

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: JULY 24, 2013

SUBJECT: CHIEF EXECUTIVE OFFICER'S REPORT –
JULY 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.

July 11, 2013
42-81

Attachment: Chief Executive Officer's Report



TORONTO TRANSIT COMMISSION

CHIEF EXECUTIVE OFFICER'S REPORT

JULY 2013 UPDATE



TABLE OF CONTENTS

	<u>PAGE</u>
1. TTC MONTHLY SCORECARD	2
2. COMMENTARY AND CURRENT ISSUES	5
3. CUSTOMER MEASURES AND IMPROVEMENT PROGRAM PROGRESS	17
4. FINANCIAL COMMENTARY	23
5. CRITICAL PROJECTS	26
6. TTC BOARD REQUESTS	30

TORONTO TRANSIT COMMISSION – MONTHLY SCORECARD



Key Performance Indicator		Description	Frequency	Latest Measure	Current	Target	Current Status	Trend	Ref. #
CSS		Customer Satisfaction Survey	Quarter	Q2	79%	TBD			2.2
Customer Journeys		Customer Trips	Period	P5	40.11M	40.24M			2.3
Punctuality – Subway and Scarborough Rapid Transit (SRT)									
Yonge-University-Spadina	Headway + 3 minutes	Period	P5	92.5%	96.0%			2.4.1	
Bloor-Danforth	Headway + 3 minutes	Period	P5	97.4%	97.0%			2.4.1	
Sheppard	Headway + 3 minutes	Period	P5	99.5%	98.0%			2.4.1	
SRT	Headway + 3 minutes	Period	P5	98.6%	96.0%			2.4.2	
Punctuality – Bus, Streetcar, and Wheel-Trans									
Bus	Headway +/- 3 minutes	Period	P5	65.7%	65.0%			2.5.1	
Streetcar	Headway +/- 3 minutes	Period	P5	69.8%	70.0%			2.5.2	
Wheel-Trans	Within 10 minutes of schedule	Period	P5	83.7%	90.0%			2.5.3	
Safety and Security									
Lost Time Injuries	Injuries / 100 Employees	Period	P5	3.31	TBD			2.6.1	
Customer Injuries	Injury incidents / 1M Vehicle Boardings	Period	P4	1.90	NA			2.6.2	
Behavioural Safety Index	Safety Focused Behaviour	Period	TBD					2.6.3	
Offences against Customers	Assault, theft, other	Period	P5	40	NA			2.6.4	
Offences against Staff	Assault, threat, other	Period	P5	52	NA			2.6.5	
People									
Attendance	Employee Absence	Period	P5	6.13%	< 6.50%			2.7.1	
Operator Hires	Actual vs. Budget	Period	P5	40	40			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	P5	91.4%	98.0%			2.8.1	
Escalators	% Escalators Available	Period	P5	97.1%	97.0%			2.8.2	
Fare Purchase Opportunity	% TVM's / PVM's Available	Period	P5	97.6%	96.0%			2.8.3	
Mystery Shopping and Audits									
Station Cleanliness	Cleanliness Audit Score	Quarter	Q1	71.6%	70.0%			2.9.1	
Vehicle Cleanliness	Cleanliness Audit Score	Quarter	Q1	68.2%	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	P1-5	\$467.6M	\$472.4M			4.1	
TTC Operating Expenditure	Actual vs. Budget	Period	P1-5	\$620.0M	\$631.5M			4.1	
Wheel-Trans Revenue	Actual vs. Budget	Period	P1-5	\$2.4M	\$2.3M			4.2	
W-T Operating Expenditure	Actual vs. Budget	Period	P1-5	\$42.1M	\$42.4M			4.2	
Capital Expenditure – Base	Actual vs. Budget	Period	P1-5	\$152.9M	\$302.0M			4.3	
Capital Expenditure – TYSSE	Actual vs. Budget	Period	P1-5	\$149.7M	\$325.9M			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

Earlier this year, the inaugural TTC Customer Charter was launched, focusing on five themes: cleanliness, better information, improved responsiveness, becoming more accessible and modern, and the renewal of vehicles. With each theme, we have committed to completing and implementing improvements on the TTC by specific dates in 2013. We met all of our stated commitments for the second quarter; further details are provided in Section 3.6 of this report.

Customer journeys (ridership) fell slightly below target in Period 5. The year-end outlook is that ridership will be at or near the target of 528 million but that passenger revenues will be below target due to decreases in the average fare that mostly stem from ongoing monthly pass sales growth.

Subway punctuality on the Bloor-Danforth and Sheppard lines continued ahead of target. Punctuality on the Yonge-University-Spadina line continued below target. We have established “task forces” to address persistent root problems of delay, in addition to the ongoing work with Bombardier to address Toronto Rocket issues. SRT punctuality continued ahead of target.

Bus punctuality continued above target; streetcar punctuality fell slightly below target. Wheel-Trans punctuality continued to be below target.

Employee absence was below target for the third consecutive period and was at its lowest rate in the past three years. The overall trend continues to be encouraging with period results consistently lower than the comparable prior-year period.

Elevator availability fell below target due to problems with the performance of a contractor during the now-concluded external strike involving elevator mechanics. Escalator availability remained on target. TVM/PVM availability continued above target.

On the financial side, total year-to-date TTC revenues were below budget, primarily due to 1.3 million fewer customer journeys than planned and a lower average fare than budgeted. This was offset by operating under-expenditures so at the present time, no major variance from the year-end budget is being projected. Capital expenditures were below budget for a host of reasons (see Section 4.3).

Finally, Part 6 of this report, TTC Board Requests, is a new section that is intended to provide updates on information that the TTC Board has requested to be periodically included in the CEO Report. This month, the first semi-annual Shelter Bus Report is provided.

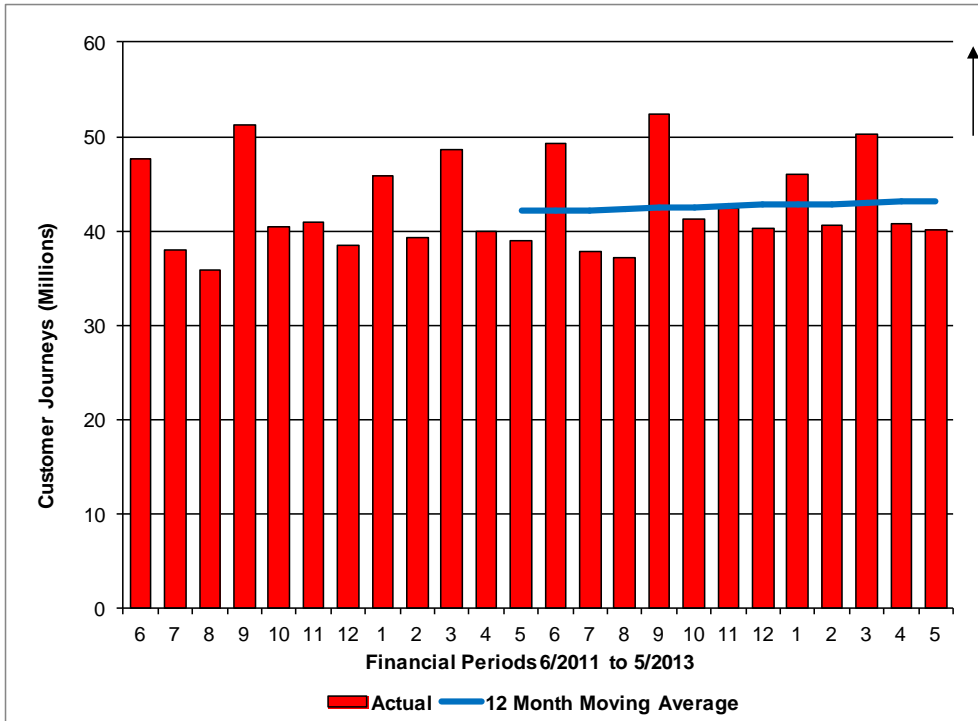
2.2 – Customer Satisfaction Survey

The Q2 2013 Customer Satisfaction Survey shows an overall customer satisfaction rating of 79%. This represents a 4% rise in the score from Q1 2013 and an increase of 5% over Q2 2012.

The Q1 results are encouraging and are more consistent with the improvements in punctuality, vehicle and station cleanliness, escalator availability, and various “quick wins” that have been delivered in recent months. The expectation is that with continued focus on those issues that are important to customers, the customer satisfaction scores will continue to improve over time.

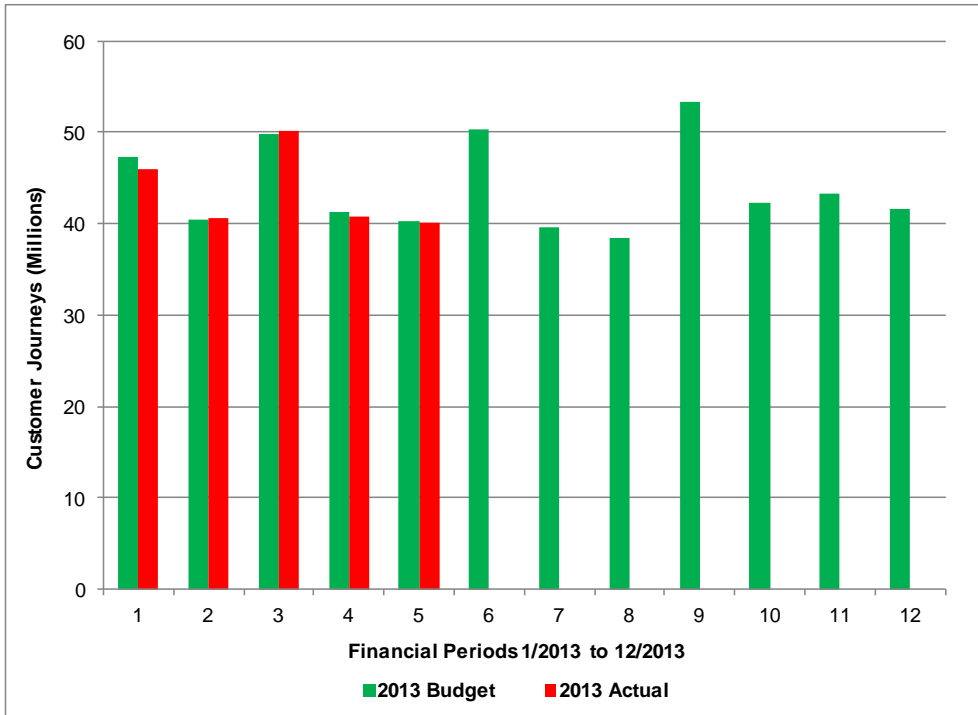
The detailed results of the Q1 and Q2 2013 Customer Satisfaction Survey will be presented to the Board by the end of the summer.

