

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: FEBRUARY 25, 2013

SUBJECT: CHIEF EXECUTIVE OFFICER'S REPORT -
FEBRUARY 2013 UPDATE

ACTION ITEM

RECOMMENDATION

It is recommended that the Commission 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.

February 12, 2013

42-81

Attachment: Chief Executive Officer's Report



TORONTO TRANSIT COMMISSION

CHIEF EXECUTIVE OFFICER'S REPORT

FEBRUARY 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	Q2	74%	TBD			2.2
Customer Journeys	Customer Trips	Period	P12	49.7M	47.9M			2.3
Punctuality – Subway and Scarborough Rapid Transit (SRT)								
Yonge-University-Spadina	Headway + 3 minutes	Period	P12	94.8%	96.0%			2.4.1
Bloor-Danforth	Headway + 3 minutes	Period	P12	98.2%	96.0%			2.4.1
Sheppard	Headway + 3 minutes	Period	P12	99.3%	96.0%			2.4.1
SRT	Headway + 3 minutes	Period	P12	97.7%	96.0%			2.4.2
Punctuality – Bus, Streetcar, and Wheel-Trans								
Bus	Headway +/- 3 minutes	Period	P12	65.7%	65.0%			2.5.1
Streetcar	Headway +/- 3 minutes	Period	P12	68.8%	70.0%			2.5.2
Wheel-Trans	Within 10 minutes of schedule	Period	P12	82.7%	90.0%			2.5.3
Safety and Security								
Lost Time Injuries	Injuries / 100 Employees	Period	P12	2.72	TBD			2.6.1
Customer Injuries	Injury incidents / 1M Vehicle Boardings	Period	P11	2.02	NA			2.6.2
Behavioural Safety Index	Safety Focused Behaviour	Period	TBD					2.6.3
Offences against Customers	Assault, theft, other	Period	P11	34	NA			2.6.4
Offences against Staff	Assault, threat, other	Period	P11	32	NA			2.6.5
People								
Attendance	Employee Absence	Period	P12	7.8%	< 6.5%			2.7.1
Operator Hires	Actual vs. Budget	Period	P12	0	0			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	P12	98.8%	97.0%			2.8.1
Escalators	% Escalators Available	Period	P12	97.1%	97.0%			2.8.2
Fare Purchase Opportunity	% TVM's / PVM's Available	Period	P12	98.1%	95.0%			2.8.3
Mystery Shopping and Audits								
Station Cleanliness	Cleanliness Audit Score	Quarter	Q4	72.7%	70.0%			2.9.1
Vehicle Cleanliness	Cleanliness Audit Score	Quarter	Q4	68.9%	70.0%			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	P1-11	\$979.7M	\$966.3M			4.1
TTC Operating Expenditure	Actual vs. Budget	Period	P1-11	\$1295.3M	\$1327.6M			4.1
Wheel-Trans Revenue	Actual vs. Budget	Period	P1-11	\$5.04M	\$4.90M			4.2
W-T Operating Expenditure	Actual vs. Budget	Period	P1-11	\$88.7M	\$91.2M			4.2
Capital Expenditure	Actual vs. Budget	Period	P1-11	\$955M	\$1601M			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 arrows on 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

In my previous update, I described some organizational changes that I have implemented in order to accelerate business transformation and to reinforce my philosophy of putting customer service at the centre of everything we do. Specifically, the traditionally dominant operations group has been split into two groups – Service Delivery ("front of house", ie, things the customer sees) and Operations ("back of house", ie, behind the scenes) activity.

I am pleased to announce another refinement to the organization through the appointment of Joan Taylor as Chief of Staff. Joan will assist me in enhancing our relationships with elected officials at the City, province, and federal governments, as the TTC works to achieve long-term, sustainable funding for both our operating and capital budgets. Joan will also spearhead and co-ordinate our five-year strategic plan.

Customer journeys (ridership) continue to exceed budget and totalled 514 million at year-end, surpassing the 2012 target by 11 million. Additional service (costing \$2.1 million) was approved by the Commission at its meeting on May 30, 2012 to accommodate these additional customer journeys.

Subway punctuality on the Bloor-Danforth and Sheppard lines continues ahead of target. Punctuality on the Yonge-University-Spadina line continues below target. I expect this to improve in 2013 in conjunction with Bombardier’s commitment to address reliability issues with passenger doors by the end of February 2013. SRT punctuality continues ahead of target.

Bus punctuality has steadily improved over the past three periods and is ahead of target for the first time in eight periods. Streetcar punctuality fell below target for the first time in four periods. There was a slight increase in Wheel-Trans punctuality.

Employee absence increased in Period 12 and for the first time in 12 periods did not improve period-on-period compared to 2011.

Elevator, escalator, and TVM/PVM availability continue to be better than target. Station cleanliness continues to exceed target; vehicle cleanliness, while below target, continues to improve.

On the financial side, for the TTC and Wheel-Trans Operating Budgets and for the Capital Budget, unaudited results reflecting year-end 2012 will not be available until the CEO’s Report for March is released. As a result, the information in Section 4 remains unchanged from the results to the end of Period 11 2012 (as reported in the January CEO’s Report).

We continue to focus on delivering tangible improvements to customer service. Testing of new features on the TR trains has begun, and an exterior door chime and new straps for riders under the HVAC units are being tested on one TR train. The features are intended to make the TR trains more accessible and rider friendly. We have selected six new Group Station Managers and they will take up position shortly. The Group Station Managers will be accountable for all aspects of customer service delivery and staff performance within their group of stations. All buses on the 192 Airport Rocket route are now equipped with luggage racks. This is an improvement that our customers asked us to address at our Town Hall events. Further plans to improve knowledge of this service and convenience at the airport are being developed.

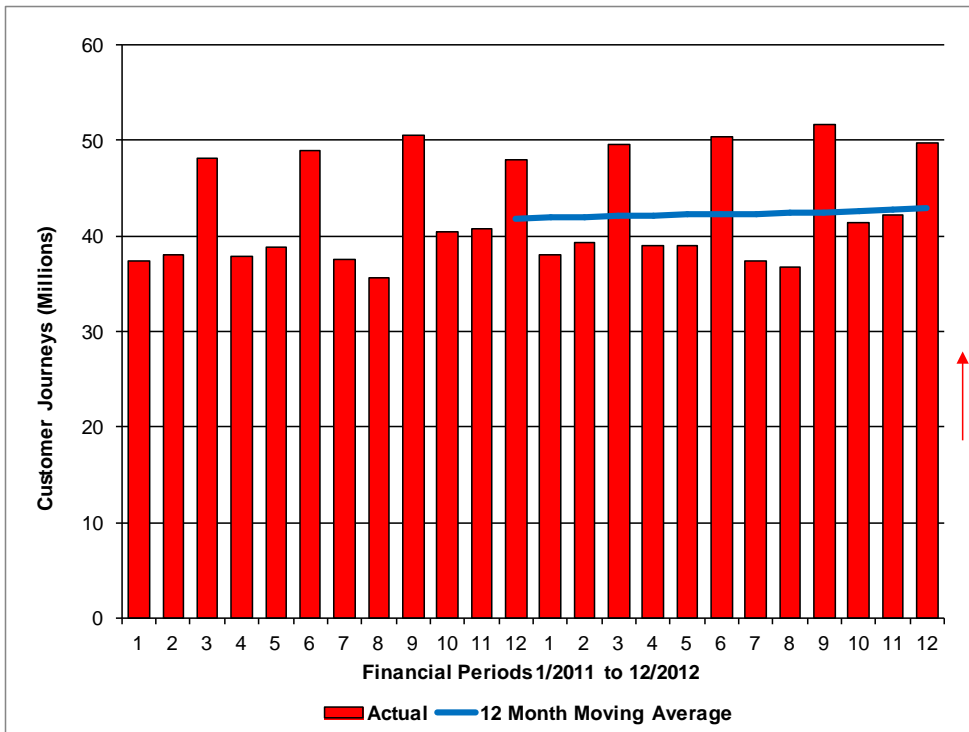
2.2 – Customer Satisfaction Survey

The CSS measures customer perception of 12 station and 10 vehicle attributes ranging from the quality of information, personal safety and security, value for money, and helpfulness and appearance of staff. Data for the CSS survey will be gathered continuously and reported on a quarterly basis.

Averages are reported separately for vehicle and station measures in addition to an overall average, which is a numerical average of the measures. Analysis of the Q2 2012 Customer Satisfaction Survey results has been completed. Although the overall score fell from 76/100 in Q1 to 74/100 in Q2, these differing results are within the margin of error for a study of this kind. While average ratings of service quality have changed little from Q1 to Q2, Q2 respondents show a greater preference for using the middle of the 10-point rating scales.

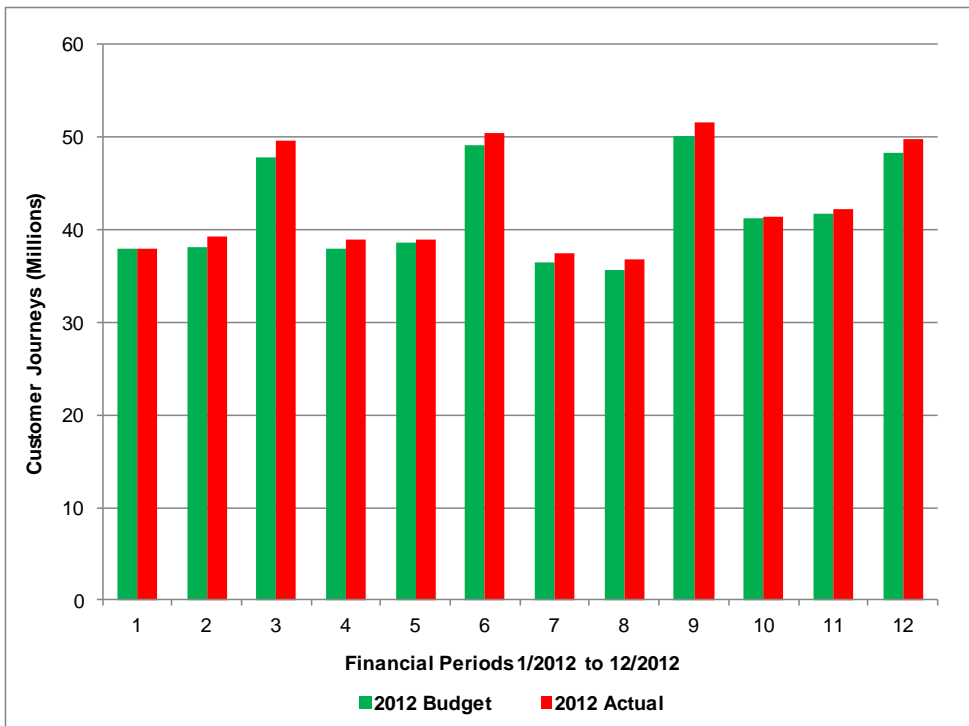
Field work for Q3 finished at the end of September and analysis is being conducted together with Q4. A presentation on overall results will be made to the Commission early in 2013.

