

# TORONTO TRANSIT COMMISSION REPORT NO.

**MEETING DATE:** JUNE 24, 2013

**SUBJECT:** CHIEF EXECUTIVE OFFICER'S REPORT –  
JUNE 2013 UPDATE

## **ACTION ITEM**

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## **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.

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June 11, 2013  
42-81

Attachment: Chief Executive Officer's Report



TORONTO TRANSIT COMMISSION

CHIEF EXECUTIVE OFFICER'S REPORT

JUNE 2013 UPDATE



## **TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
1. TTC MONTHLY SCORECARD	2
2. COMMENTARY AND CURRENT ISSUES	5
3. CUSTOMER MEASURES AND IMPROVEMENT PROGRAM PROGRESS	18
4. FINANCIAL COMMENTARY	24
5. CRITICAL PROJECTS	27

# TORONTO TRANSIT COMMISSION – MONTHLY SCORECARD



Key Performance Indicator	Description	Frequency	Latest Measure	Current	Target	Current Status	Trend	Ref. #
<b>CSS</b>	Customer Satisfaction Survey	Quarter	Q1	75%	TBD			2.2
<b>Customer Journeys</b>	Customer Trips	Period	P4	40.77M	41.24M			2.3
<b>Punctuality – Subway and Scarborough Rapid Transit (SRT)</b>								
Yonge-University-Spadina	Headway + 3 minutes	Period	P4	93.0%	96.0%			2.4.1
Bloor-Danforth	Headway + 3 minutes	Period	P4	97.4%	97.0%			2.4.1
Sheppard	Headway + 3 minutes	Period	P4	99.6%	98.0%			2.4.1
SRT	Headway + 3 minutes	Period	P4	98.9%	96.0%			2.4.2
<b>Punctuality – Bus, Streetcar, and Wheel-Trans</b>								
Bus	Headway +/- 3 minutes	Period	P4	68.1%	65.0%			2.5.1
Streetcar	Headway +/- 3 minutes	Period	P4	70.9%	70.0%			2.5.2
Wheel-Trans	Within 10 minutes of schedule	Period	P4	85.5%	90.0%			2.5.3
<b>Safety and Security</b>								
Lost Time Injuries	Injuries / 100 Employees	Period	P4	4.12	TBD			2.6.1
Customer Injuries	Injury incidents / 1M Vehicle Boardings	Period	P3	1.69	NA			2.6.2
Behavioural Safety Index	Safety Focused Behaviour	Period	TBD					2.6.3
Offences against Customers	Assault, theft, other	Period	P5	39	NA			2.6.4
Offences against Staff	Assault, threat, other	Period	P5	49	NA			2.6.5
<b>People</b>								
Attendance	Employee Absence	Period	P4	6.35%	< 6.50%			2.7.1
Operator Hires	Actual vs. Budget	Period	P4	62	62			2.7.2

# TORONTO TRANSIT COMMISSION – MONTHLY SCORECARD



Key Performance Indicator	Description	Frequency	Latest Measure	Current	Target	Current Status	Trend	Ref. #
<b>Device Availability</b>								
Elevators	% Elevators Available	Period	P4	98.7%	98.0%			2.8.1
Escalators	% Escalators Available	Period	P4	97.0%	97.0%			2.8.2
Fare Purchase Opportunity	% TVM's / PVM's Available	Period	P4	98.2%	96.0%			2.8.3
<b>Mystery Shopping and Audits</b>								
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
<b>Financials</b>								
TTC Revenue	Actual vs. Budget	Period	P1-4	\$382.7M	\$386.7M			4.1
TTC Operating Expenditure	Actual vs. Budget	Period	P1-4	\$505.2M	\$512.6M			4.1
Wheel-Trans Revenue	Actual vs. Budget	Period	P1-4	\$1.9M	\$1.9M			4.2
W-T Operating Expenditure	Actual vs. Budget	Period	P1-4	\$34.1M	\$34.3M			4.2
Capital Expenditure	Actual vs. Budget	Period	P1-4	\$216M	\$558M			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

Over the past year, I have spoken and written about our need to have a plan that lays out a five-year strategy to transform the TTC from top to bottom. On May 29, the inaugural TTC Five-Year Corporate Plan was launched. 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 deliver Our Vision – a transit system that makes Toronto proud. The plan is the final piece in the jigsaw that we have put together to make our company more business-like and customer-focused. My Executive Team and I officially unveiled the plan to management and supervisory staff at a series of Employee Town Halls, in which we described how the plan will deliver those newly-developed corporate objectives. More critically, the sessions described the key role that all of our employees have in driving up performance and customer satisfaction. We will also deliver a series of roadshows over the summer and autumn months to enable all of our front-line employees to understand the role that they will play in achieving our vision. These local presentations will be extremely important in engaging all of our staff in the need for change. The public can read the 44-page Corporate Plan on the TTC website.