2.3 – Customer Journeys



There were 40.1M customer journeys (ridership) taken during Period 5 2013, which was 1.14M (+2.9%) more than the 38.97M journeys taken during Period 5 2012.

The annual number of customer journeys taken to the end of Period 5 2013 was 518.38M, which was 13.11M (+2.6%) more than the 505.27M annual journeys taken to the end of Period 5 2012.



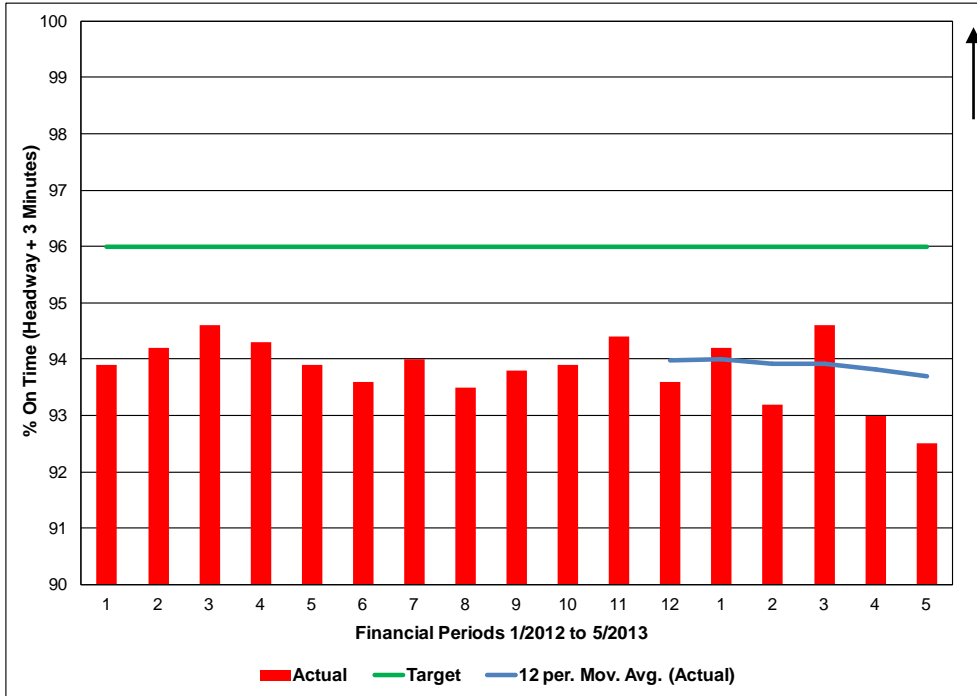
There were 40.1M customer journeys taken during Period 5 2013, which was 0.13M (-0.3%) less than the budget of 40.24M journeys.

The number of customer journeys taken year-to-date to the end of Period 5 2013 was 217.78M, which was 1.29M (-0.6%) less than the budget of 219.07M journeys.

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

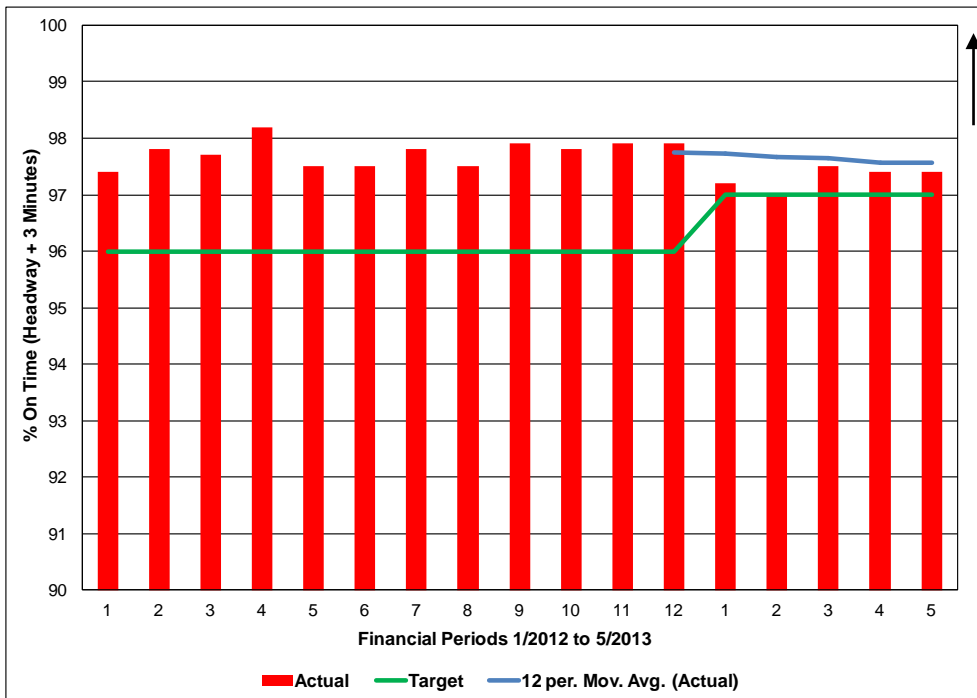
2.4.1 – Subway

Yonge-University-Spadina Line



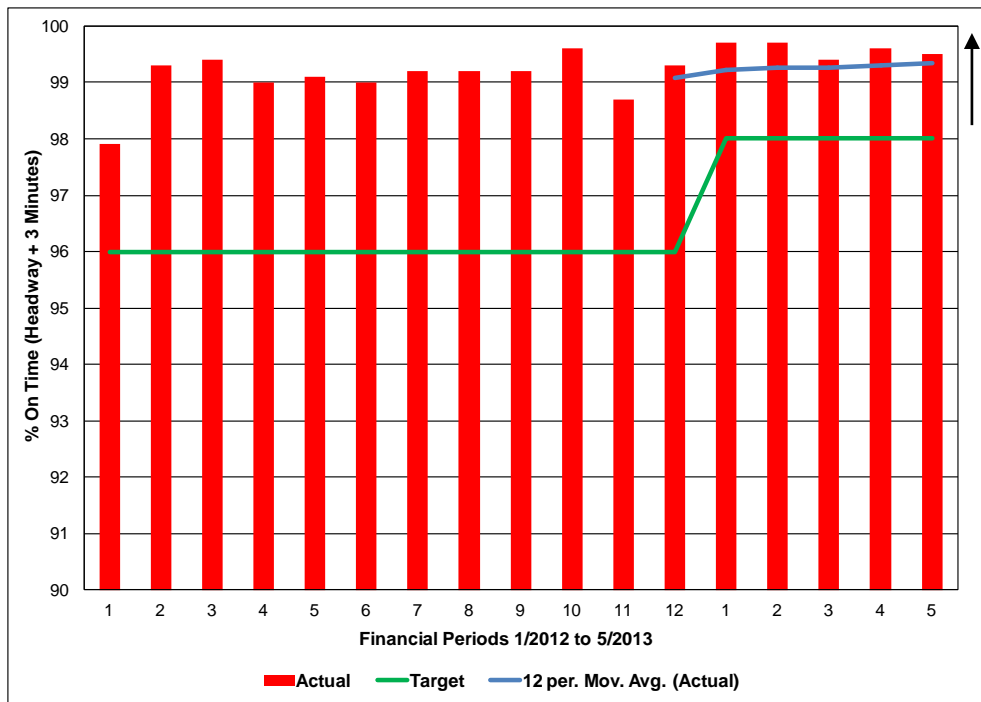
Performance decreased in Period 5. This was predominantly attributable to increases in lengthy passenger-related delays, Passenger Assistance Alarm (PAA) incidents, track level fires, and incidents requiring Police / Transit Enforcement Officer interventions.

Bloor-Danforth Line



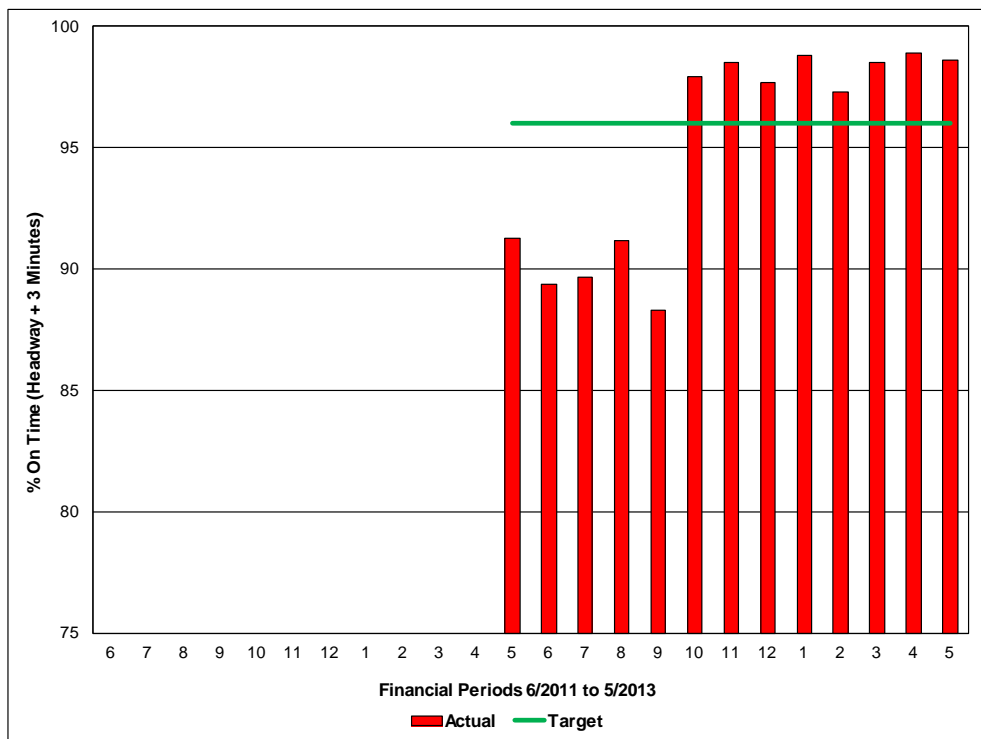
Performance remained above target in Period 5. Delays involving PAA incidents were slightly higher than the 24-month moving average.