2.3 – Customer Journeys



There were 49.7M customer journeys (ridership) taken during Period 12 2012, which was 1.8M (+4%) more than the 47.9M journeys taken during Period 12 2011.

The annual number of customer journeys to the end of Period 12 2012 was 514.0M, which was 13.8M (+3%) more than the 500.2M annual journeys taken to the end of Period 12 2011.

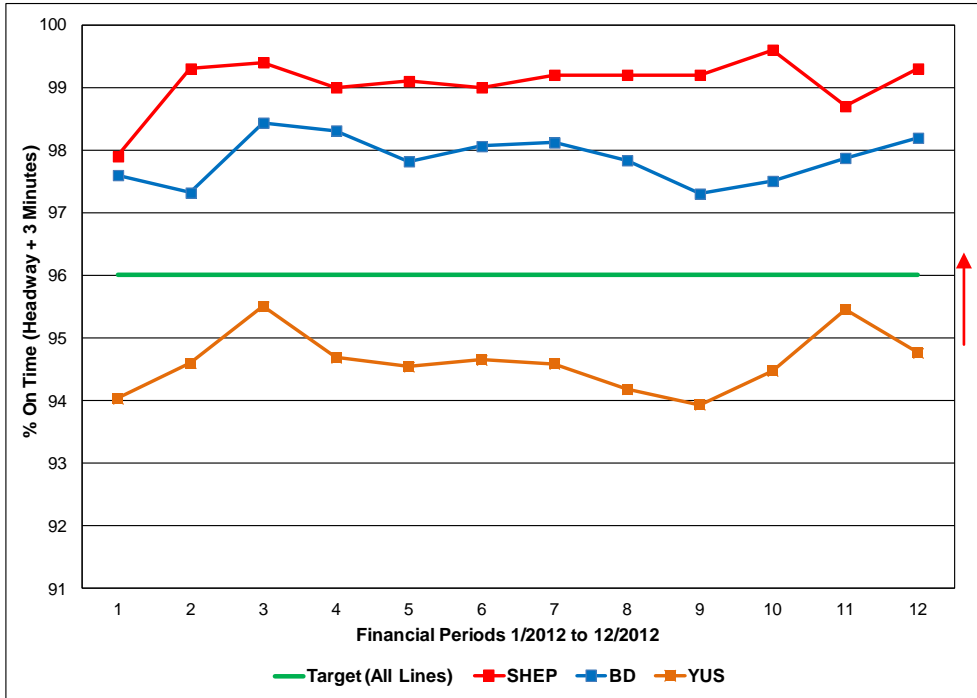


There were 49.7M customer journeys taken during Period 12 2012, which was 1.5M (+3%) more than the budget of 48.2M journeys.

The number of customer journeys taken year-to-date to the end of Period 12 2012 was 514.0M, which was 11.2M (+2%) more than the budget of 502.8M journeys.

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

2.4.1 – Subway



Sheppard Line:

Efforts to eliminate cancellations on Sheppard during Period 11 have returned performance to previous levels.

BD Line:

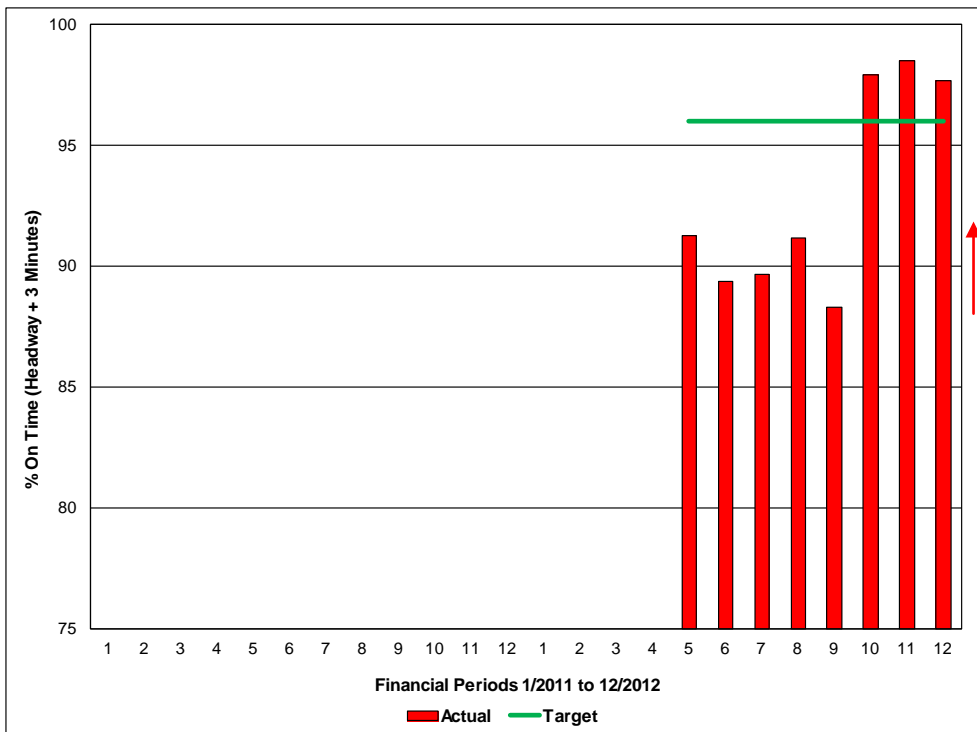
Performance on BD continues to improve.

YUS Line:

YUS generally performs at or above target during peak periods despite being overcapacity and challenged with new equipment issues. Non-peak periods are routinely under performing due in large part to the number of maintenance crews at track level. Efforts are underway to measure and meter access to track level more closely during revenue service to achieve and deliver greater consistency in headways and in capacity. During Period 12, access to track level was slightly relaxed over the restrictions applied in Period 11.

Note: Data have been recast in order to correct algorithm errors discovered in the statistical model, resulting in slight variances from previously stated results. Recasted data prior to 2012 are not available.

2.4.2 – SRT

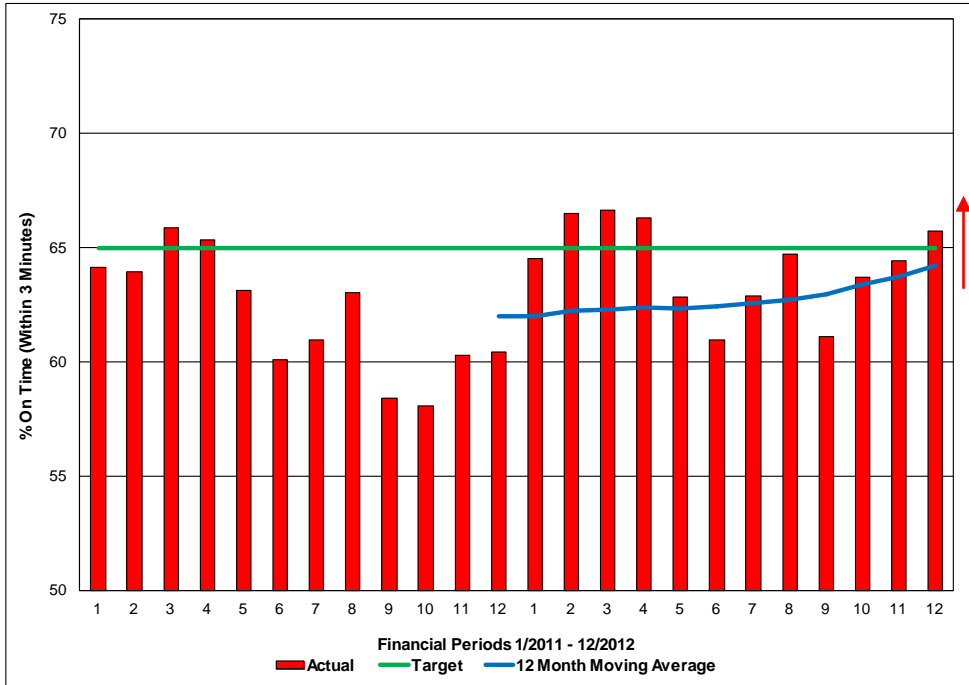


Since implementation in Period 10 of a new schedule more closely matching operating characteristics of the SRT Fleet, headway reliability has improved.

Completion of trips in target round trip times results in greater trip time consistency and greater headway consistency.

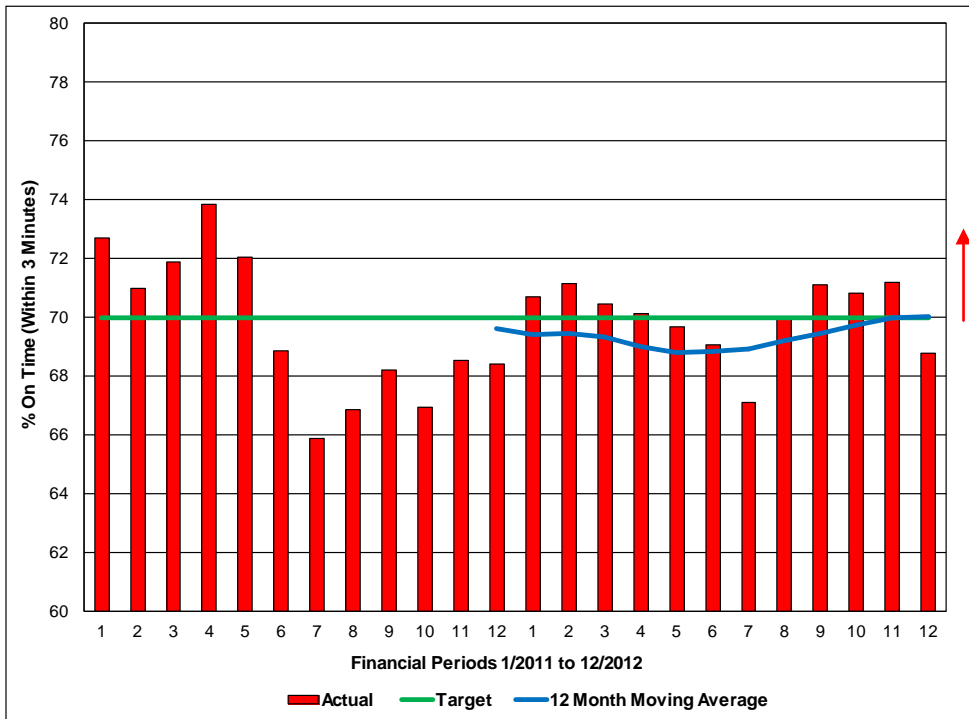
2.5 – Punctuality – Bus, Streetcar, and Wheel-Trans

2.5.1 – Bus



Overall punctuality improved for the fourth period in a row with a good 12 month MAA trend established. Punctuality has continued to improve over January.