Customer journeys (ridership) fell below target in Period 4, mainly due to inclement weather in the first two weeks of April. The year-end outlook is that ridership will be at or near the target of 528 million but that passenger revenues may 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 but, as I have previously noted, I expect performance to improve in 2013 as we continue to work with Bombardier to address reliability issues with passenger doors on the Toronto Rocket trains and as our “basics” campaign continues to focus on elimination of root causes of delay. SRT punctuality continues ahead of target.

Bus and streetcar punctuality continued above target. Wheel-Trans punctuality continued to be below target (see page 11 for analysis).

Employee absence was below target for the second consecutive period and the overall trend continues to be encouraging with period results consistently lower than the comparable prior-year period.

Elevator availability exceeded the new, stretched target for the first time, despite the ongoing external strike involving elevator mechanics. The TTC recognizes the importance elevators play in accessibility for so many of our customers and we are working closely with our contractors to ensure continuity of service during this labour disruption.

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 1.2 million fewer customer journeys than planned. 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).

## **2.2 – Customer Satisfaction Survey**

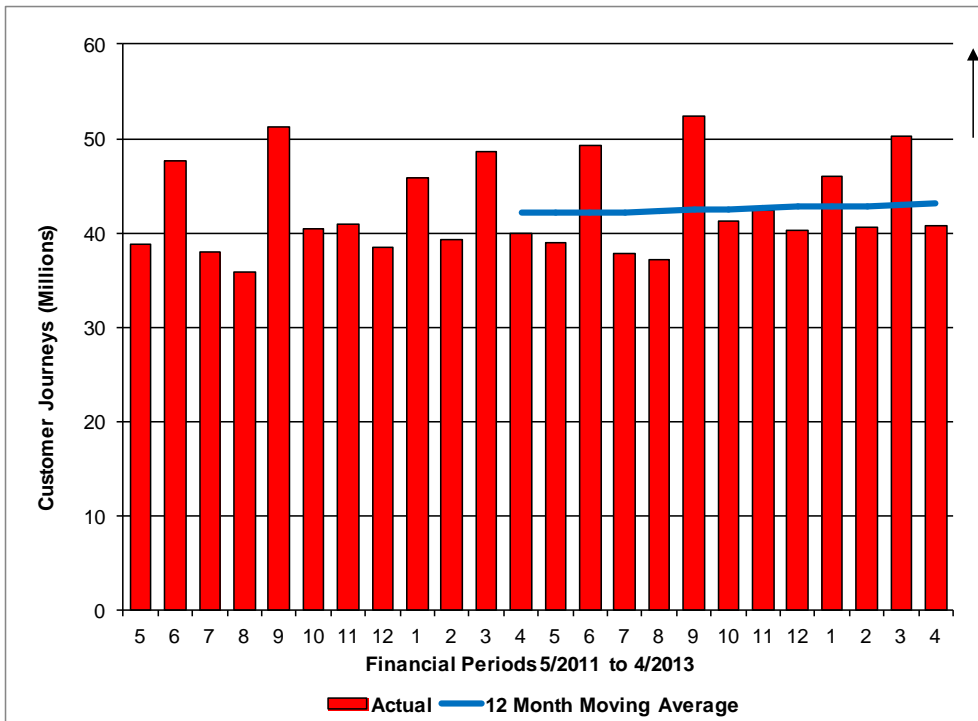
The Q1 2013 Customer Satisfaction Survey shows an overall customer satisfaction rating of 75%. This represents a 3% improvement in overall customer satisfaction when compared to the 72% achieved in Q4 2012.

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.

