013.

5.4 Easier Access

To date, 32 subway stations have been made accessible. The Easier Access III project will make the remaining stations accessible by 2025.

The elevators at St. Andrew and Pape Stations were opened for service on June 20, 2012 and October 31, 2013 respectively. Dufferin Station elevators are expected to be completed in 2014. The elevator construction at Lawrence West Station is on-going with completion slated for 2014. The Woodbine Station contract has been awarded and work is expected to start early 2014. The St. Clair West contract is tendered with work commencing by early 2014. The design for Coxwell Station is nearing completion and the work is expected to be tendered by early 2014. Construction of enabling works has commenced.

5.5 Toronto-York Spadina Subway Extension Project

To date, the TYSSE project is on budget with a total budget of \$2,634 million.

At this time the in-service date remains the fall of 2016 although the project is facing a serious schedule challenge.

Tunnelling by tunnel boring machines was completed in early November. Work to complete concreting within the tunnels is continuing. Track work started in June and is advancing well.

The work on the six stations is advancing at different paces with two of the stations, York University and Sheppard West (Downsview Park) currently not maintaining schedule and a third, Steeles West (Pioneer Village) in particular becoming a critical concern as it is now posing the most serious schedule challenge to the project. Efforts to have the first two contractors improve schedule performance continue. Efforts to improve the performance of the Steeles West contractor have become intense.

Design of the various Systems components are complete or well underway. Delivery of some Systems equipment to site has started.

5.6 PRESTO / TTC Farecard Project

The legal agreement for implementing PRESTO at the TTC has been completed. The agreement includes a commitment to develop a detailed project schedule for the overall project through to final implementation and operation. Discussions between Metrolinx and TTC continue towards developing this schedule.

The initial release of PRESTO at the TTC will support the rollout of the new streetcars starting in 2014. The scope of this initial release of PRESTO will include fare payment functionality on-board the new streetcars, off-board at select transit stops and subway stations. A contract for the supply of farecard equipment to support the initial release has been awarded. TTC staff are in the final stages of working with Metrolinx to confirm the system design details, operational impacts and implementation plan for the initial PRESTO release.

Field studies to determine whether sufficient power is available at TTC subway stations to support PRESTO equipment are now completed. The design of the required electrical upgrades at subway stations is underway and the electrical construction work to upgrade the power configuration at stations has commenced.