2.5.2 – Streetcar

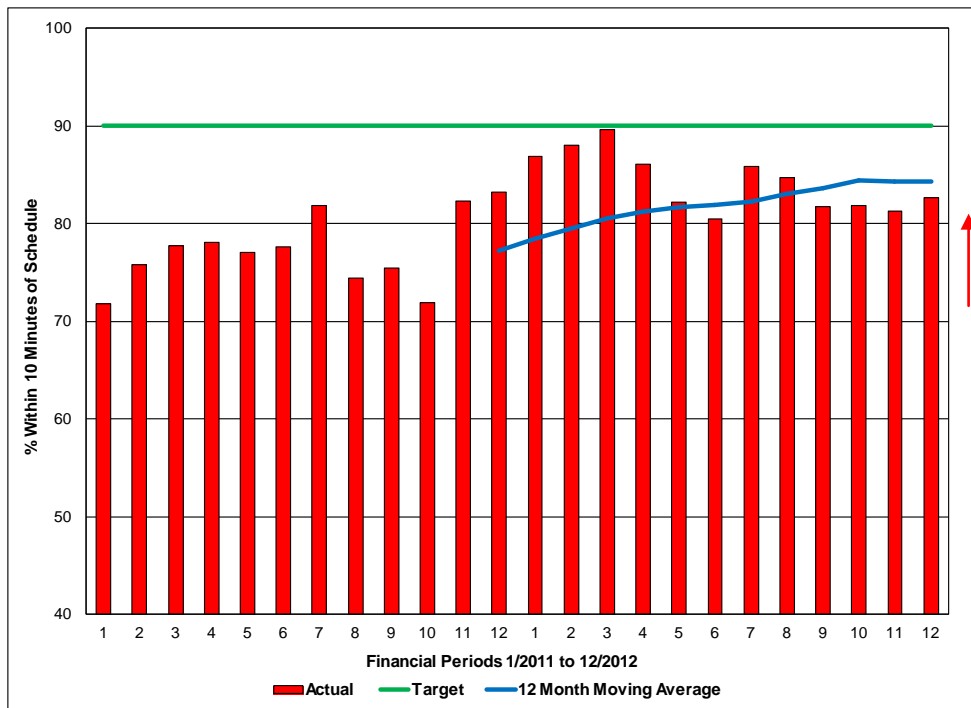


Streetcar Transportation is pursuing additional strategies on under-performing streetcar routes.

Ongoing analysis/identification of times and locations where running time and crewing issues are driving up the number of short turns is being conducted to identify potential areas for improvement.

The last two weeks of Period 12 (December Board) saw high levels of insufficient workforce due to vacation, resulting in numerous cancellations due to no Operator. The resulting cancelled service contributed to delays, longer trip times, and ragged headways. In addition, customer levels were higher in midday and lower in peak periods, so we experienced a mismatch in service levels vs. customer loading. This is completely unacceptable and will not happen again next year.

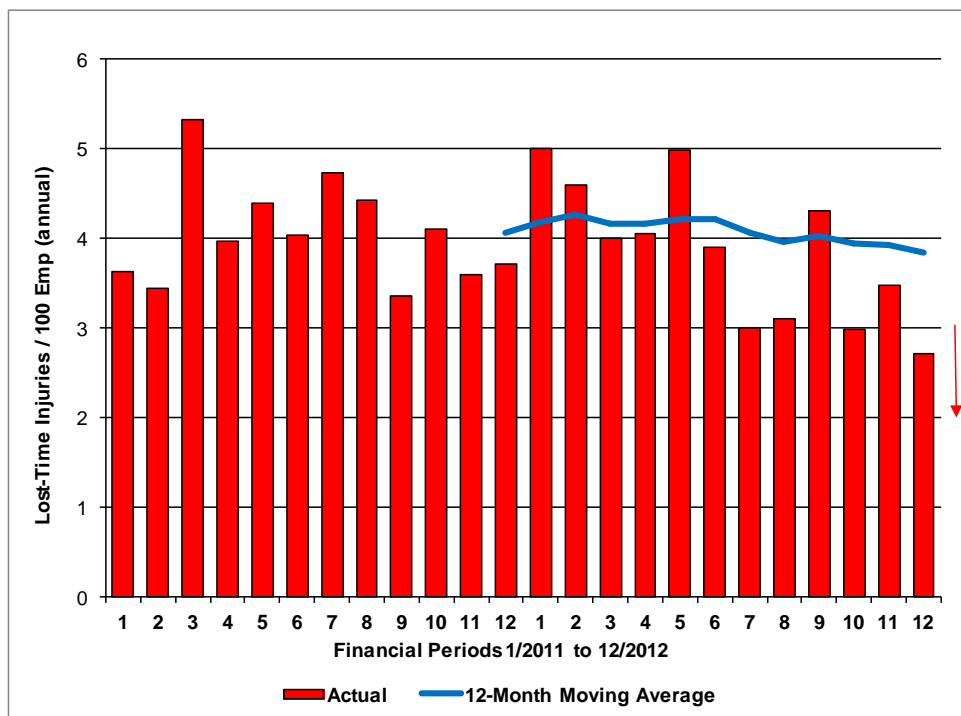
2.5.3 – Wheel-Trans



Overall reliability was relatively stagnant over the past 4 – 6 months. Improvements should begin to be realized over the course of 2013 with the continued roll out of improved technological means of managing the service.

2.6 – Safety and Security

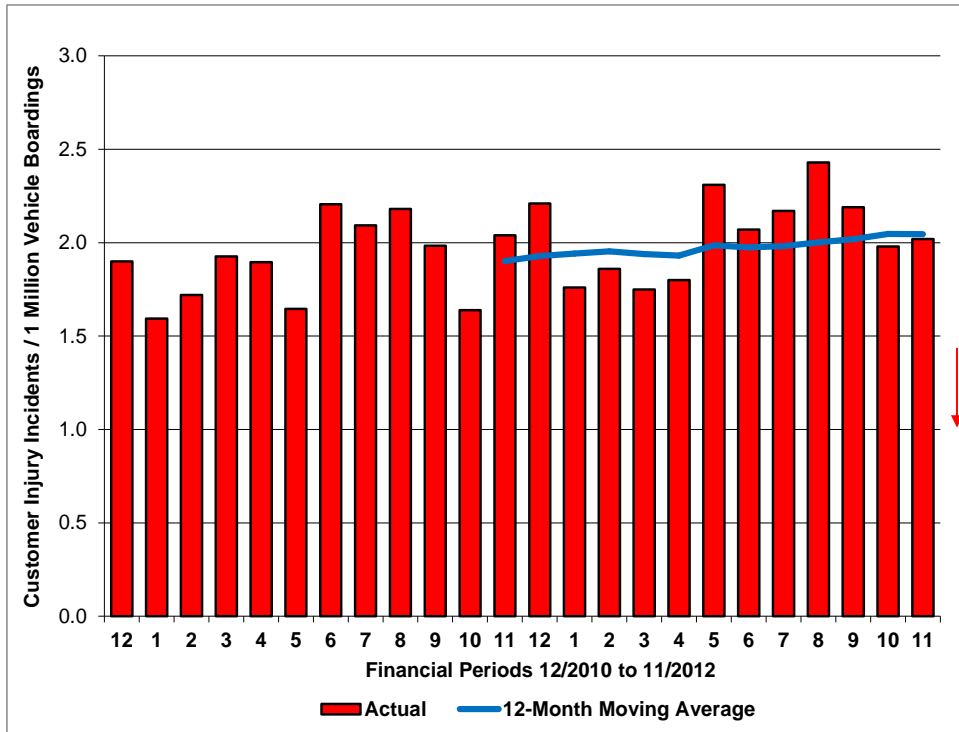
2.6.1 – Lost-Time Injuries (Annual Injuries / 100 Employees)



The annualized lost-time injury rate (LTIR) for Period 12 2012 was 2.72 lost-time injuries per 100 employees, which was 27% lower than the LTIR of 3.71 for Period 12 2011, and the lowest recorded figure for two years.

The moving annual LTIR to the end of Period 12 2012 was 3.83, which was 5.7% lower than the corresponding rate of 4.06 to the end of Period 12 2011.

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



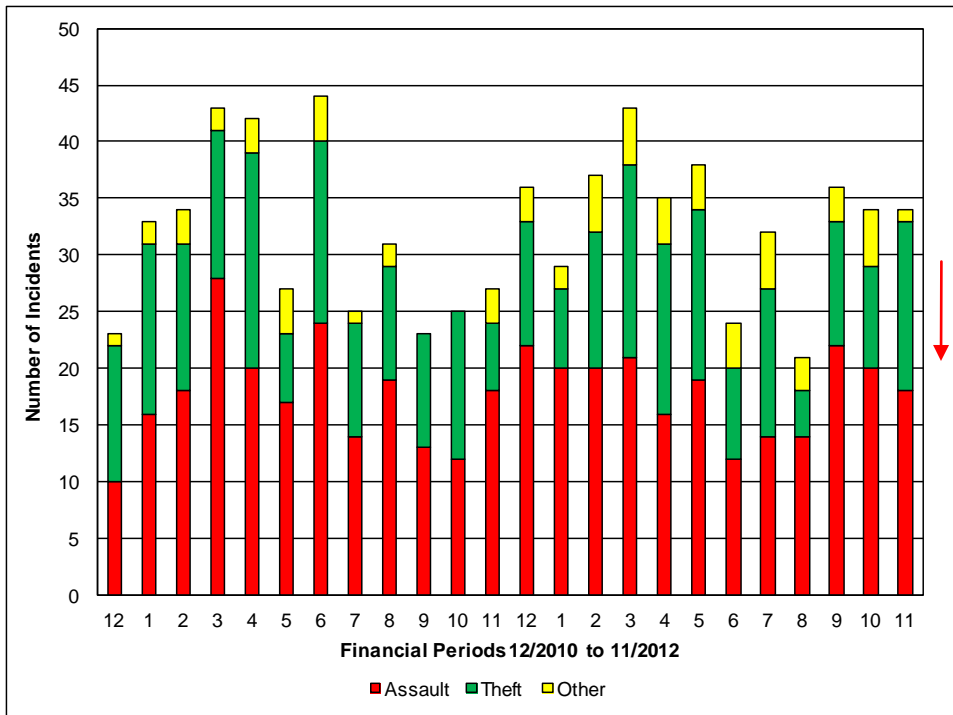
The customer injury incident rate for Period 11 2012 was 2.02 injury incidents per 1 million vehicle boardings, which was 1% lower than the corresponding rate of 2.04 for Period 11 2011.