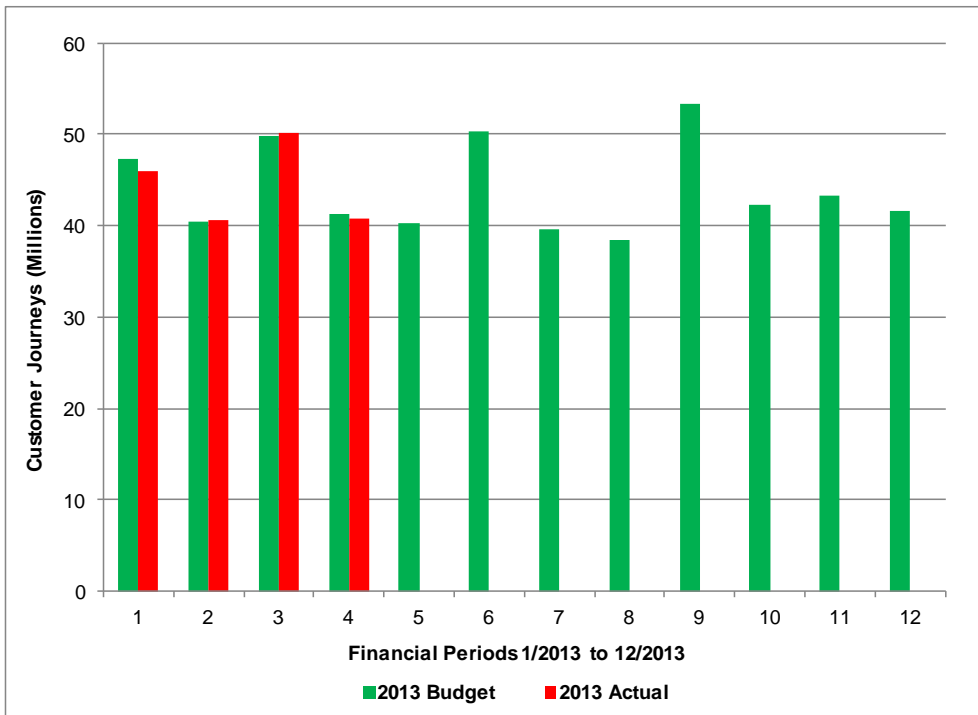


### 2.3 – Customer Journeys



There were 40.77M customer journeys (ridership) taken during Period 4 2013, which was 0.88M (+2.2%) more than the 39.89M journeys taken during Period 4 2012.

The annual number of customer journeys to the end of Period 4 2013 was 517.24M, which was 12.13M (+2.4%) more than the 505.11M annual journeys taken to the end of Period 4 2012.



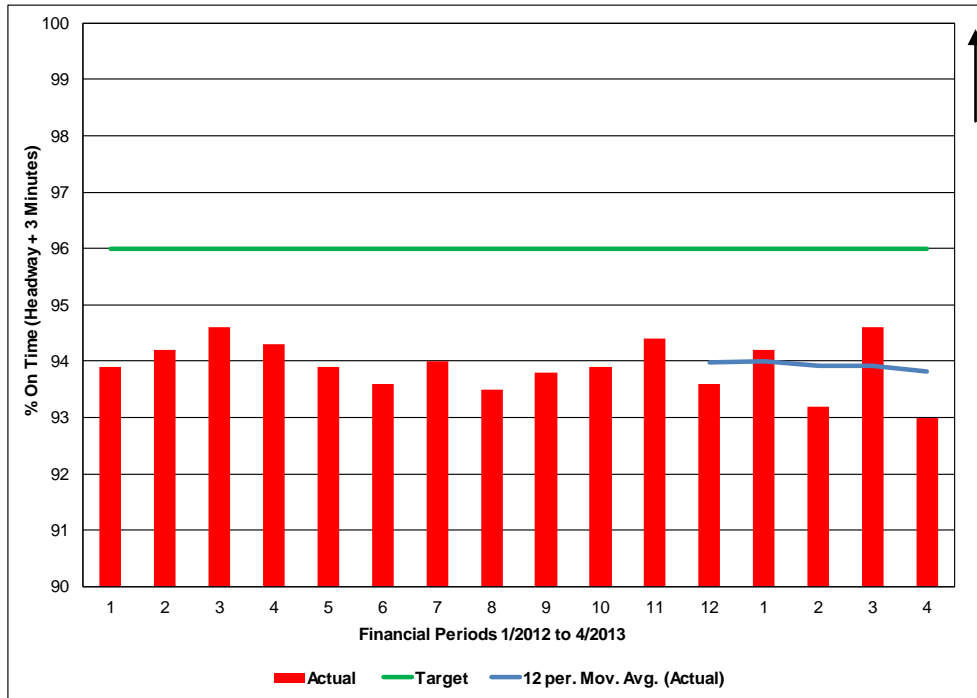
There were 40.77M customer journeys taken during Period 4 2013, which was 0.47M (-1.1%) less than the budget of 41.24M journeys.

The number of customer journeys taken year-to-date to the end of Period 4 2013 was 177.67M, which was 1.17M (-0.7%) less than the budget of 178.84M journeys.