Sheppard Line



Performance continued well above target in Period 5.

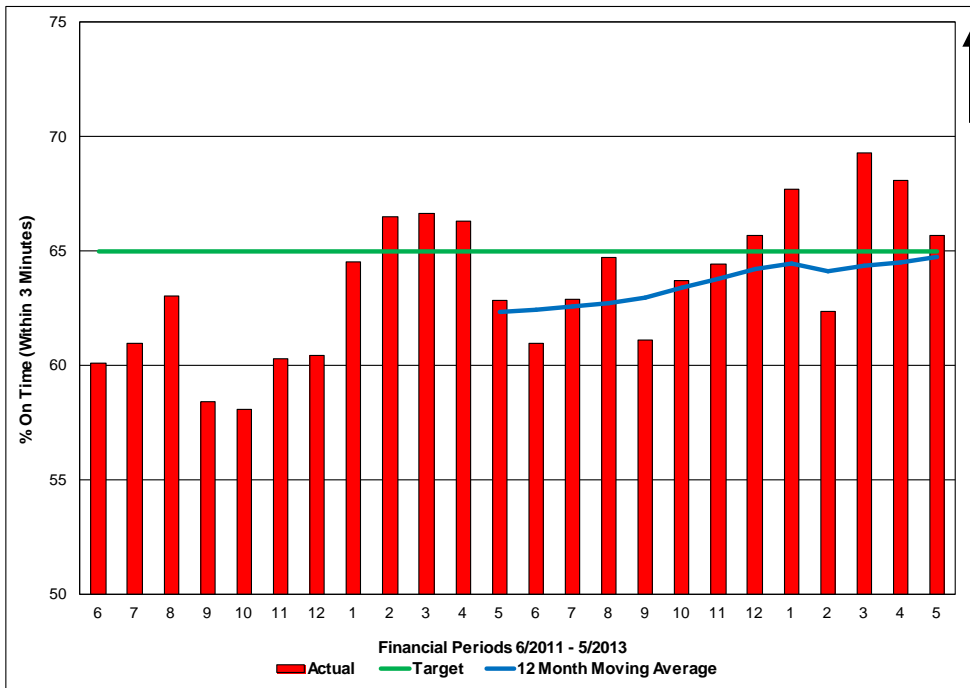
2.4.2 – SRT



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

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

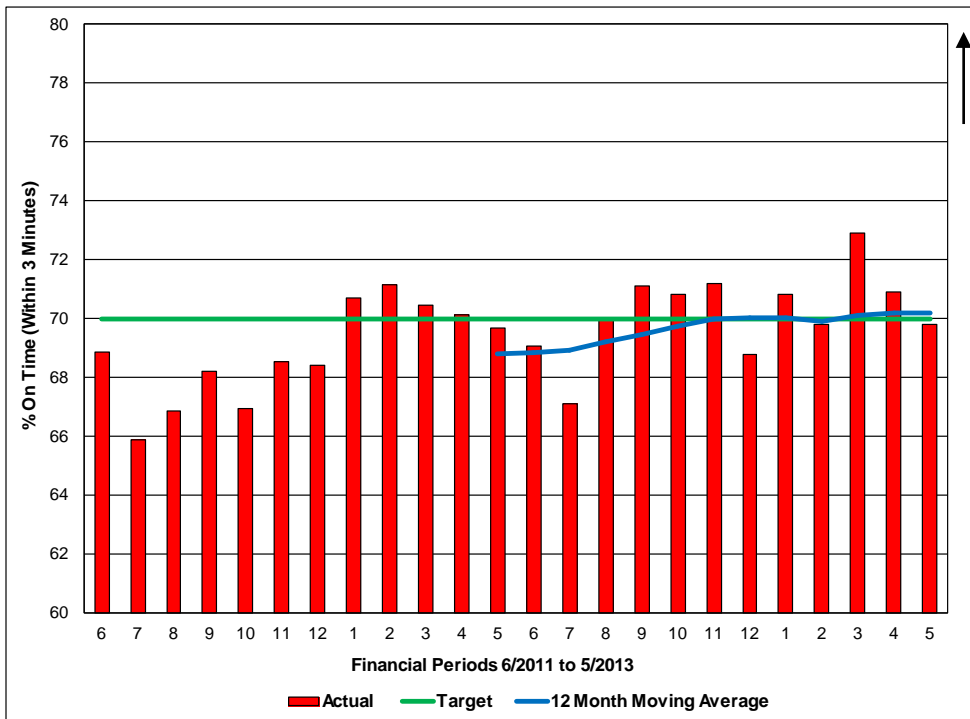
2.5.1 – Bus



Performance continued above target; Period 5 was 5% above last year for the same period.

Supervisors are engaged in route management activities which we believe is helping to drive the performance in a positive direction. Construction season trends have begun to take hold but our performance curve is still exceeding 2012. Further route management initiatives will be implemented with the goal of continuing the positive performance we are achieving to date.

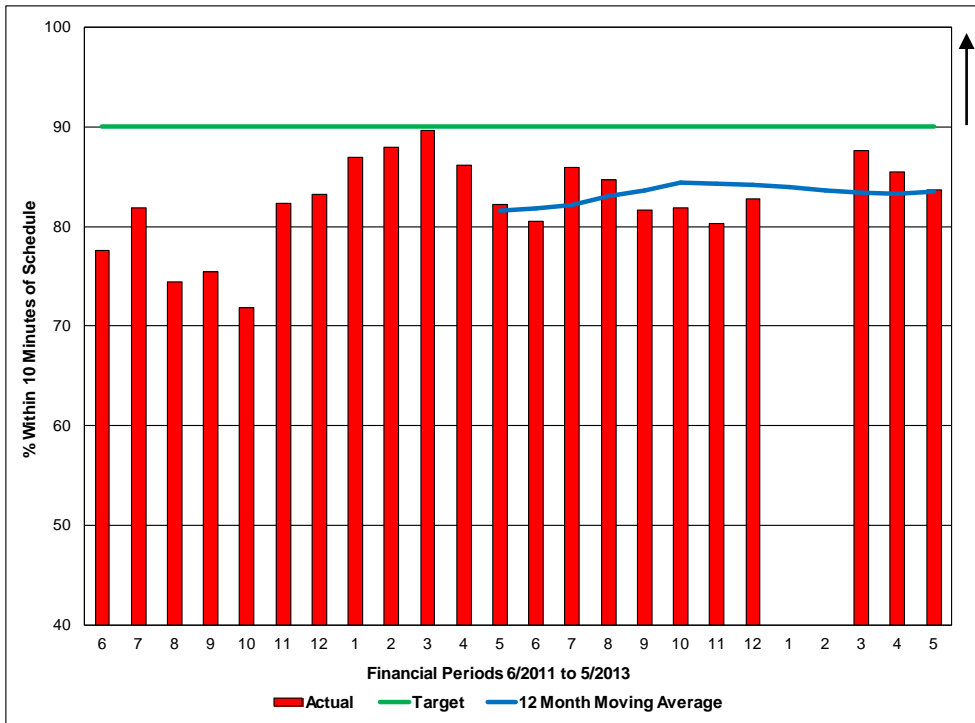
2.5.2 – Streetcar



Performance in Period 5 fell slightly below target.

The 504 King route had the greatest negative impact on overall performance. Large scale of construction is the main driver of downward pressure as a larger number of cars are utilizing this route. One measure taken recently is to employ paid duty police officers at the intersection of Spadina and King to ensure that the intersection is clear and Spadina service does not block King.

2.5.3 – Wheel-Trans

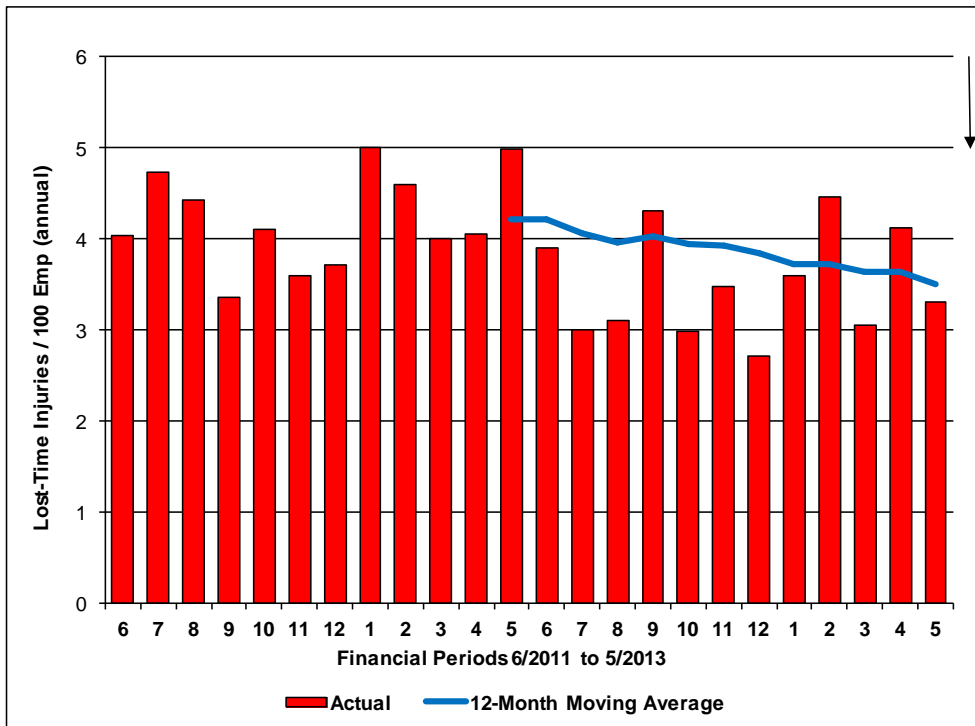


The decrease in performance in Period 5 follows the seasonal trend.

Congestion associated with event road closures and subway closures continue to present challenges. Service Planning is making adjustments to provide more time for trips into problem areas.