The moving annual customer injury incident rate to the end of Period 11 2012 was 2.04, which was 6.8% higher than the corresponding rate of 1.91 to the end of Period 11 2011.

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.

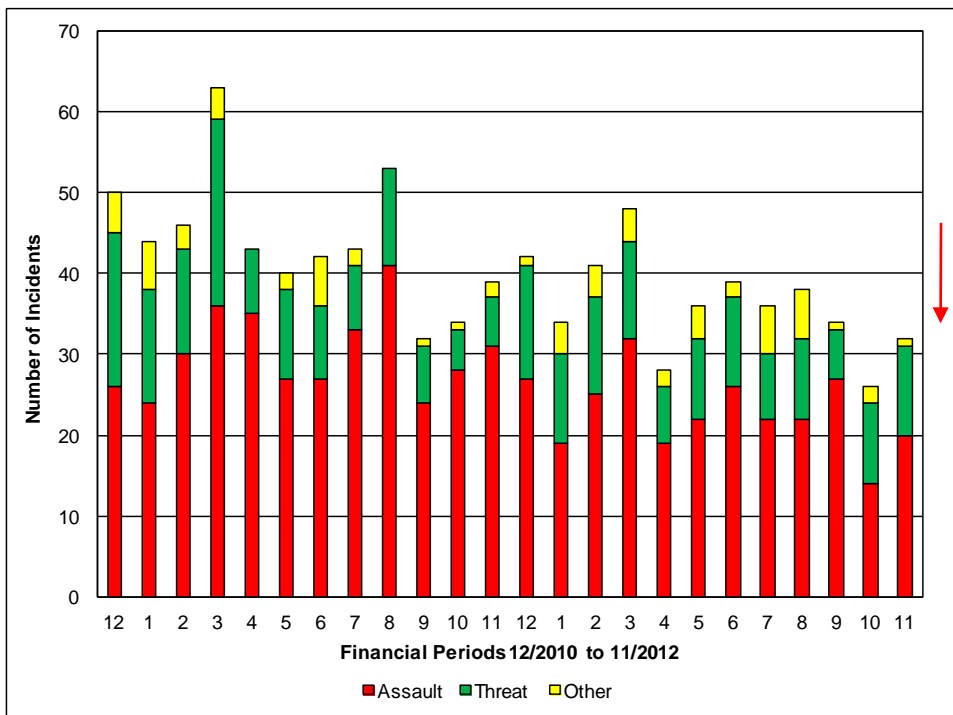
2.6.4 – Offences against Customers



Total offences against customers remained unchanged in Period 11.

Year-to-date to Period 11, there were 9 more offences (363 vs. 354) compared with the corresponding period in 2011. This includes 3 fewer assault offences (196 vs. 199), 5 fewer theft and robbery offences (126 vs. 131), and 17 more “other” offences (41 vs. 24).

2.6.5 – Offences against Staff

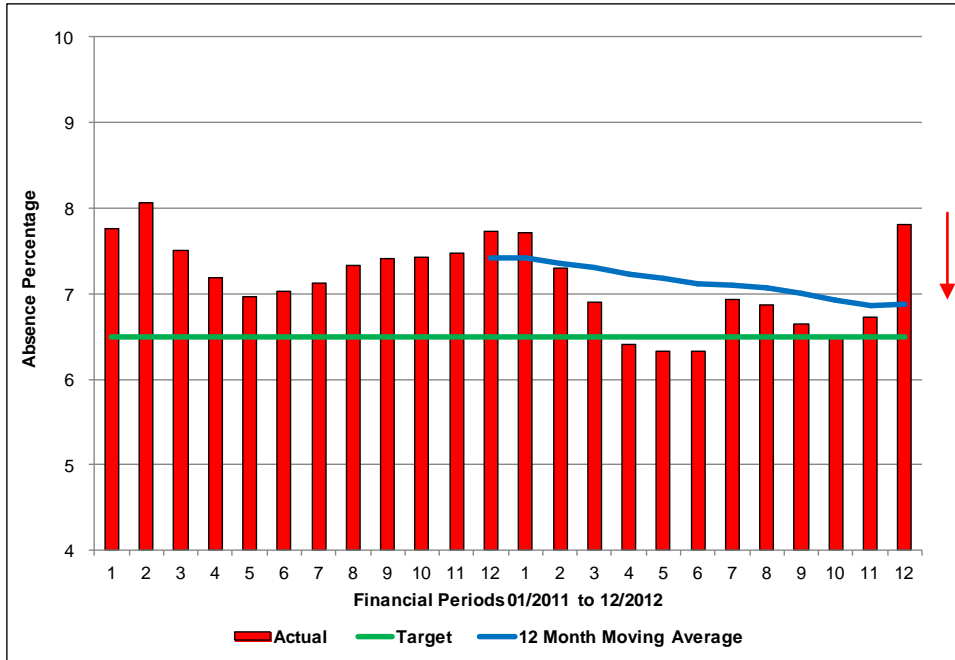


Total offences against staff increased in Period 11.

Year-to-date to Period 11, there were 87 fewer offences (392 vs. 479) compared with the corresponding period in 2011. This includes 88 fewer employee assaults (248 vs. 336), 8 fewer threats (108 vs. 116), and more “other” offences (36 vs. 27).

2.7 – People

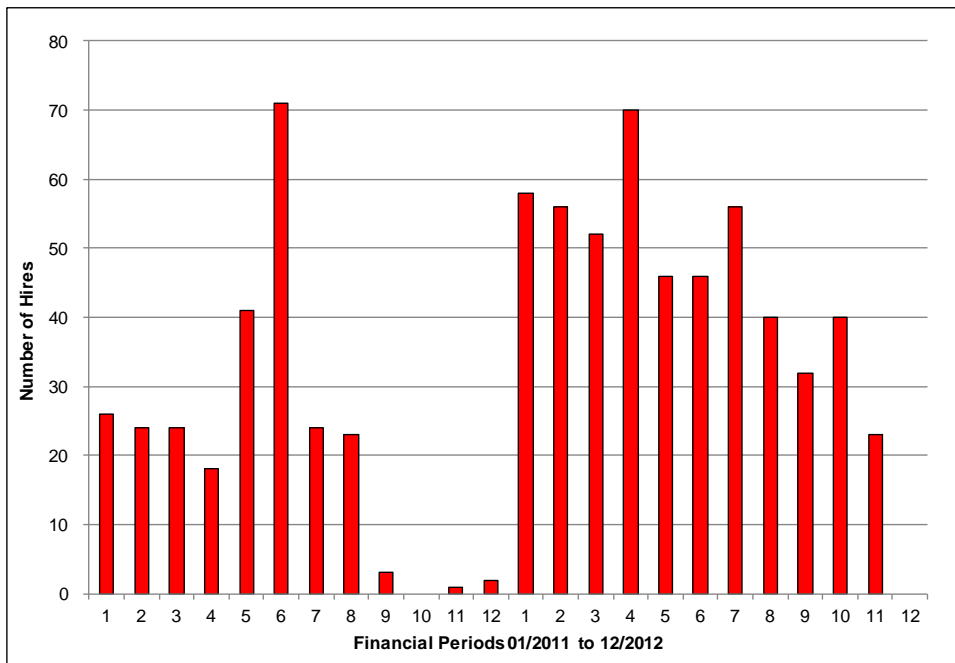
2.7.1 – Attendance



The absence rate for Period 12 2012 was 7.81%. This was 16% higher than the rate of 6.73% for Period 11 2012 and 1% higher than the rate of 7.73% for Period 12 2011.

With the exception of Period 12, the overall absence trend over the past year has been favourable with 2012 period results consistently lower than the comparable period in 2011.

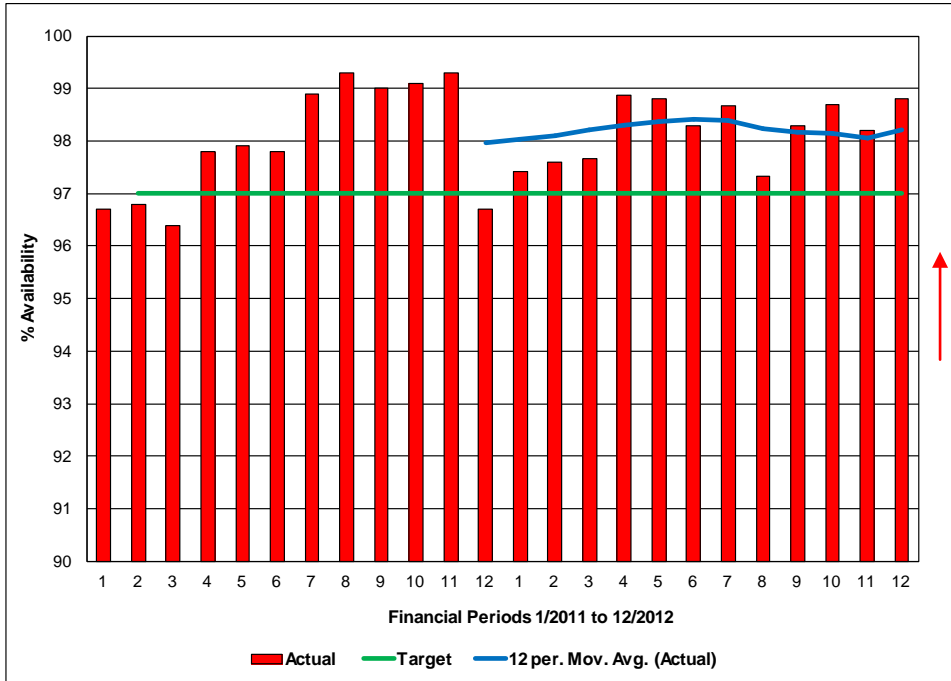
2.7.2 – Operator Hires



Year-to-date to Period 12 2012, 519 Operators were hired, which was equal to the target of 519 hires.