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

### 2.4.1 – Subway

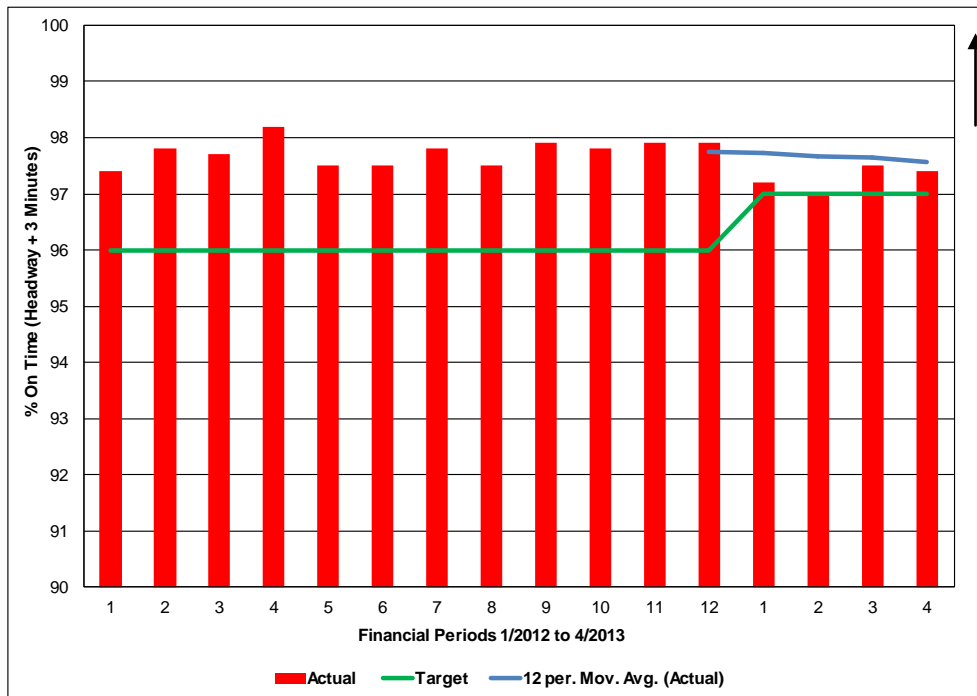
#### Yonge-University-Spadina Line



Performance decreased in Period 4. This was attributable to ongoing reliability issues with the Toronto Rocket trains, workforce availability issues, several significant passenger-related delays, and track level fires.

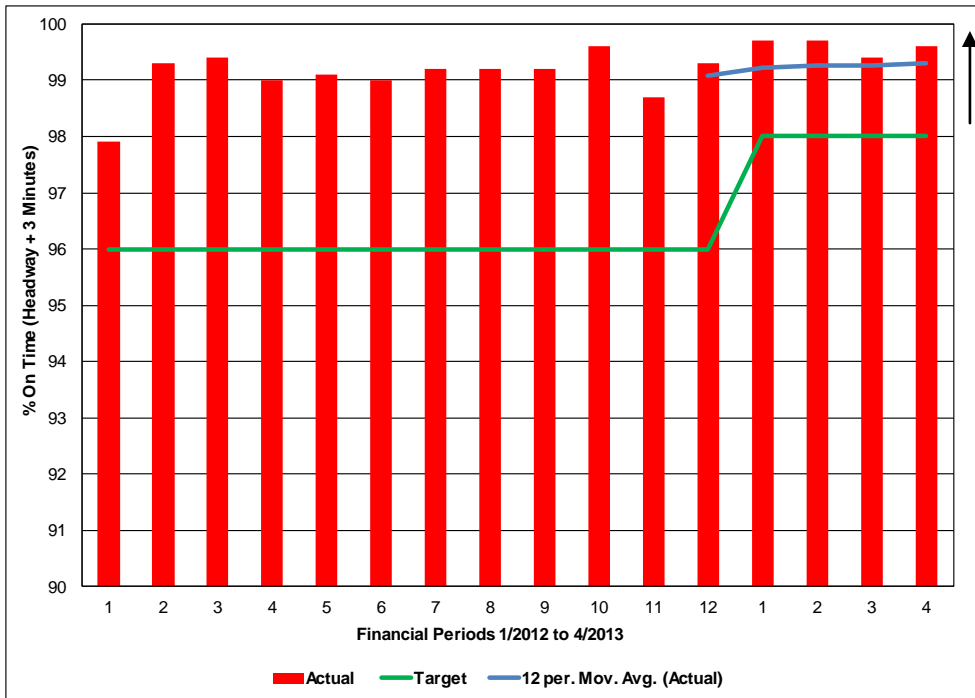
A workshop is being arranged with key operating staff to review current reliability initiatives and to identify what other steps can be taken to drive up punctuality.

#### Bloor-Danforth Line



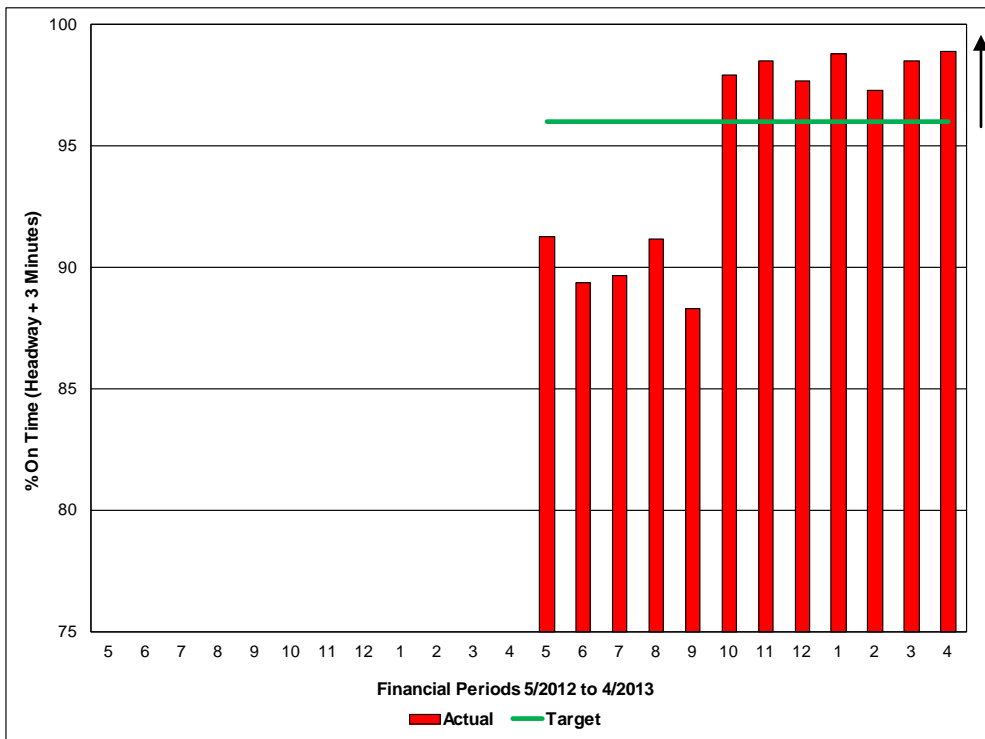
Performance remained above target in Period 4.