2.6 – Safety and Security

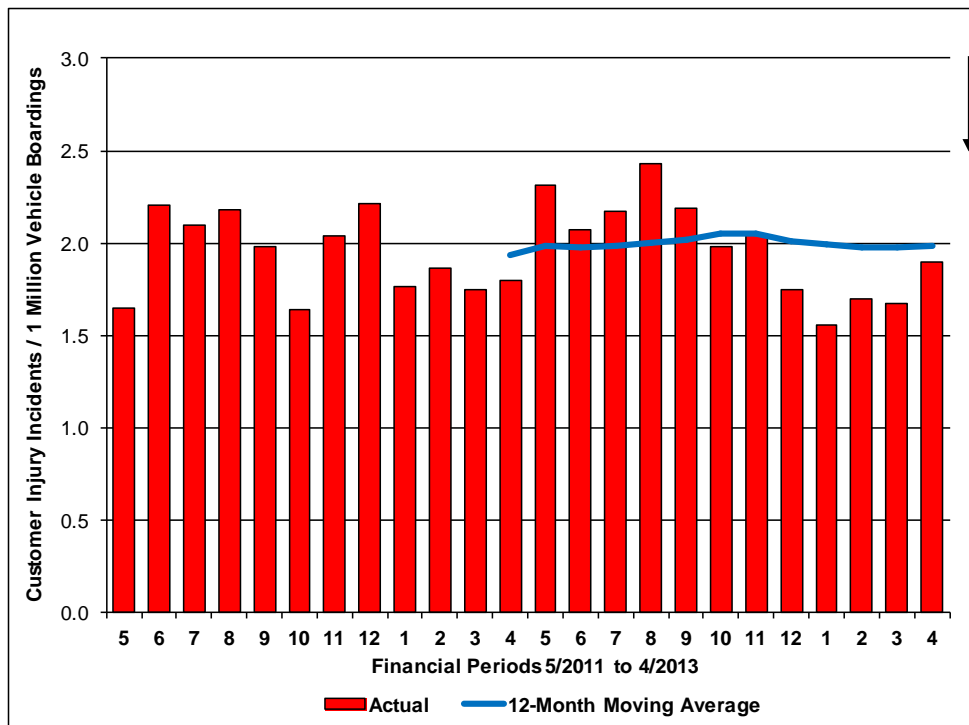
2.6.1 – Lost-Time Injuries (Annual Injuries / 100 Employees)



The annualized lost-time injury rate (LTIR) for Period 5 2013 was 3.31 lost-time injuries per 100 employees, which was 34% lower than the LTIR of 4.99 for Period 5 2012.

The moving annual LTIR to the end of Period 5 2013 was 3.51, which was 17% lower than the corresponding rate of 4.22 to the end of Period 5 2012.

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



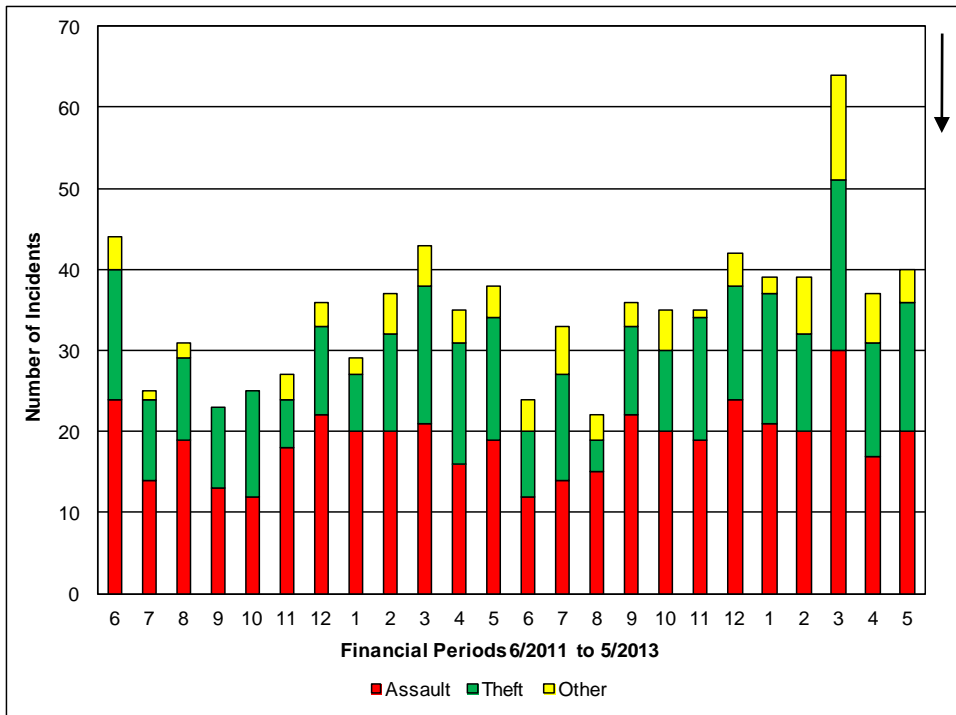
The customer injury incident rate for Period 4 2013 was 1.90 injury incidents per 1 million vehicle boardings, which was 6% higher than the corresponding rate of 1.80 for Period 4 2012.

The moving annual customer injury incident rate to the end of Period 4 2013 was 1.98, which was 3% higher than the corresponding rate of 1.93 to the end of Period 4 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.

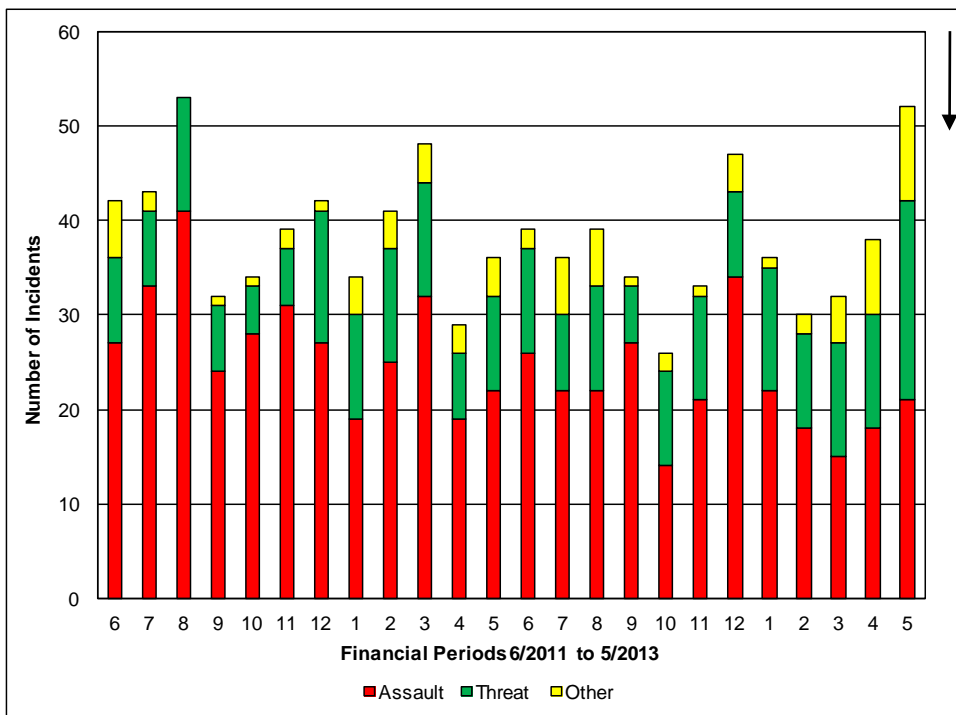
2.6.4 – Offences against Customers



Total offences against customers increased marginally in Period 5.

Year-to-date to Period 5, there were 36 more offences (219 vs. 182) compared with the corresponding period in 2012. This includes 12 more assaults (108 vs. 96), 13 more thefts and robberies (79 vs. 66), and 12 more 'other' offences (32 vs. 20).

2.6.5 – Offences against Staff

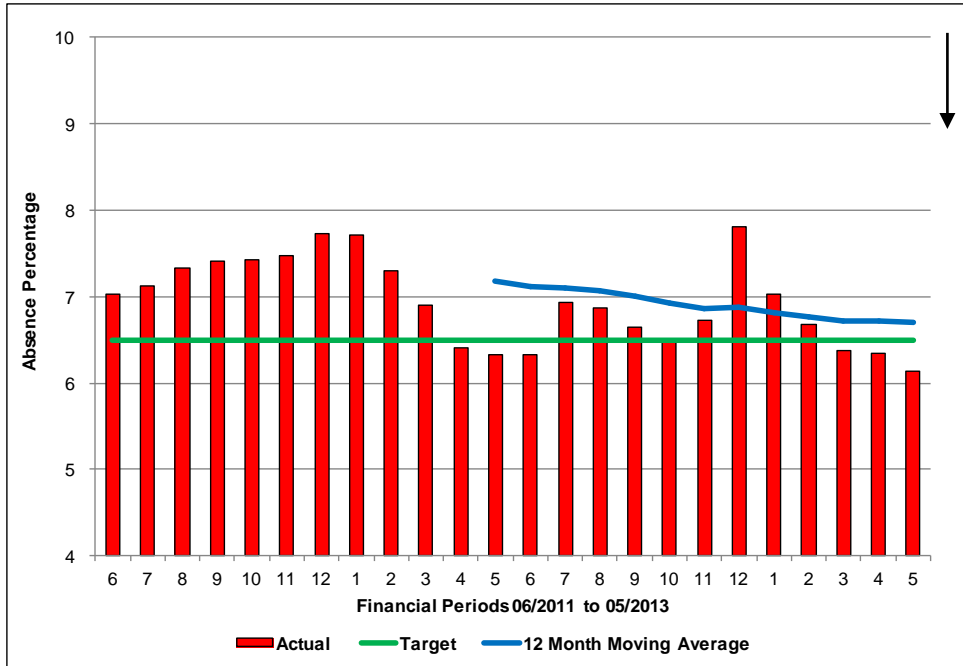


Total occurrences against staff increased in Period 5.

Year-to-date to Period 5, the number of offences (188) was unchanged from the corresponding period in 2012. This includes 23 fewer assaults (94 vs. 117), 16 more threats (68 vs. 52), and seven more 'other' offences (26 vs. 19).