2.8 – Device Availability

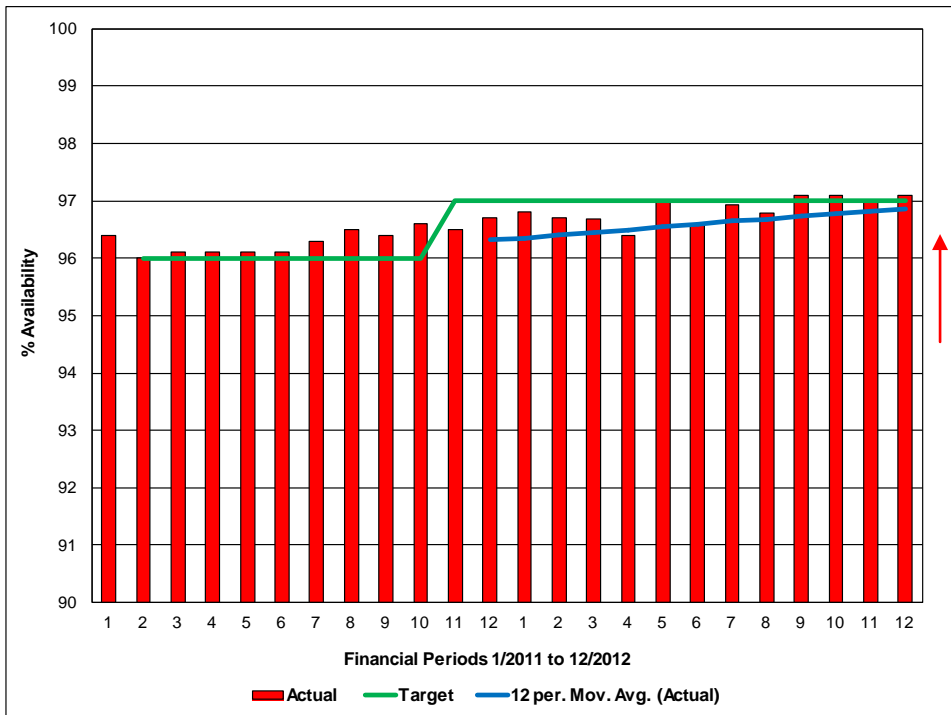
2.8.1 – Elevator Availability



Elevator availability continues above target as a result of several initiatives in 2012.

Weekly meetings are taking place with the elevator maintenance contractor to ensure they are taking action to improve elevator availability. Liquidated damages are being applied when the contractor is not attaining performance targets. A dedicated Assistant Manager was assigned to the elevator portfolio in early 2012.

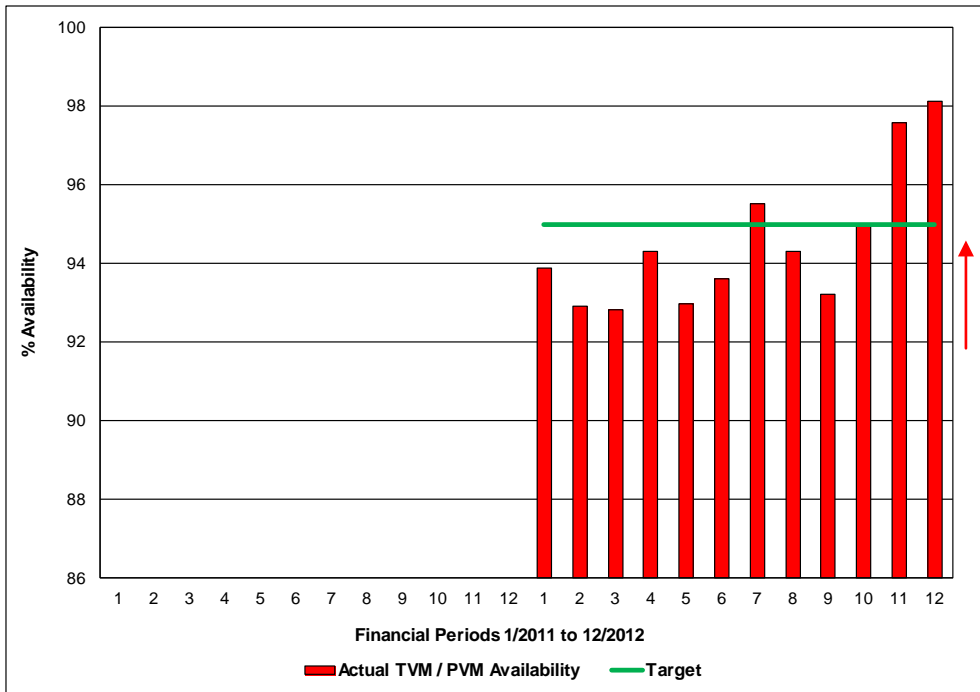
2.8.2 – Escalator Availability



Escalator availability remains on target for the fourth period in a row. The continuous improvement in 2012 is the result of several initiatives.

An Engineering Technologist was retained to input failure history into a computerized maintenance database and carry out analysis. Monthly root cause meetings were revised to daily root cause reports submitted to responsible Forepersons. Forepersons are now able to address problems before they become repetitive.

2.8.3 – Fare Purchase Opportunity

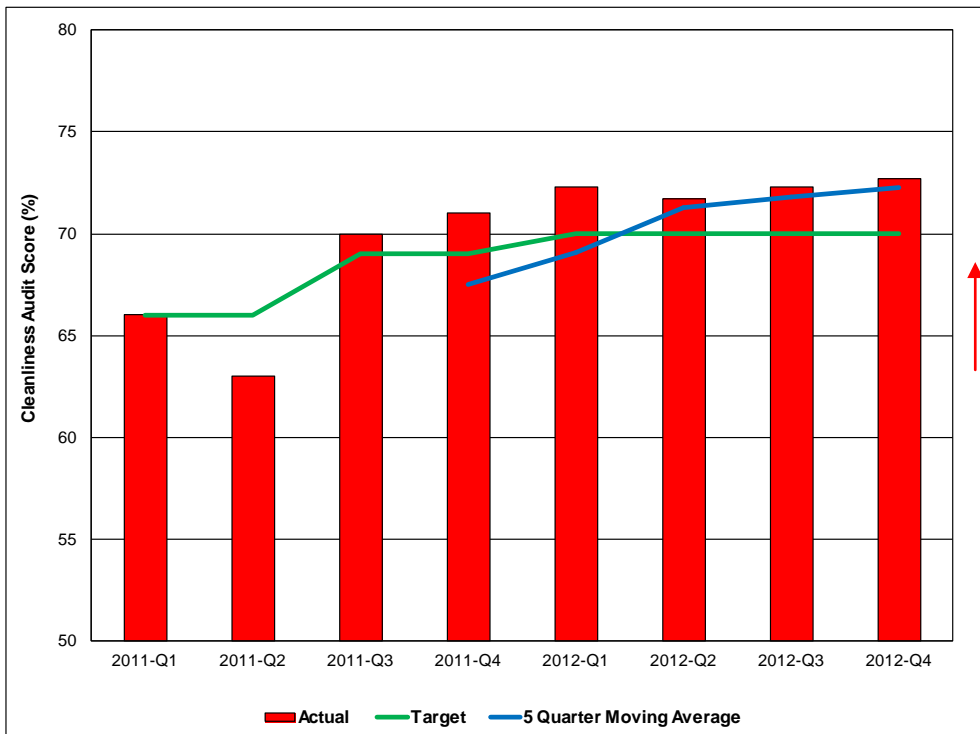


Changes to re-supply and repair remediation strategies have reduced machine downtime, resulting in increased customer fare purchase opportunities.

Locations of high levels of vandalism have been identified. The Transit Enforcement Unit has directed activities to reduce vandalism. These proactive actions have contributed to reduced machine downtime levels.

2.9 – Mystery Shopping and Audits

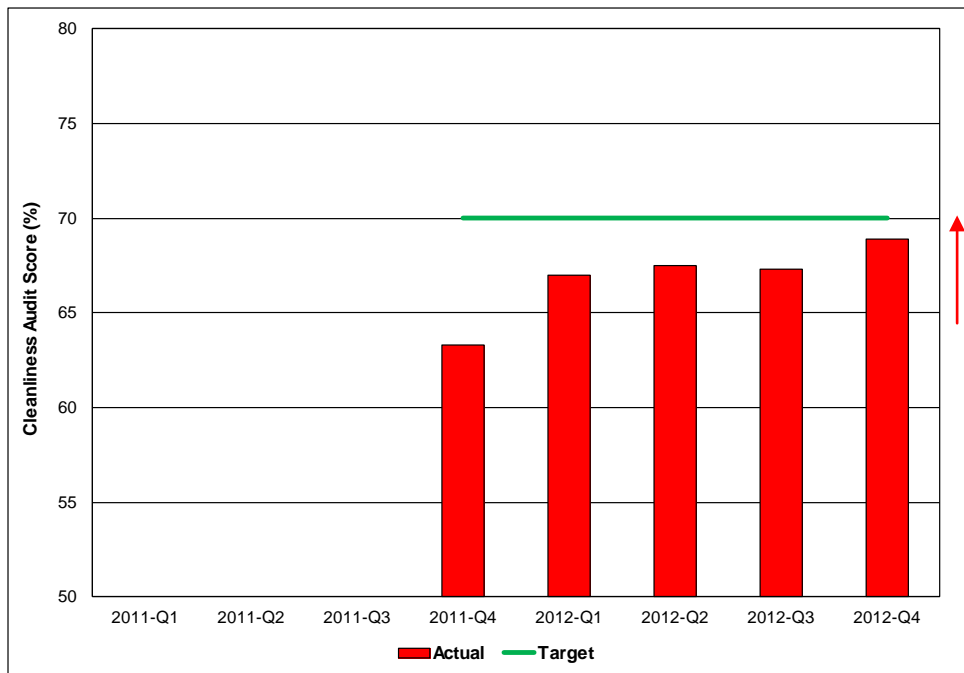
2.9.1 – Station Cleanliness



Station Cleanliness continues to exceed target as a result of a revised public washroom cleaning program and the continued monitoring by supervisory staff of scheduled and project work performed by frontline employees.

In addition, further deep cleans were undertaken to trackside walls and other public areas of TTC stations.

2.9.2 – Vehicle Cleanliness



Rail Vehicles:

Improved results in the 4th quarter can be attributed to more emphasis on increased cleaning of seats and floor washing and the ongoing localized auditing of quality.

Buses:

Results in the 4th quarter remained consistent. As of January 13, 2013, bus servicing and cleaning at two locations (Malvern and Mt. Dennis) are being performed by outside contractors. It is expected that this initiative should improve bus cleanliness results in the first quarter of 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.