## Sheppard Line



Performance continued well above target in Period 4.

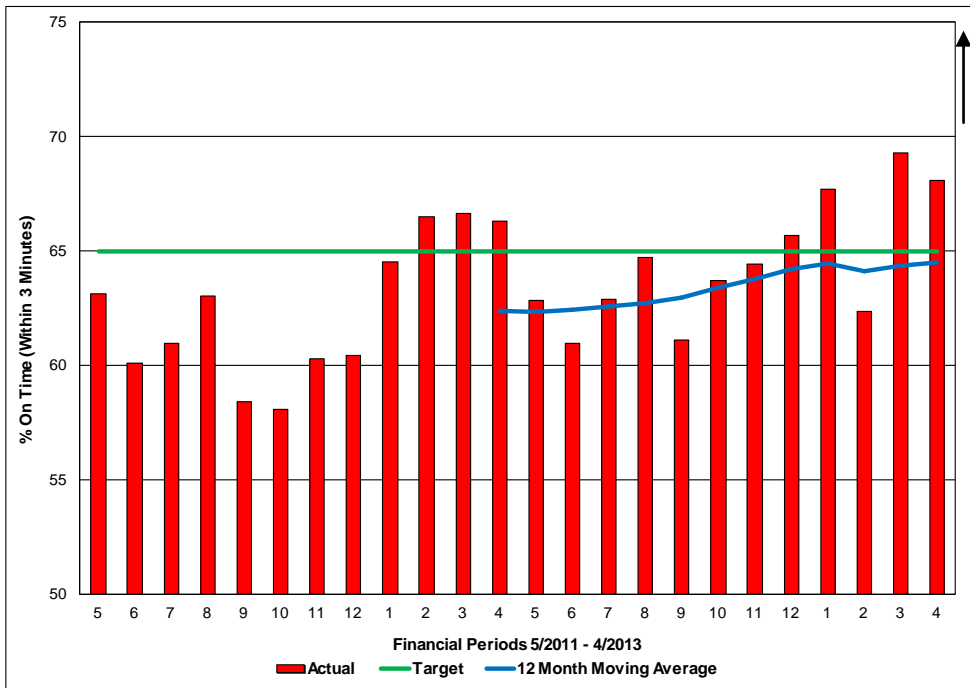
## 2.4.2 – SRT



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

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

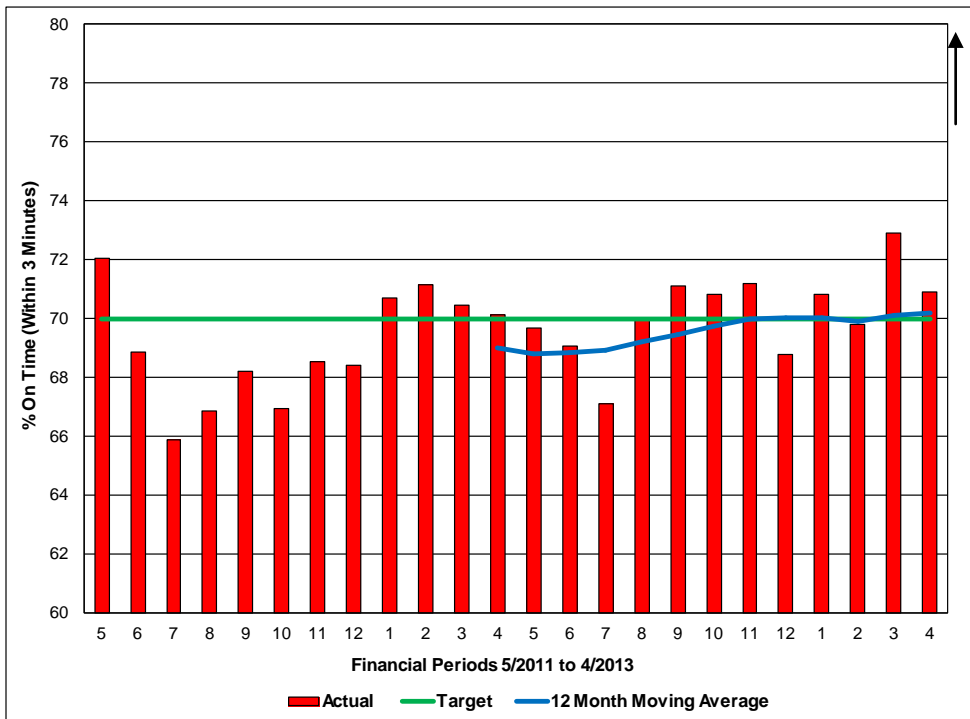
### 2.5.1 – Bus



Performance decreased in Period 4 but still exceeded target for the second consecutive period.

Traditional downward trends have not appeared due to extra efforts by Bus Transportation staff. Bus will continue to monitor performance closely, watching for the start of the seasonal downturn. Strategies are being developed to