2.7 – People

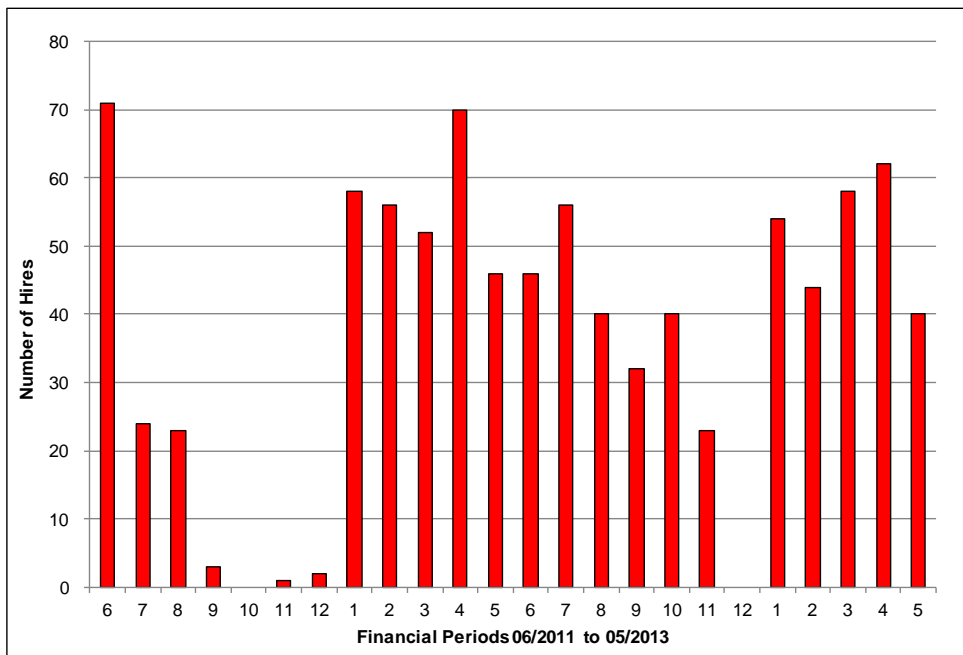
2.7.1 – Attendance



The absence rate for Period 5 2013 was 6.13%, decreasing for the fifth consecutive period and falling below target for the third consecutive period. Also of note, this rate was 3% lower than the corresponding rate of 6.32% for Period 5 2012 and is the lowest period rate in the past three years (Period 5 2009 = 6.13%).

The overall absence trend continues to be encouraging. For 17 of the past 18 periods, the period 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 6.70.

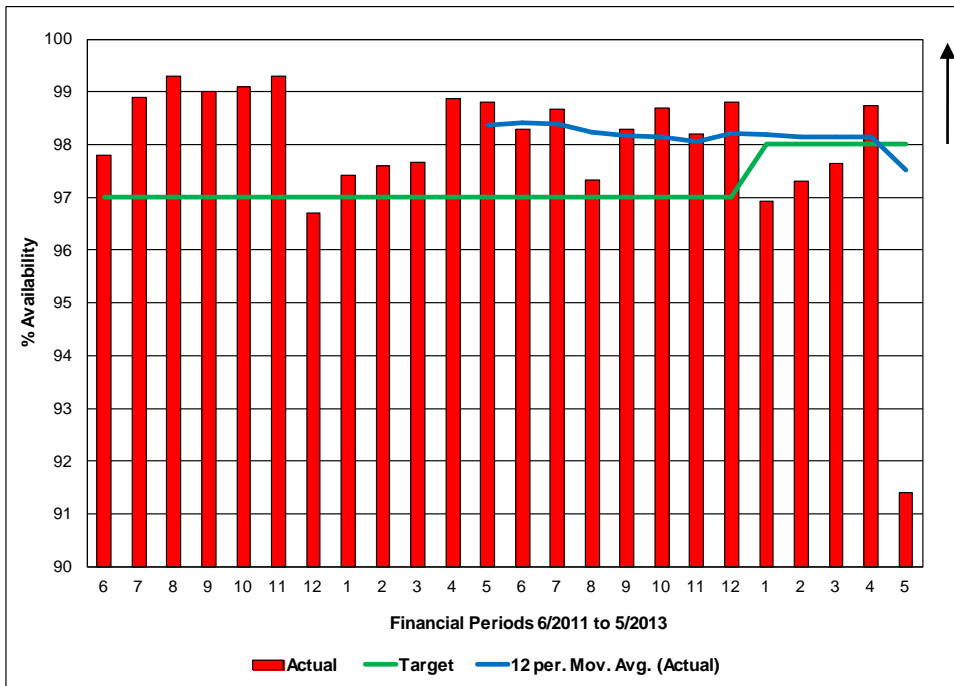
2.7.2 – Operator Hires



In Period 5 2013, 40 Operators were hired, which was exactly on target.

2.8 – Device Availability

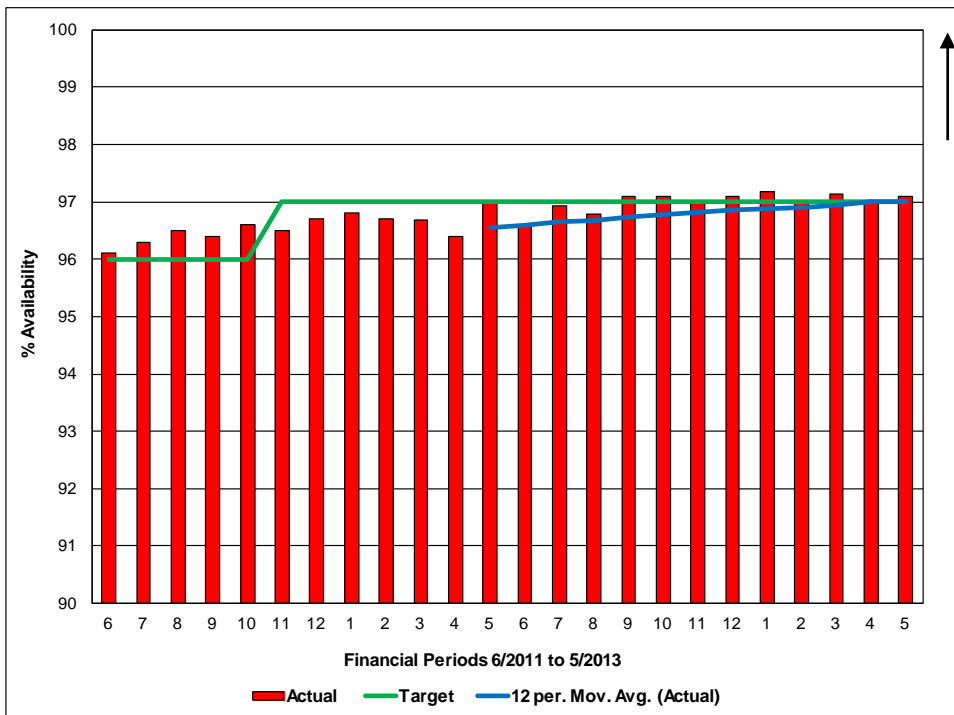
2.8.1 – Elevator Availability



Performance in Period 5 fell well below target. This was mainly attributable to the inability of the elevator contractor to meet a previously stated commitment to adequately respond to elevator failures during the now-concluded external strike involving elevator mechanics. There were up to 8 elevators (10% of elevator fleet) out of service at any one time. A contract was subsequently awarded to another contractor. All elevators were restored back into service before the end of May.

It is anticipated that elevator availability will be close to the 98% target in Period 6.

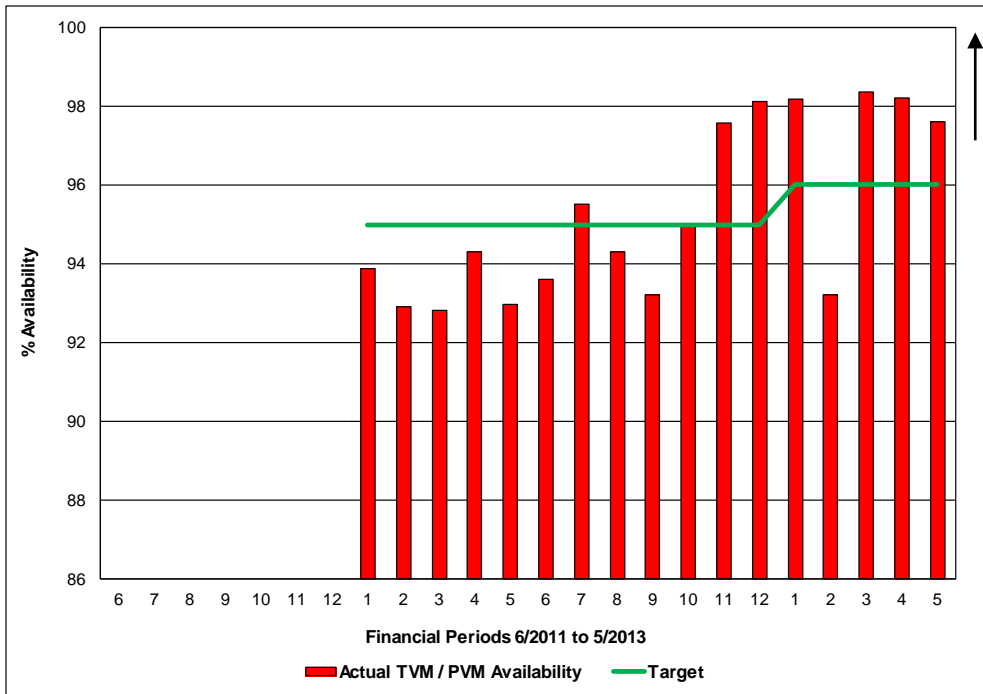
2.8.2 – Escalator Availability



Performance remained on target for Period 5.

Maintenance programs are being completed as planned and scheduled which is assisting in maintaining trouble calls to a minimum.