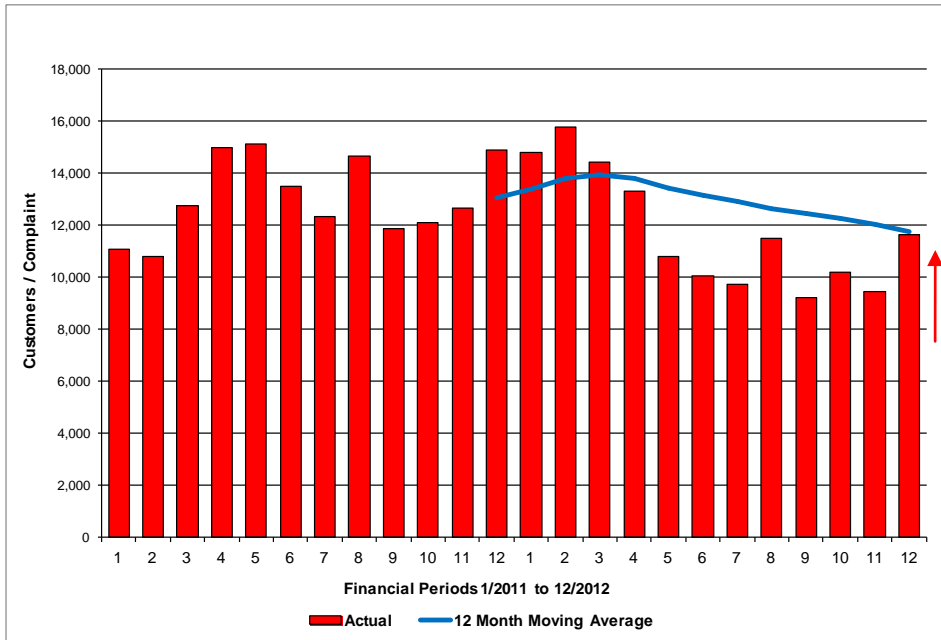
2.9.4 – Staff Helpfulness MSS

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

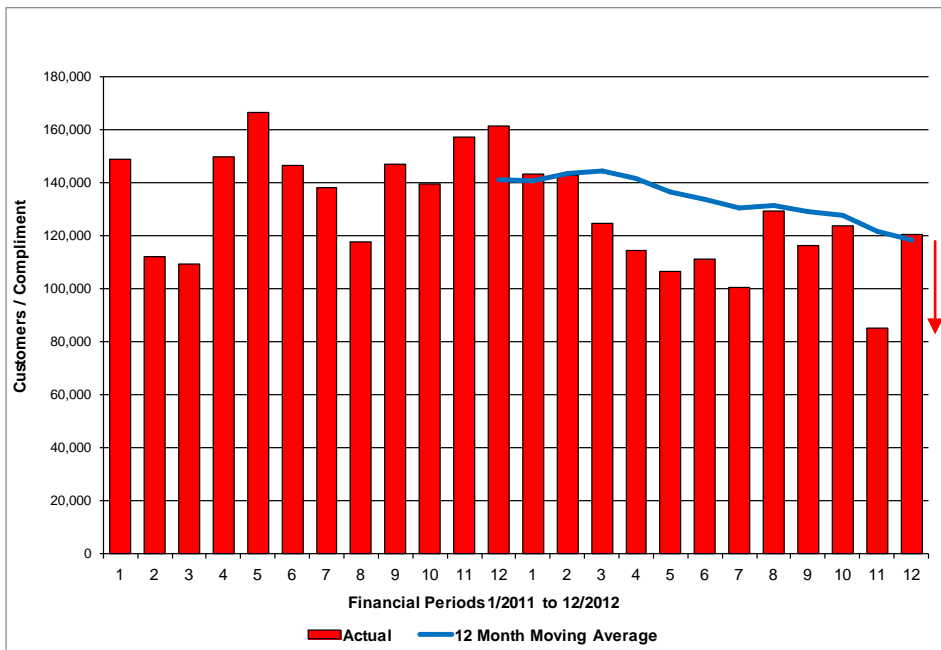
This section provides additional information on a series of customer-related issues such as major upcoming events and specific results for customer complaints and compliments.

3.1 – Customers / Complaint



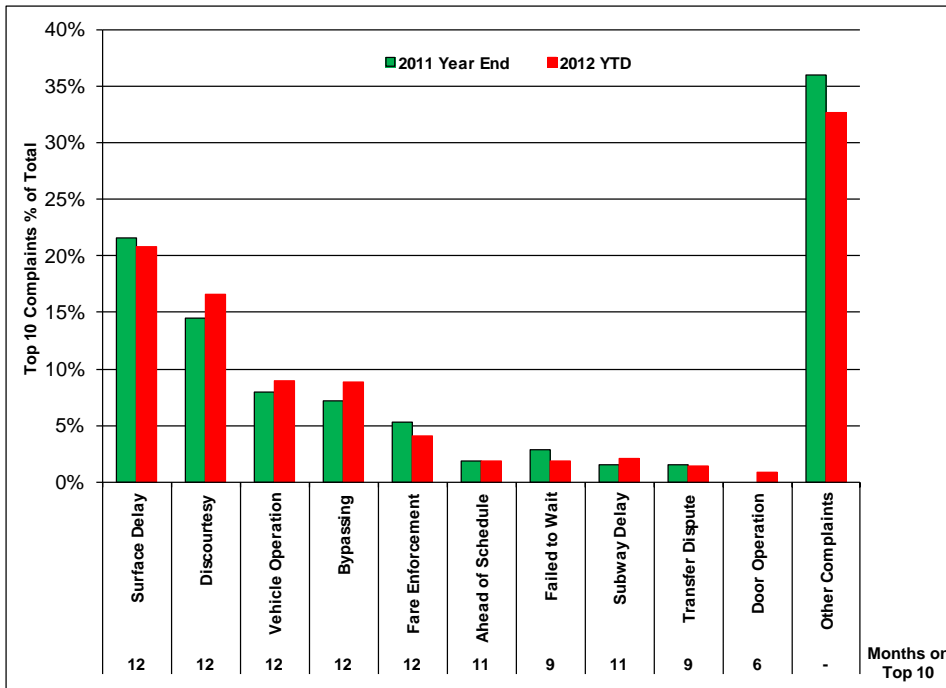
Customers per complaint improved in Period 12 to the best result in 8 periods.

3.2 – Customers / Compliment



Customers per compliment increased in Period 12; however, there was a noticeable improvement compared to the same period last year.

3.3 – Top Ten Complaints



The general proportion of type of complaints remained unchanged. Surface Delay, Discourtesy, Vehicle Operation, Bypassing and Fare Enforcement were the only complaint types that have been in the Top 10, every period in 2012.

3.4 – Commentary on Customer Satisfaction Improvement

Consultations have begun with a group of employees regarding a new uniform for front line staff. The new uniforms will help to deliver on the TTC’s vision of a transit system that makes Toronto proud. A number of activities are also planned to gather customer comments and engage Toronto in developing a new uniform for a service that is critical to Toronto’s success. All supplier contracts come up in 2013 and 2014, making now the right time for a redesign.

Work has begun to partner with an external advocacy group for the delivery of local TTC Town Halls in 2013. In addition to these local events, an annual event is planned to recap events of the year and lay out plans for the coming year.

Testing of new features on the TR trains has begun. An exterior door chime and new straps for riders under the HVAC units are being tested on one TR train. The features are intended to make the TR trains more accessible and rider friendly.

We are in the process of appointing six new Group Station Managers. The Station Managers will be responsible for creating and overseeing a new standard to manage subway stations to enhance overall customer experience.

From February 1st, all 192 Airport Rocket buses are equipped with luggage racks. This is an addition that our customers have told us about frequently at our Town Hall events. Further plans to improve knowledge of this service (the best value in town) and convenience at the airport are being developed.

3.5 – Current Major Closures / Diversions

Y-U-S Service North of Eglinton – Revenue subway service on the Yonge Subway north of Eglinton Station will end early at night, at approximately 12:30 a.m., Sunday through Friday service, for necessary tunnel structural repair work. Regular subway service will be maintained from Downsview Station to Eglinton Station.

A frequent accessible shuttle bus service will replace the subway between Eglinton Station and Finch Station. The replacement buses will serve the bus terminals at Eglinton Station, Lawrence Station, York Mills Station, Sheppard-Yonge Station, and Finch Station. This temporary service will operate until late 2013.

Mode	Area Affected	Dates	Reason	Purpose
Streetcar	Dufferin (Queen W to Dufferin Loop)	Jun 17/12 – Feb 15/13	Track and Overhead Replacement	State of Good Repair
Streetcar	Spadina (King to north of Lake Shore)	Jun 17/12 – May 12/13	Platform Upgrades & Track Replacement	Improvement & State of Good Repair
Streetcar	Queens Quay (Union Stn to Spadina)	Jul 29/12 – Jul 5/13	Waterfront Toronto Queens Quay reconstruction	Improvement (Waterfront Tor.) State of Good Repair
BD Subway	Kipling Station to Keele Station	Feb 9 – 11/13	Jane Crossover Installation Stage 3 of 3	State of Good Repair

Bus service on 29 Dufferin is being diverted around the streetcar track construction on Dufferin Street. Frequent bus service is replacing streetcars from King St. to Lakeshore Blvd. Diversion of bus and east-west streetcar services will be required for short periods of time during the project.

Frequent bus service is replacing streetcars on the entire length of the 509 Harbourfront route for this phase of the Queens Quay Waterfront Toronto reconstruction.

Frequent bus service is replacing subway service along the BD line between Kipling Station and Keele Station with accessible service to Dundas West Station.

3.6 – Pending Planned Closures

Mode	Area Affected	Dates	Reason	Purpose
YUS Subway	Union Station to St. George Station	Mar 2 – 4/13 Mar 10/13 Mar 17/13 Mar 23 – 25/13	ATC Signal Installation	State of Good Repair

Note: The above closures have been approved, but are pending confirmation of supporting resources.

3.7 – Noise & Vibration Update – Three West-End Communities (B-D Subway Line)

Update for January 2013

This is the fourth monthly update following the October 18, 2012 meeting with members of the three west-end communities and their municipal representatives.

Part 1 below provides an update on the actions/work recommended and agreed to following tests conducted by Aerocooustics Engineering Limited. Monthly updates will continue to be provided until all planned work is completed. Timelines may be adjusted as more detailed planning and scheduling of work is developed. Part 2 relates to some items from the Q&A's of the meeting. Part 3 is a graphical representation of the Bloor-Danforth Subway Axle Machining in January 2013, which also includes Week 5 (January 27 to February 2, 2013).