mitigate known trends when poor performance starts to develop, such as at the beginning of construction season and when service levels are reduced for the summer board period.

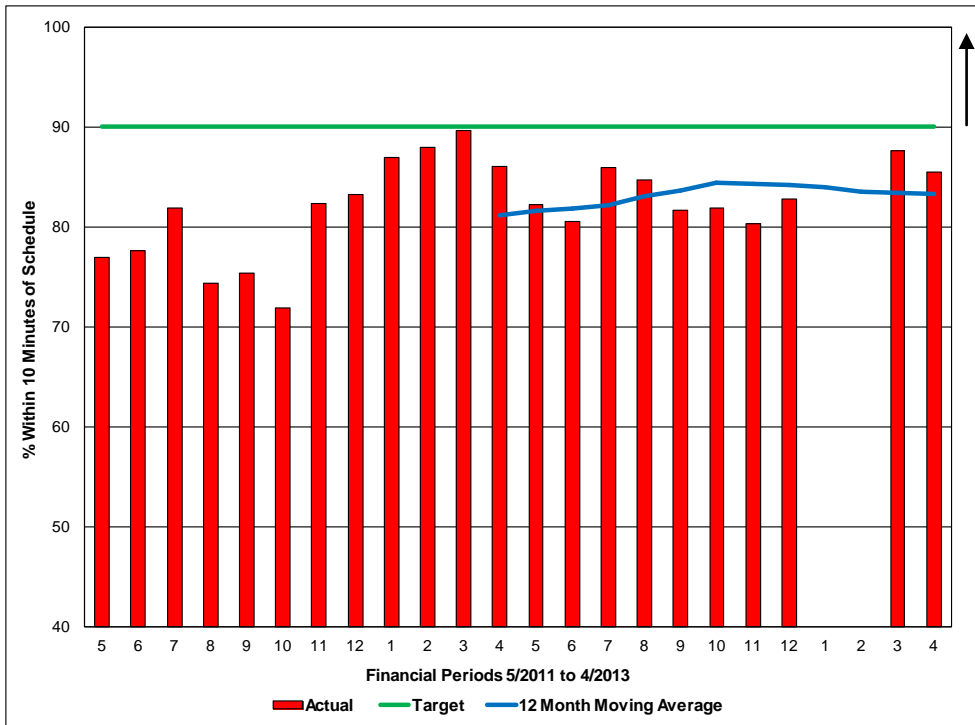
### 2.5.2 – Streetcar



Performance decreased in Period 4 but still exceeded target for the second consecutive period.

Compared to Period 3, punctuality in Period 4 returned to more typical levels that have been attained in recent months. Performance in Period 3 was higher than usual due to decreases in passenger loads and traffic congestion during the March Break and Good Friday/Easter Monday periods.