2.8.3 – Fare Purchase Opportunity

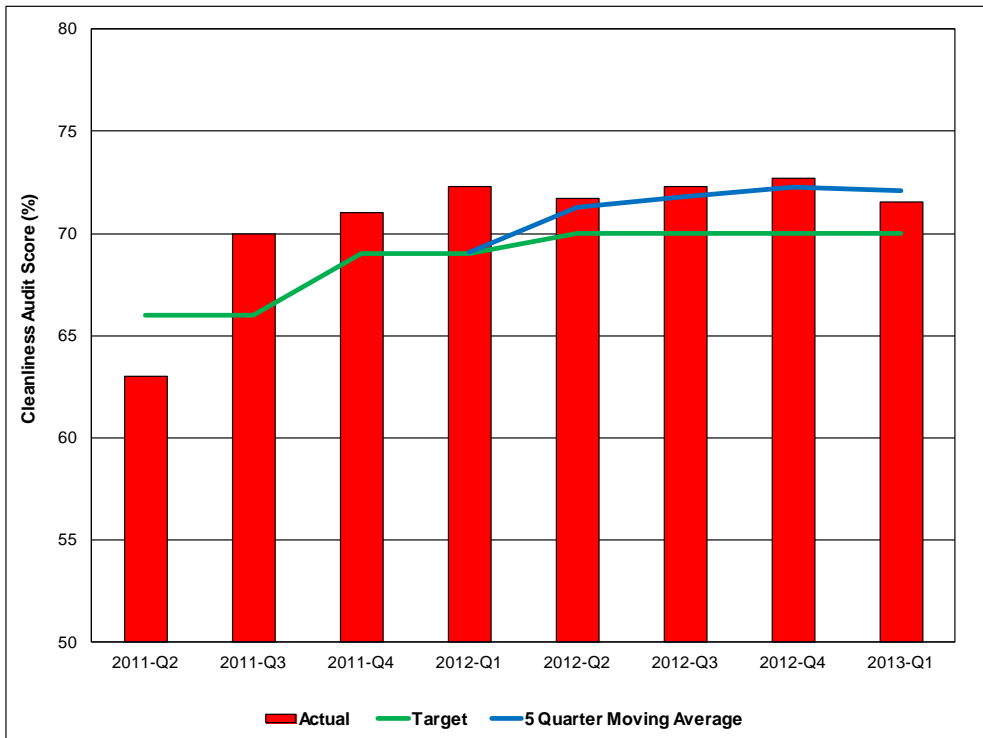


Performance decreased slightly in Period 5. This was mainly due to an increase in software and hardware failures involving older, less reliable PVM equipment.

Teams have targeted the problem areas and are developing solutions.

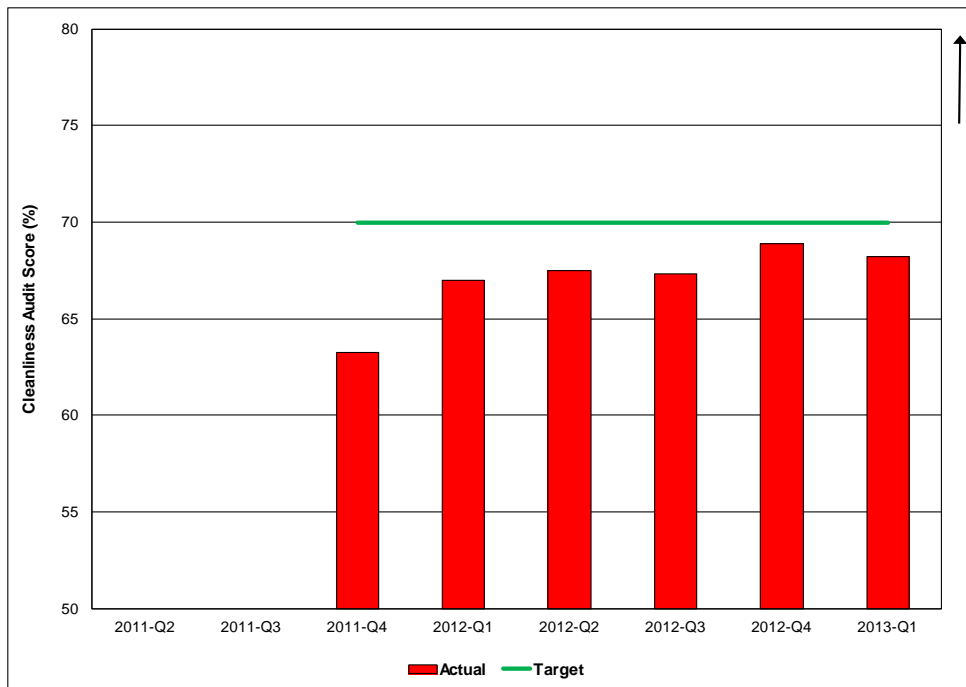
2.9 – Mystery Shopping and Audits

2.9.1 – Station Cleanliness



Station cleanliness was dramatically impacted by the increased accumulation of snow and its ancillary effects during the first quarter, which included two major storms. This was compounded by workforce shortages resulting from delays in filling vacant positions.

2.9.2 – Vehicle Cleanliness



While results for Q1 2013 dipped slightly from Q4 2012, they improved over Q1 2012 (i.e. winter to winter comparison). This can be attributed to more emphasis on increased cleaning of seats and floor washing and the ongoing localized auditing of quality.

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.

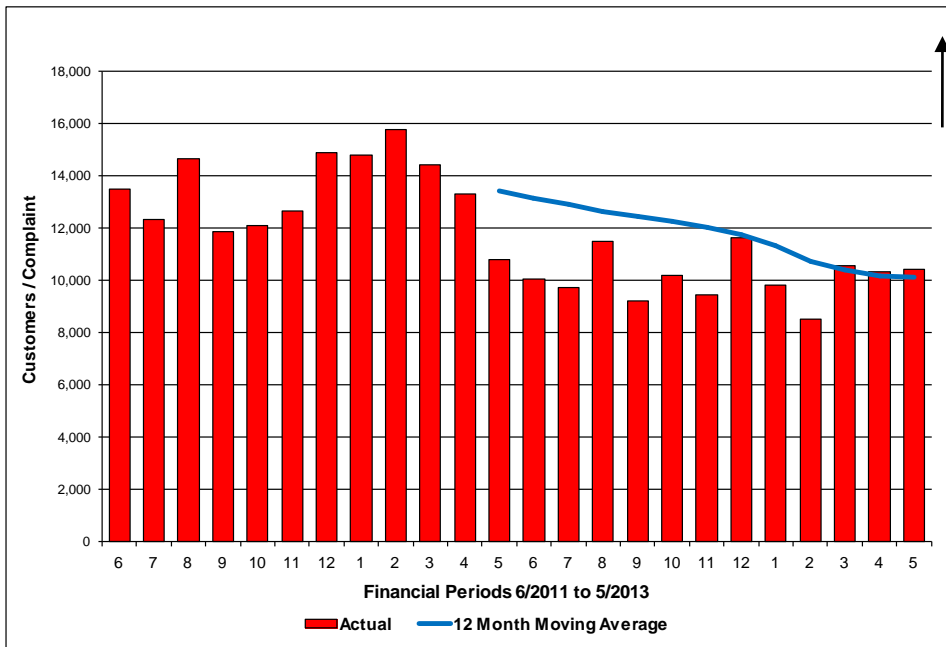
2.9.4 – Staff Helpfulness MSS

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, major closures and diversions, and a progress report on the TTC Customer Charter.

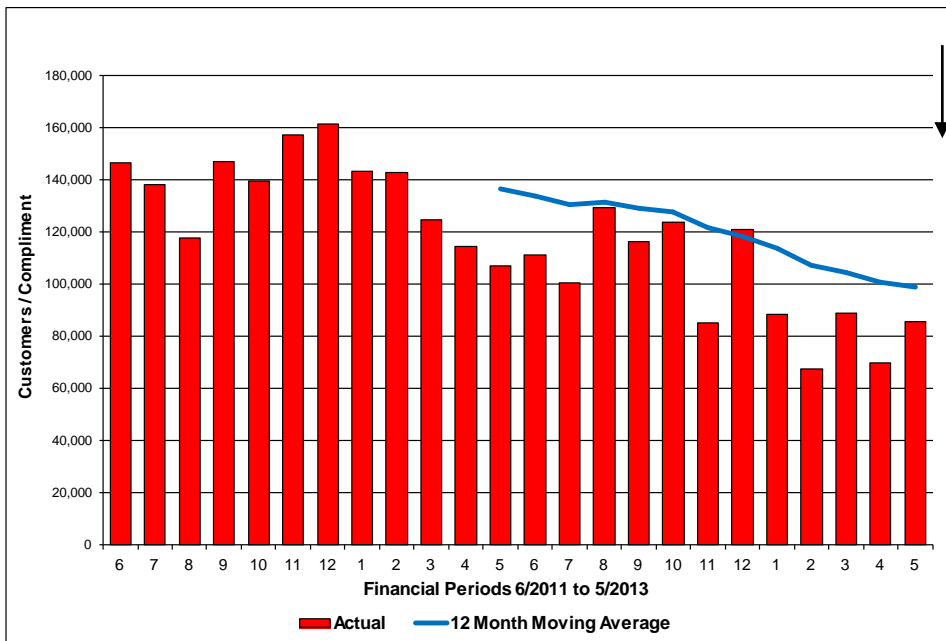
3.1 – Customer Complaints



Customers per complaint improved marginally in Period 5.

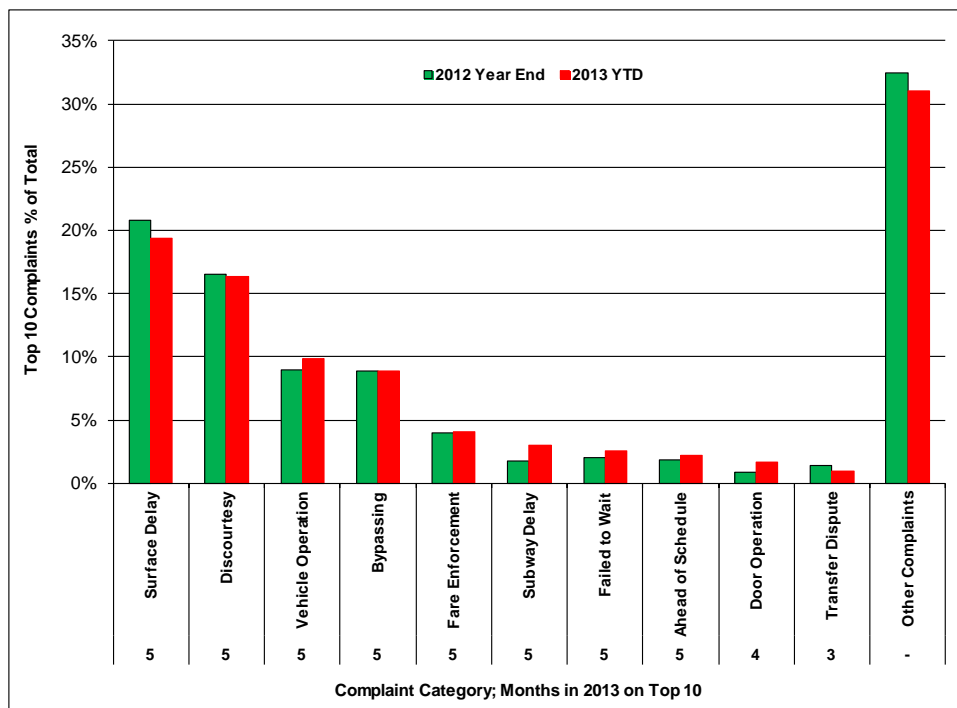
This measure began to decline when more complaints were received due to the increase in the hours of the Customer Service Centre in April/May 2012. Recent results suggest this trend line is showing signs of levelling off.