Part 1

Old Mill (Kings Lynn/Prince Edward)

Planned Action	Timeline	Completed
Localized rail replacement in the westbound directions at subway chainage 171+76, located between Prince Edward Dr and Kings Lynn Rd.	To be completed by 30-Nov-12	✓
Aerocooustics to conduct additional testing of the effect of delaminated concrete invert on noise & vibration at westbound subway chainage 174+50, located between Kings Lynn Rd and Kingscourt Dr.	Testing planned for Oct 28/29 Report due 3-Dec-12 (provide to Councillor Milczyn)	✓ ✓

Keele (Mountview to Pacific)

Planned Action	Timeline	Completed
Perform localized hand grinding at westbound insulated joint at subway chainage 291+04, in the vicinity of Oakmount Rd	To be completed 17-Nov-12	✓
Rail grinding to be performed as part of the State of Good Repair program in the eastbound direction from subway chainage 278+31 to 297+24 between High Park Station and Keele Station.	To be completed before May 2013	

Jane (Old Mill Dr/Traymore Cres)

Planned Action	Timeline	Completed
Perform localized hand grinding at eastbound insulated joints at subway chainage 217+63 located east of Traymore Cres and at subway chainage 220+20 located west of Old Mill Dr	To be completed 17-Nov-12	✓
The high rail will be replaced in both directions along the Riverside curve. Point of replacement; between Riverside Dr at subway chainage 209+98 and east of Old Mill Dr at subway chainage 224+19.	Updated: To be completed April 2013	
Profile Grinding will be performed after the high rail replacement in both directions along Riverside curve at approximate subway chainage 209+98 - 224+19.	To be completed before May 2013	

Part 2

Q&A / Action Items (per October 18th public meeting)

Planned Action	Timeline	Completed
A resident enquired about a report for the Montgomery area (west of Royal York Station).	Report due 7- Dec-12 (provide to Councillor Milczyn)	✓
In response to a resident's concern, inspect the insulated joints at east end of Royal York Station in both directions at subway chainage 161+40 in the vicinity of Grenview and Jackman.	To be conducted by 11-Nov-12	✓
Second visual inspection to further understand nature of N&V source at the east end of Royal York station.	Jan - 2013.	✓
WB Insulated joint entering Royal York station: Corrective actions identified and scheduled for repair.	End of Jan – 2013	✓
EB Insulated joint leaving Royal York station: Corrective actions identified and scheduled for repair.	End of Feb – 2013	
A vibration concern was raised by a resident from Kennedy Avenue (Runnymede to Jane station). None of the three studies included this area. Kennedy Avenue corresponds to Runnymede Station (254+80 to 255+80). A visual inspection will be conducted.	To be completed by week of 11-Nov-12	✓
Track Maintenance has identified 2 insulated joints at the east end of Runnymede Station (EB &WB). The joints will be re-surfaced.	To be completed by end of Jan - 2013.	✓

Grinding: Why and When

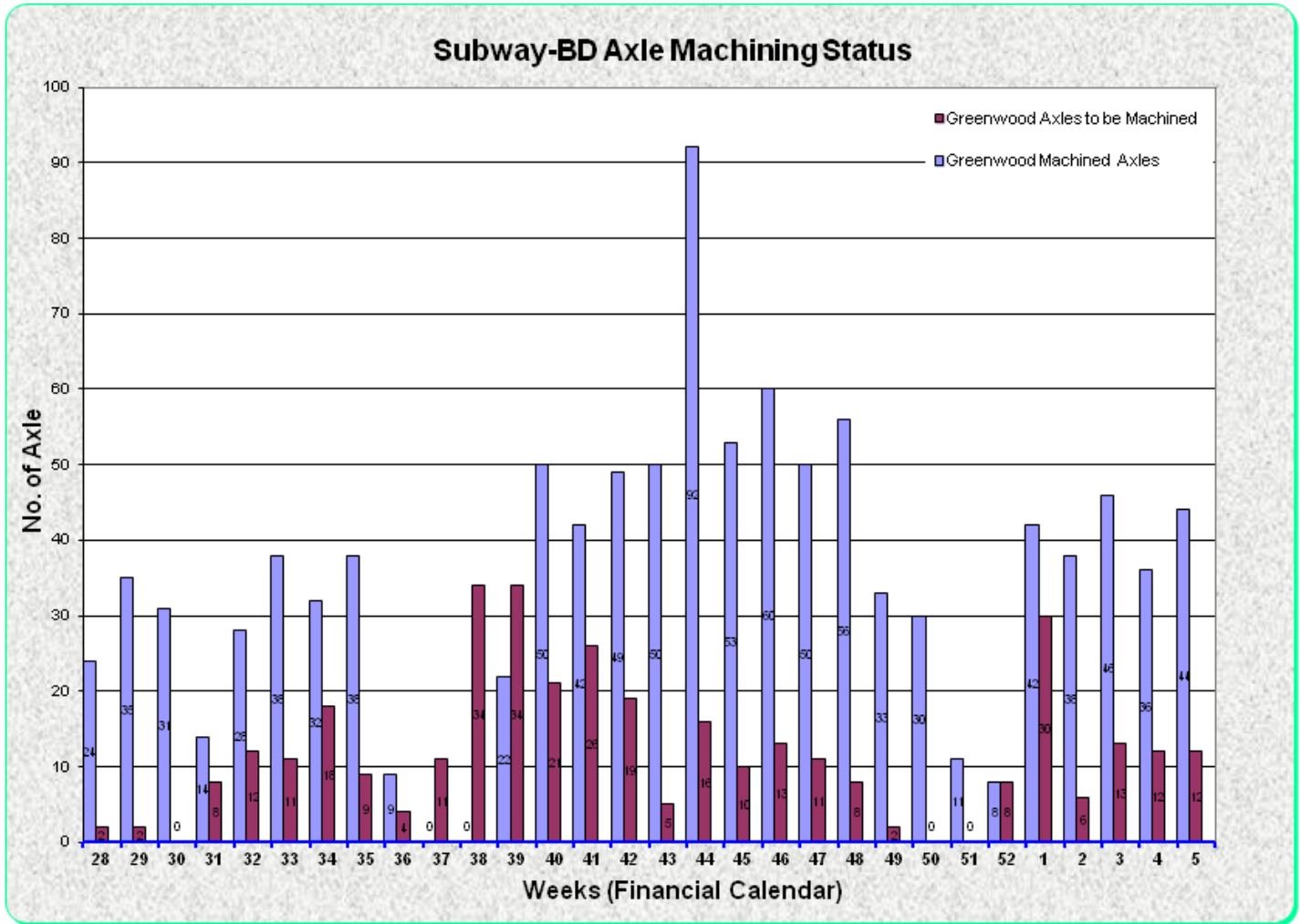
The primary purpose of rail grinding is to remove rail surface defects in order to ensure they do not propagate uncontrollably, potentially leading to a failure of the rail section, and a possible derailment. The need for grinding is established quantitatively, by measuring, very accurately, the condition of the rail, then evaluating results against strict maintenance standards. Defect grinding removes metal from the rail, in essence, shortening the service life of the asset. Grinding prematurely / unnecessarily (not required by maintenance standards) in effect increases costs to the Commission. Given the size of the Commission's rail asset these costs, over time, can be quite substantial.

The subway network is inspected regularly to determine the scope of our yearly rail grinding program. Based on our findings and considering our rail replacement program, sections are scheduled for grinding. The only section within the boundaries of the communities covered in this document that has met the criteria described above and is included in the 2013 grinding program is situated between Keele Station and High Park Station in the eastbound direction. We will continue to monitor the condition of the rail and any resulting noise & vibration concerns on an annual basis necessary to correct issues in a timely fashion.

Part 3

Wheel profiling continues to achieve improvement in the number of trains that have been identified for attention.

The chart below is a weekly representation of capacity versus demand and the control of wheel condition backlog.



Part 4 – Financial Commentary

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

Unaudited results reflecting year-end 2012 will not be available until the next Chief Executive Officer’s Report is released. As a result, the information in this section remains unchanged from the previous Chief Executive Officer’s Report and reflects results to the end of Period 11, 2012.

4.1 – TTC Operating Budget

2012 Year-to-Date Results

To the end of Period 11 (November 24), total revenues were \$13.4 million (1.4%) better than budget primarily due to 9.7 million more customer journeys than budgeted. Over the same period, expenses were \$32.3 million (2.4%) below budget primarily due to lower vehicle and facilities maintenance expenditures for materials, supplies and services, reduced accident claims settlement costs and more favourable rates paid for diesel, hydro, and natural gas so far this year as well as reduced consumption owing to the warmer winter weather earlier this year.

The above-noted results (i.e. both actual and budget) include the retroactive pay and ongoing costs related to the June 2012 arbitration award. In accordance with the City of Toronto’s direction, these Collective Bargaining Agreement (CBA) expenses will be offset by additional subsidy from the City. Consequently, the budgeted subsidy has been adjusted in the table below and these CBA expenses will have no impact on the year-end projected budget variances.

2012 Year-End Projections

Ridership continues to grow with year-to-date (to Period 11) results 2.1% above budget. This growth is being driven by strong Adult Monthly Metropass sales, which are about 5% above budget. It is anticipated that this favourable trend will continue throughout the remainder of 2012 and the current ridership projection for the year is 514 million. It should be noted that additional service (costing \$2.1 million) was approved by the Commission at its meeting of May 30th to accommodate these additional 2012 customer journeys.

(millions)	Projection	Budget	Variance
2012 TTC Operating Budget			
Customer Journeys (Ridership)	514	503	11
Revenue*	\$1,086.0	\$1,070.2	\$15.8
Expenses*	\$1,456.0	\$1,481.2	(\$25.2)
Subsidy Required	\$ 370.0	\$411.0	(\$41.0)
Subsidy Available	\$411.0	\$411.0	-
Surplus	\$41.0	-	\$41.0

*the 2012 Revenue and Expenses budgets have been increased by \$2.1M each as a result of City Council’s June 6, 7 and 8, 2012 approval of the additional service to accommodate higher-than-anticipated ridership which will be funded by higher passenger revenues.

The projected year-end subsidy surplus of \$41 million reflects the following significant budget variances:

- **Passenger Revenues: \$15.4 million increase.** This favourable variance reflects an anticipated additional 2.2% or 11 million rides over the budgeted level of 503 million partially offset by a declining average fare stemming from increased monthly pass sales.
- **Diesel Fuel: \$8.5 million decrease.** On a year-to-date basis, the market price of diesel fuel has been lower than budgeted.
- **Accident Claims and Insurance: \$4.4 million decrease.** May 2011 changes to Provincial no-fault insurance legislation for public transit systems which were spearheaded by the TTC have helped to reduce accident claims settlements costs.
- **Other Employee Costs: \$4 million decrease.** Lower utilization of certain healthcare benefits accounts for this favourable variance.
- **Traction Power: \$3 million decrease.** On a year-to-date basis, the price of hydro has been marginally lower than budgeted and consumption has been reduced due to the warmer winter weather earlier this year.
- **Utilities: \$2.2 million decrease.** On a year-to-date basis, the market price of natural gas has been lower than budgeted and consumption has been reduced due to the warmer winter weather earlier this year.
- **Labour Rates: \$1.8 million decrease.** A recent analysis of current Operator average wage rates indicates that the combination of higher Operator attrition this year and increased new Operator hires has resulted in lower average Operator wage rates than previously forecast.