### 2.5.3 – Wheel-Trans

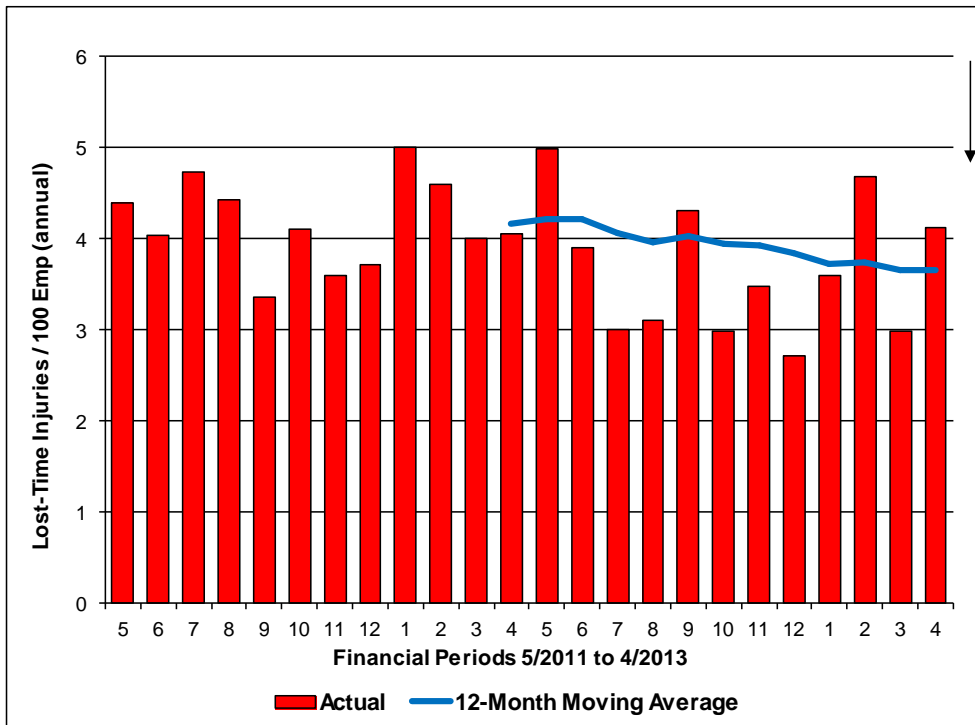


Performance decreased in Period 4. The major service problems were centered on weekend surface congestion slowdowns associated with the Don Valley Parkway maintenance closures, a Fort York parade, the Khalsa Parade, the Toronto Marathon, and subway system maintenance closures.

Overall performance was affected by a major computer failure on April 22, which impacted the ability to make service adjustments, and the unavailability of service measures on April 30. Computer system upgrades to increase scheduling flexibility are ongoing.

### 2.6 – Safety and Security

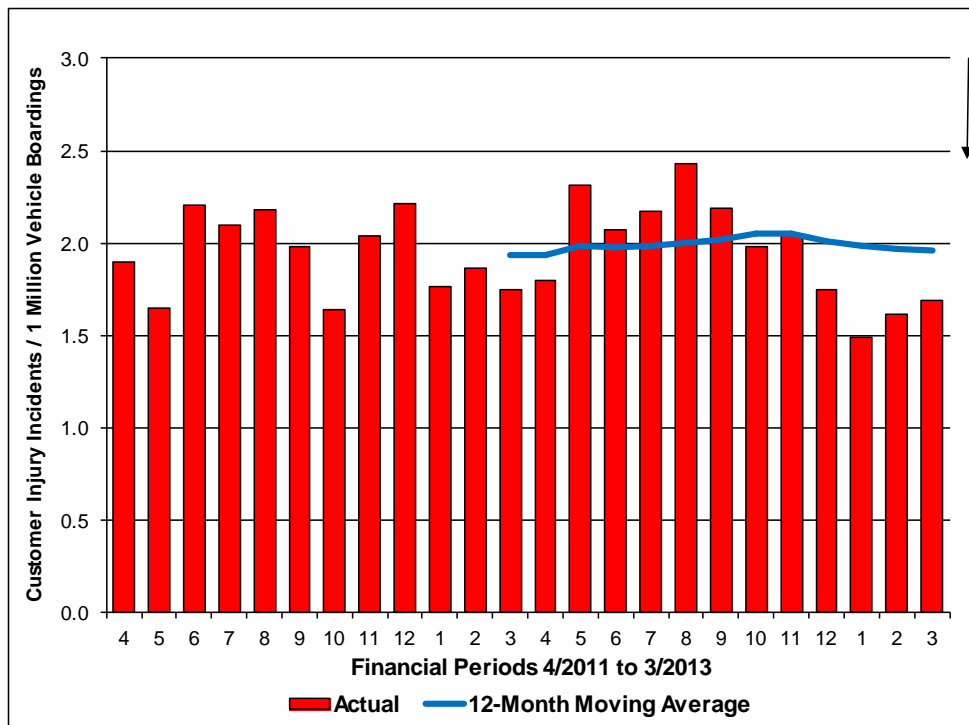
#### 2.6.1 – Lost-Time Injuries (Annual Injuries / 100 Employees)



The annualized lost-time injury rate (LTIR) for Period 4 2013 was 4.12 lost-time injuries per 100 employees, which was 1% higher than the LTIR of 4.06 for Period 4 2012.

The moving annual LTIR to the end of Period 4 2013 was 3.66, which was 12% lower than the corresponding rate of 4.17 to the end of Period 4 2012.