3.2 – Customer Compliments



Customers per compliment showed a decline in Period 5; however, the overall trend line continues to be encouraging and the results for 2013 are significantly improved over 2012.

3.3 – Top Ten Complaints



The general proportion and types of complaints remained largely unchanged; however, the proportion of complaints regarding surface delay, the number one complaint category, was 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 the TTC.

3.4 – Commentary on Customer Satisfaction Improvement

On May 29, we announced the details of the TTC Five-Year Corporate Plan that will guide the TTC through the next five years as it transforms and modernizes. Our plan outlines objectives and a delivery strategy in seven key areas: safety, customer, people, assets, growth, financial stability, and reputation. These are the things that we have to get right if we are to reach Our Vision – a transit system that makes Toronto proud.

Meet the Managers sessions were conducted at the following stations so far this year: Bloor-Yonge; Bathurst; Downsview; Davisville; Finch; Kipling; Pape; Keele; Bay; Broadview; Kennedy; and St. Clair West. Feedback was received from customers on a variety of issues, both positive and negative. These sessions will continue at other stations throughout the remainder of 2013, with the schedule posted on the TTC website.

The TTC, in partnership with Spacing Magazine, is conducting a contest asking the public to submit photographs for use on the cover of the 2013 summer and fall Ride Guides. The selected photographs will also be featured on the TTC's website.

Progress continues on commitments made by the TTC in its Customer Charter. Results for Q2 are posted on the TTC website and are included in this CEO Report (see Section 3.6).

3.5 – Major Closures and 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
Streetcar	Queens Quay Union Stn to Spadina	Jul 29/12 – Dec 10*/13	Waterfront Toronto Queens Quay Reconstruction
*Note: full streetcar service will not be restored until January 2014			
Streetcar	Spadina Ave. and Queens Quay including Loop	May 13/13 – Dec 10/13	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 – Nov 15/13	Track Rehabilitation (at York St.)
Streetcar	Queen St. Victoria to McCaul	Jun 29/13 – Jul 22/13	Track Rehabilitation (at York St.)
Subway	Bloor-Danforth Line Pape Stn to St. George Stn	Jul 28/13	Beam Installation
Streetcar	Spadina Ave. and King St.	Aug 6/13 – Aug 29/13	Platform Upgrades & Track Replacement
Streetcar	Ossington Ave. College to Dundas	Sep 9/13 – Nov 22/13	Track Rehabilitation
Subway	Yonge-University-Spadina Line Bloor Stn to St. George Stn King Stn to Osgoode Stn Bloor Stn to St. George Stn	Oct 12/13 – Oct 14/13 Oct 15/13 – Oct 18/13 Oct 19/13 – Oct 20/13	ATC Signal Installation
Streetcar	Dundas St. at Sterling Bridge	Oct 14/13 – Nov 22/13	Track Rehabilitation

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

3.6 – TTC Customer Charter Quarterly Progress Report

The TTC Customer Charter Quarterly Progress Report will clearly identify our commitments and accomplishments in each quarter. It will serve to describe how and what we did to meet our objectives in our key areas.

Second Quarter – April to July 2013

Key Area	Our Second Quarter Commitment in 2013	How We Did
Responsive	Redesigning of the uniform	✓
Responsive	Reinvigorate the security model	✓
Responsive	List performance of individual bus and streetcar routes on TTC website	✓
Responsive	Conduct five Meet the Manager sessions. Conduct four Town Hall meetings by year-end	✓
Renewal	Accept delivery of five new Toronto Rocket trains	✓
Accessible and Modern	Begin the Lawrence West Station Easier Access Project	✓
Clean	Maintenance Blitz	✓
Clean	Wash light fixtures and replace lights (as necessary) at 22 stations	✓

Responsive

We will get you to your destination on time, and helpful staff will be available along the way to assist you.

Our commitment: redesign the uniform

In the second quarter, the employee uniform redesign process will begin. We are creating a new uniform to modernize our image and to help our staff and customers feel proud of the TTC.

How we met our commitment:

- A Uniform Working Group, consisting of Management, Union Executives, and Members, has been working together in creating a new uniform to modernize our image.

Our commitment: reinvigorate the security model

In the second quarter, we will reinvigorate the security model so that we can provide a safer working environment for our employees and a safer travelling environment for you.

How we met our commitment:

- At the June 24 TTC Board meeting, the Board received a report on the status of organizational and operational changes to the TTC's Transit Enforcement Unit. The report stated that significant internal changes have occurred and that positive progress has been achieved with the Toronto Police Services Board to reinvigorate the TTC security model. Additionally, a report to the Toronto Police Services board in June indicated that discussions are progressing well and it is anticipated that once the discussions are concluded, a report will come to the Board recommending the re-establishment of a TTC Special Constable Program and Board approval of an agreement with the TTC for that purpose.

Our commitment: list performance of individual bus and streetcar routes on TTC website

In each quarter, we will list the performance of each bus and streetcar route on our website so that you know how your route is performing.

How we met our commitment:

- The performance of each bus and streetcar route has been posted on our website.
- We continue to seek opportunities to improve performance on our routes.

Our commitment: conduct five Meet the Managers sessions in each quarter and conduct four Town Hall meetings by year-end

We will conduct five “Meet the Managers” in each quarter, giving you the opportunity to speak with TTC managers in a more personal way. These events will take place at subway stations and surface interchanges throughout the system. We will list the locations and times on the TTC website. We will conduct another four Town Hall meetings by the end of the year, so that you have an opportunity to let us know how we’re doing.

How we met our commitment:

- Nine “Meet the Managers” sessions were conducted during Q2 at the following stations: Kipling, Pape (twice), Keele, Bay, Broadview, Kennedy, St. Clair West, and Bloor-Yonge. Feedback was received from customers on a variety of issues, both positive and negative.
- Five more sessions will be conducted during Q3 at the following stations: Spadina, Queen’s Park, Dundas, Eglinton, and Islington.
- The second of four rider Town Halls was conducted on May 15 at the Scarborough Civic Centre and was well attended by members of the public. The TTC has partnered with TTCriders to deliver these Town Halls over the course of 2013, an initiative that will deliver benefits to customers and the TTC alike.

Renewal

We will provide you with the latest and most comfortable vehicles that are available.

Our commitment: accept delivery of five new Toronto Rocket trains

Delivery of five new Toronto Rocket trains is expected in each quarter, improving our ability to carry more customers.

How we met our commitment:

- Five new Toronto Rocket trains were delivered in the second quarter.

Accessible and Modern

We will modernize and upgrade our facilities in order to better meet your expectations so that everyone can use them.

Our commitment: Begin the Lawrence West Station Easier Access Project

By the second quarter, the construction phase of the Lawrence West Station Easier Access Project will begin. Scheduled for completion in 2014, the station will include one elevator and will be accessible.

How we met our commitment:

- Construction of the Lawrence West Station Easier Access Project commenced in the first quarter.
 - Construction of one elevator (street level to platform level) is underway.
 - Bus roadway rehabilitation has been added to the contract.
-

Clean

We will maintain and improve our appearance so that the TTC is a transit system that makes Toronto proud.

Our commitment: Maintenance Blitz

In the second, third, and fourth quarters, a Maintenance Blitz will target every station in our system. This new program will include pressure washing of walls, floors, and pillars at all bus bays, passenger pick-up locations, and station entrances. Attention will also be given to gum removal, graffiti, station signage, telephones, benches, trash containers, elevators, and stairs.

How we met our commitment:

- Our Maintenance Blitz teams have completed 26% of the stations.
- Work was completed at the following stations: St. Clair, Eglinton, Sheppard, High Park, Runnymede, Jane, Bathurst, Ossington, Lansdowne, Dundas West, Castle Frank, Glencairn, Sherbourne, Yorkdale, Osgoode, Christie, Lawrence West, and King.

Our commitment: wash light fixtures and replace lights (as necessary) at 22 stations

We will be washing light fixtures at all of our subway stations and replacing lights, as necessary. We anticipate 16 stations to be complete in the first quarter, 22 stations in the second quarter, 16 stations in the third quarter, and 18 stations in the fourth quarter. The cleaning and replacing of the lights will enhance the look of our station by making them brighter.

How we met our commitment:

- The work of washing light fixtures and replacing lights was completed at 22 stations during the second quarter.
- Work was completed at the following stations: Jane, Royal York, Keele, Sherbourne, Wilson, Spadina, Yorkdale, Queen's Park, St. Patrick, Osgoode, St. Andrew, King, Broadview, Lawrence East, Ellesmere, Midland, Bayview, Bessarion, Leslie, Sheppard, Wellesley, and College.

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 5 (June 1), total revenues were \$4.8 million (1%) below budget, primarily due to 1.3 million (0.6%) fewer customer journeys than planned and a slightly lower average fare (1.05¢ or 0.5%) stemming from marginally higher (about 1.2%) monthly pass sales. Over the same time period, expenses were \$11.5 million (1.8%) below target, largely due to savings on diesel prices and the timing of certain non-labour expenses.

(millions)	Projection	Budget	Variance
2013 TTC Operating Budget			
Customer Journeys (Ridership)	528	528	-
Revenue	\$1,126.2	\$1,130.0	(3.8)
Expenses	\$1,537.2	\$1,541.0	(3.8)
Subsidy Required	\$ 411.0	\$411.0	-
Subsidy Available	\$411.0	\$411.0	-
Surplus/(Shortfall)	-	-	-

While there is currently no overall projected year-end subsidy variance, the following projected offsetting revenue and expense variances should be noted:

Passenger Revenues: \$4.0 million decrease

The number of customer journeys for the year is expected to be on target. As noted in previous updates, 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 \$4 million short of the budget by the end of the year.

Diesel Fuel: \$3.2 million decrease

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

Utilities: \$1.6 million decrease

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

Workforce Gapping: \$1.6 million increase

Delays in filling budgeted positions are expected to generate these savings, net of any overtime impact.

Accident Claims settlements: \$3 million increase

If the current rate of cash payments continues throughout the balance of the year, this overage is anticipated.

Other Changes: \$0.6 million decrease

All other changes net out to a decrease of about \$0.6 million.