4.2 - Wheel-Trans Operating Budget

2012 Year-to-Date Results

To the end of Period 11 (November 24), revenues were slightly (2.9%) above budget. Over the same period, expenses fell \$2.5 million (2.7%) below budget primarily due to the lower diesel prices, lower demand for trips (which are about 0.2 million or 8.3% below budget) and shorter average trip lengths on the contracted taxi service. To date, the unaccommodated rate (i.e. trip requests which cannot be serviced) has been about 2.1%, compared with the targeted rate of 2%.

The above-noted results (i.e. both actual and budget) include the retroactive pay and ongoing costs related to the June 2012 arbitration award. In accordance with the City of Toronto's direction, these Collective Bargaining Agreement (CBA) expenses will be offset by additional subsidy from the City. Consequently, the budgeted subsidy has been adjusted in the table below and these CBA expenses will have no impact on the year-end projected budget variances.

2012 Year-End Projections

(millions)	Projection	Budget	Variance
2012 Wheel-Trans Operating Budget			
Customer Journeys (Ridership)	3.0	3.1	(0.1)
Revenue	\$5.6	\$5.3	\$0.3
Expenses	\$101.3	\$102.1	(\$0.8)
Subsidy Required	\$95.7	\$96.8	(\$1.1)
Subsidy Available	\$96.8	\$96.8	-
Surplus	\$1.1	-	\$1.1

The \$1.1 million projected year-end subsidy surplus reflects the combination of slightly higher revenues and savings from lower diesel prices and lower demand for trips and shorter average trip lengths on the contracted taxi service partially offset by higher maintenance costs for both the ELF and Friendly bus fleets.

4.3 - Capital Program

2012 Year-to-Date Results

The financial results for capital expenditures to Period 11 (November 24) include significant project work activity through the peak construction season typically involving continuation of design work and progression of construction, vehicle and other supply activity on all contracts in place for capital project work. Further progress and recognition of incurred expenditures are expected to be picked up in the 2012 yearend financial results. Under spending on vehicle delivery milestones and on delayed facility contract work continue to be the most significant variances in the current period results.

2012 Year-End Projections

(millions)	Projection	Budget	Variance
2012 Capital Program Budget*			
Base Program Total Costs	\$815.0	\$1,079.8	(\$264.8)
TYSSE Project	\$427.5	\$685.5	(\$258.0)

*Excludes carry forward spending on the base capital program (\$199.1 million) and on the YYSSE project (\$95.5 million).

Base Capital Expenditures: \$264.8 million under spent. The budget of \$1,079.8 million approved by Council in January 2012 was increased by an additional carry forward adjustment of \$199.1 million in June 2012. The current projected spending on the base capital program currently reflects expectations of being 25% under spent versus budget (under spending of \$264.8 million before the application of the carry forward). Variances on selected major programs are as follows:

Leslie Barn Maintenance & Storage Facility - (\$100.2) million; currently projected to be significantly delayed in 2012 due to delay in award of facility contract and slippage of Leslie St connection track;

Purchase of Subway Cars - \$20.3 million; reflects slippage of 2012 contract milestones for preliminary acceptance of train sets including timing differences for PST, escalation and contingency requirements;

Toronto Rocket/T1 Rail Yard Accommodation - (\$17.0) million; currently projected slippage based on schedule refinement and reassessment of 2012 cashflow.

ATC Resignalling Project - (\$48.5) million; schedule slippage of work on various contracts;

Surface Track Program - (\$12.1) million; deferral of trackwork (Queens Quay) and special track work (King & Spadina, Russell Yard) into future years;

Finishes – (\$14.6) million; deferral of roofing work at Malvern and Greenwood Carhouse as well as modifications at Dufferin station;

Equipment – (\$11.2) million; deferral of bus related equipment work to future years and schedule revision for elevator and escalator overhaul work;

Bridges & Tunnels – (\$15.5) million; delayed work and reduced scope in structure rehabilitation programs;

Easier Access Project – (\$11.2) million; delay of St. Clair West station work due to property issue;

Other Buildings & Structures – (\$17.9) million; delayed design and construction of LRV modifications work at the Roncesvalles Maintenance Facility, delayed facility requirements work at Dundas West and Victoria Park Stations, Inglis and Revenue Operations facilities and delayed Fire Main Replacement at Wilson Yard.

TYSSE Project Expenditures: \$258.0 million under spent. The project schedule has been impacted by a number of contractor performance schedules and other earlier issues now past. Contractor performance has improved in response to the intensified efforts of staff. On October 24, 2012, a report was tabled at the Commission meeting indicating a service date of fall 2016. The impacts of these schedule changes are currently being assessed for the current and future years and will be factored into future reports.

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.

Twenty-nine trainsets have been accepted for revenue service to date. The established delivery schedule calls for commissioning two trainsets per month. Due to technical issues in manufacturing and poor reliability of trains in service, a delivery gap exists and the 2012 year-end quantity target was not met. A recovery plan is being negotiated for implementation as early as logistics would allow. The recovery plan will target to map out delivery of 70 trainsets in the Toronto Rocket subway train order by early 2014 as planned. The 70 trainsets are 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) project.

5.2 Streetcar Program and Maintenance & Storage Facility

Streetcar Procurement

Final design phase of the low floor streetcar procurement project is largely complete. The first of the three test vehicles was delivered as scheduled in September 2012. Static system tests at TTC's Hillcrest facility have been progressing according to plan. Discussions on logistics of delivery timing of the next two test vehicles led to an optimized test plan. The plan provides for more dynamic test track time and scope in Toronto and in Thunder Bay for the three test vehicles.

The prototype vehicles will undergo extensive vehicle reliability, performance and technology verification tests. System compatibility tests including accessibility features, safety against derailment, platform and on-street boarding interface with the vehicle and bridgeplate and ramp deployment will be performed. Fare card system if available, noise and ground-borne vibration, special trackwork and overhead power interface, etc. will also be conducted.

Based on the prototype tests, a baseline vehicle configuration will be established for production vehicles, scheduled for delivery beginning in the fall of 2013.

Leslie Barns Streetcar Maintenance & Storage Facility Project

This project has two main areas: the facility and the Leslie Street connection track. At its meeting of January 31, 2012, the Commission approved the award of the facility construction contract. The TTC received the Notice of Approval Conditions (NOAC) associated with site plan approval on April 4, 2012, which allowed essential building permits to be issued. Staff awarded the main facility contract on April 12, 2012 and are working closely with staff from the City of Toronto to fulfill the terms and conditions associated with the NOAC. As of the end of December 2012, the roof and exterior walls of the substation were near completion and work on the carhouse

foundation and underground services was continuing. Substantial performance of facility construction is currently scheduled for June 2014.

Construction of a duct bank for the relocation of a Hydro One Networks Inc. (HONI) transmission cable that runs around the perimeter of the facility site is in progress by a HONI contractor. The relocation of this cable is necessary for the construction of the main facility. Delays have occurred due to the HONI contractor encountering abandoned footings from the Gardiner Expressway along the Lake Shore Boulevard portion of the alignment, and in having to rebuild some curved sections with increased radii to facilitate cable pulling. The HONI contractor now expects to complete the ductbank by mid-February 2013, approximately one and a half months behind schedule. The specialized high voltage cable has been received at site and installation will commence on Lake Shore Boulevard in February. The perimeter of the site will still be handed over to the facility contractor before the contract milestone, with final completion of the HONI work expected in the spring of 2013.

The design of the Leslie Street connection track has been finalized in accordance with comments received during the final review by stakeholders including TTC departments, City of Toronto divisions, private utilities and others. Due to the complexity of this work, a pre-qualification of general contractors was undertaken. One general contractor was prequalified. A value engineering exercise was conducted with the contractor and procedures were developed to ensure the Commission is able to negotiate a fair price for the contract. The tender was posted on December 24, 2012. Tender closing is scheduled for February 5, 2013 with award expected by the end of February 2013.

In conjunction with Waterfront Toronto and the City, a public communications strategy for the streetscape design and construction staging plan has been developed. Meetings to present the streetscape design to businesses and residents were held in October 2012. The construction staging and traffic management design is in the final stages and individual meetings continue to be held with stakeholders.

5.3 Station Enhancements

Union Station

Construction of the second platform for the Union Station subway station is proceeding toward completion in 2014.

Dufferin Station

Construction of the Dufferin Station Modernization project is expected to be completed by summer of 2014.

Pape Station

Construction of the Pape Station Modernization project is expected to be completed by fall 2013.

5.4 Easier Access

To date, 31 subway stations have been made accessible. The Easier Access III project will make the remaining stations accessible by 2025.

The elevators at St. Andrew Station were opened for service on June 20, 2012. Pape and Dufferin Stations are expected to be completed by 2013 and 2014 respectively.

The construction contract for Lawrence West Station was awarded in November 2012 and construction will commence on site in early 2013 with completion slated for 2014. Construction at Coxwell, Woodbine, and St. Clair West Stations is also expected to start in 2013.

5.5 Toronto-York Spadina Subway Extension Project

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

The project schedule has been impacted by a number of contractor performance schedules and other earlier issues now past. Contractor performance has improved whereby contractors are currently performing well with the exception of the Sheppard West (Downsview Park) and Southern Tunnels contract where the progress of the tunneling component continues to be slow. Efforts by staff to improve progress of this component have intensified. Issues with the advancement of the HWY 407 and Northern Tunnels contract and the other contracts are largely resolved.

On October 24, 2012, a report was tabled at the Commission meeting indicating a service date of fall 2016. The impacts of these schedule changes are currently being assessed for the current and future years and will be factored into future reports.

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 prior to the end of February 2013, for the overall project through to final implementation and operation. Discussions between PRESTO and TTC continue to develop this schedule.

The initial release of PRESTO at the TTC will support the rollout of the new streetcars in 2014. The TTC and PRESTO are working to define the scope of this initial release of PRESTO including fare payment functionality on-board the new streetcars, off-board at select transit stops and subway stations. Workshop based discussions with TTC staff are continuing to confirm the details, operational impacts and implementation plan for the initial PRESTO release. In parallel, preliminary testing of PRESTO network communications continues using existing TTC streetcars.

Field studies to determine whether sufficient power is available at TTC subway stations to support PRESTO equipment are underway. These studies are schedule to be completed by the end of Q1- 2013. A work plan for the design of the required electrical upgrades at the initial 41 subway stations is being circulated for approval. A work plan for the remaining stations will be developed once the field studies are complete.

An additional three PRESTO devices have been installed at Union Station to address throughput and congestion issues with the current PRESTO equipment. TTC staff are also continuing to review with PRESTO how to improve the overall reliability of the devices.