4.2 - Wheel-Trans Operating Budget

2013 Year-to-Date Results

To the end of Period 5 (June 1), total revenues were slightly (\$97K or 4%) above budget primarily due to 31K (2.6%) additional customer journeys made. Over the same time period, expenses were below target by a small margin (\$304K or 0.7%) primarily due to savings on diesel (lower prices and bus service operated) and workforce gapping.

(millions)	Projection	Budget	Variance
2013 Wheel-Trans Operating Budget			
Customer Journeys (Ridership)	2.917	2.877	0.040
Revenue	\$5.6	\$5.6	-
Expenses	\$103.5	\$102.4	1.1
Subsidy Required	\$97.9	\$96.8	1.1
Subsidy Available	\$96.8	\$96.8	-
Surplus/(Shortfall)	(1.1)	-	(1.1)

Currently, a subsidy shortfall in the order of \$1.1 million (1.1%) is projected by year-end because a 3% higher demand for service is expected to drive up sedan taxi service requirements. Partially offsetting this increase are reduced accessible taxi service costs because more trips can be accommodated on the less expensive sedan taxis, as well as savings from lower diesel fuel costs, workforce gapping, and associated benefits in the administrative areas.

4.3 - Capital Program

2013 Year-to-Date Results

Capital expenditures to Period 5 (June 1) typically reflect lower project activity as early efforts are focussed on setting up schedules and tendering work. Current period activity also includes continued progress on vehicle and construction contracts already in place. 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	\$847.7	\$878.8	(\$31.1)
TYSSE Project	\$520.9	\$660.5	(\$139.6)

Base Capital Expenditures: (\$31.1) million

The current projected spending on the base capital program reflects expectations of being basically on budget (minor under spending of \$31.1 million before the application of the carry forward) involving a number of major program variances as outlined below:

Leslie Barns Maintenance & Storage Facility: (\$56.2) 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: (\$13.6) million under

The schedule has slipped due to delay in design refinement.

Purchase of Buses: (\$21.6) million under

Slippage of 24 articulated buses into 2014 due to change in the delivery schedule by the manufacturer.

Purchase of Subway Cars: \$51.1 million over

Slippage of milestone payments, PST, and escalation from 2012 as well as transfer of contingency allowance to 2013;

Legacy LRVs: \$15.8 million over

Slippage of 2012 project milestones, PST, escalation and transfer of Options Allowance, and project changes re: PRESTO to 2013.

TYSSE Project Expenditures: (\$139.6) million under

The project schedule has been negatively impacted by a number of contractor performance schedules and other earlier issues now past. Contractor performance has improved with the exception of the tunneling component of two contracts, which continues to be slow. Efforts by staff to improve progress of this component have intensified.

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.

Thirty-seven 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. A reliability improvement plan has been agreed upon. A staged mainline testing and roll-out schedule is being formulated.

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 (No. 4400) was delivered as scheduled by rail to Canadian Pacific's Lambton Yard, then by truck to TTC's Hillcrest complex in September 2012. After undergoing structured static tests at TTC's Hillcrest facility, dynamic system tests on the mainline commenced on March 14, 2013.

The second vehicle (No. 4402) was delivered on March 25, 2013 by rail directly to TTC's Hillcrest complex. Since its arrival, Car 2 has undergone coupled emergency recovery operational tests with Car No. 1. Recovery tests between the low floor streetcar and a Canadian Light Rail Vehicle (CLRV) and an Articulated Light Rail Vehicle (ALRV) have also been conducted. Dynamic clearance test on the network has commenced with an empty car, and will progress to partial and full passenger load simulation tests to ensure no system interface encroachment exists.

The third test vehicle (No. 4401) was delivered on June 17, 2013. On June 25, members of the ACAT Design Review Subcommittee were invited to attend an accessibility feature assessment demonstration on 4401 in Harvey Shop. The demonstration was a culmination of years of consultation with the committee and the public. Further input has been collected during the demonstration session for continued dialogue with ACAT.

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. One of the three test cars will be transported to the National Research Council in Ottawa for climate room tests. The climate room tests will include verification of system and component operation and performance, including HVAC capacity, under specified duty cycles and an extreme temperature range for Toronto.

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

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 on January 27, 2012, on budget and ahead of schedule.

2. Leslie Barns Maintenance and Storage Facility

This contract consists of the construction of the maintenance facility and storage yard on the site. Approval to award this contract was received at the January 31, 2012 Board Meeting and the contract was awarded on April 12, 2012. Construction of this facility is ongoing. This phase of the project is trending towards completion on budget. Delays to the scheduled substantial completion date of June 2014 have been identified and the contractor has been requested to mitigate. A recovery schedule was submitted and found unacceptable. The contractor has been requested to revise and resubmit. Discussions with the contractor to facilitate development of an acceptable recovery schedule are ongoing.

3. Hydro One Cable Relocation

The relocation of a major Hydro One distribution cable, buried around the west and north perimeter of the facility site, is required for the construction of the maintenance and storage facility. The contract is expected to be completed on budget in early summer 2013, approximately four months behind schedule. The perimeter of the site was handed over to the facility contractor on the contract milestone.

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 Board authorized award of the contract at its March 27, 2013 meeting. The contract was awarded on April 8, 2013 and construction has commenced. The track is scheduled to be in service by the end of 2014.

The Leslie Street Connection Track budget is trending towards a shortfall of \$60M mostly due to extensive utility and enhanced streetscape and landscape work. This work includes relining or replacing existing storm and sanitary sewers and replacing an existing watermain. City Finance is aware of the increase that is reflected in the TTC 2014-2023 budget cycle.

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 on April 10, 2013.

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, similarly coloured steel poles, and new streetlight fixtures and brackets have been adopted. Acceptable TTC pole footing details have been developed; however, discussions are continuing amongst staff at the City of Toronto, the TTC and Toronto Hydro regarding pole sizes and hydro pole footing details.

Communications Strategy

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. An alternative construction staging and traffic management plan was proposed by the contractor and was presented to the community and local businesses for comments in March and April 2013. Updated construction staging and traffic management plans and responses to questions and concerns from the public were presented in follow-up community and business meetings held in May 2013.

A Construction Liaison Group (CLG) comprised of local businesses and residents, school representatives, Councillor McMahon and Councillor Fletcher was established and had its first meeting on June 18, 2013. The CLG, which will be meeting on a monthly basis, will act as a key communication link between the local community and the TTC construction team. The CLG will review and provide feedback on various aspects of construction (e.g. staging, phasing, traffic management, pedestrian and cyclist safety, signage, temporary transit routing) to reduce construction impacts.

5.3 Station Enhancements

Union Station

Construction of the second platform for the Union Station subway station is proceeding toward completion in early 2015.

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 in December 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 has commenced on site, 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.

Overall progress is good. The exception is the Sheppard West Station (Downsview Park Station) and Southern Tunnels contract where progress remains slow. Also, progress on the Steeles West Station (Black Creek Pioneer Village Station) contract has not improved over the last few weeks. Efforts with the management of these two contracts to improve advancement of work are continuing.

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 Q1-2014. 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. An RFP for the farecard equipment to support the initial release was issued, and is now in the final stages of contract award. TTC staff are working with Metrolinx to confirm the system design details, operational impacts and implementation plan for the initial PRESTO release.

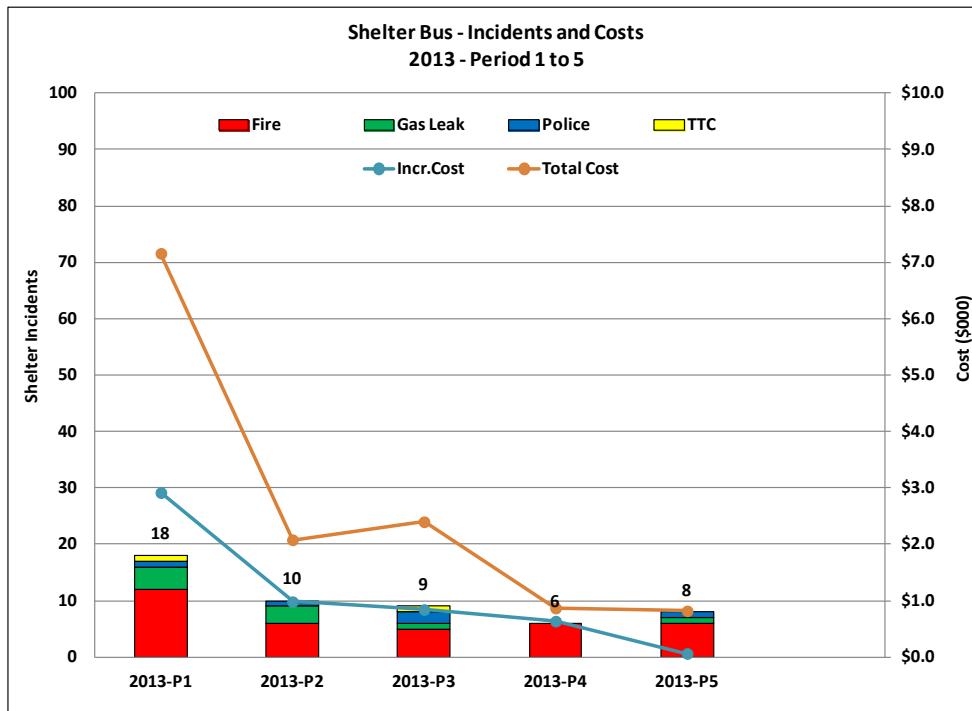
Field studies to determine whether sufficient power is available at TTC subway stations to support PRESTO equipment are now completed. A work plan for the design of the required electrical upgrades at the initial 41 subway stations has been approved, and the first design package has been issued for circulation and approval. A work plan for the remaining stations will be developed once the data from the field studies has been compiled and evaluated.

Part 6 – TTC Board Requests

This section provides updates on information that the TTC Board has requested to be periodically included in the CEO Report.

6.1 – Semi-Annual Shelter Bus Report

At its meeting of November 21, 2012, the TTC Board requested that TTC staff provide a semi-annual report of shelter bus incidents. The first-semi annual update, covering Periods 1 to 5, 2013, is provided below.



Incremental costs are calculated by subtracting the Out of Service (OOS) minutes from the total "On-Shelter" time and applying an operating rate of \$90/Hour. Buses pulled from regular service for shelter duty are not replaced and therefore the in-service cost has already been budgeted.

Total cost is the "On-Shelter" time with the operating rate applied and is shown for information. The opportunity costs of removing a bus from service for shelter duty are not known.

Note that the need for shelter buses is largely weather dependent and therefore the requests are more frequent in the winter months.