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



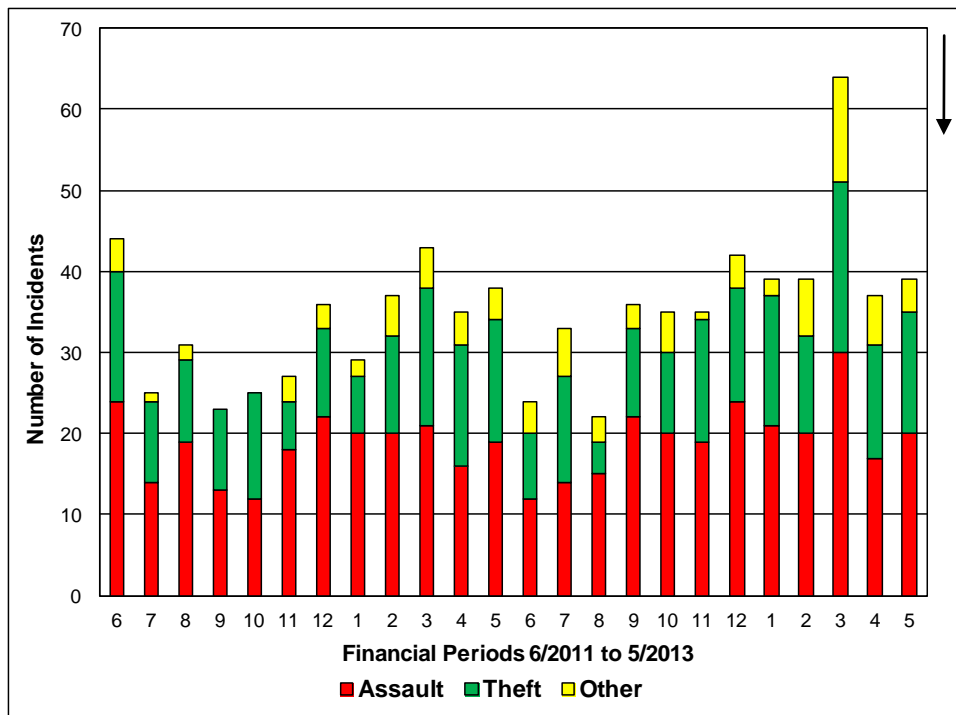
The customer injury incident rate for Period 3 2013 was 1.69 injury incidents per 1 million vehicle boardings, which was 3% lower than the corresponding rate of 1.75 for Period 3 2012.

The moving annual customer injury incident rate to the end of Period 3 2013 was 1.96, which was 1% higher than the corresponding rate of 1.94 to the end of Period 3 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.

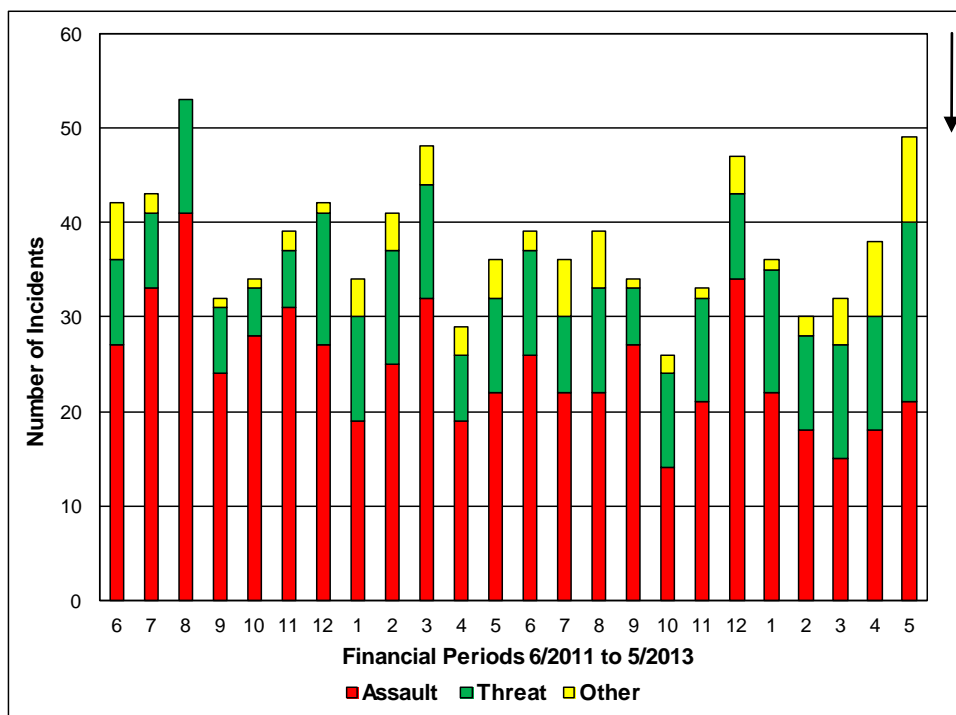
## 2.6.4 – Offences against Customers



Total offences against customers increased marginally in Period 5.

Year-to-date to Period 5, there were 36 more offences (218 vs. 182) compared with the corresponding period in 2012. This includes 12 more assaults (108 vs. 96), 12 more thefts and robberies (78 vs. 66), and 12 more 'other' offences (32 vs. 20).

## 2.6.5 – Offences against Staff

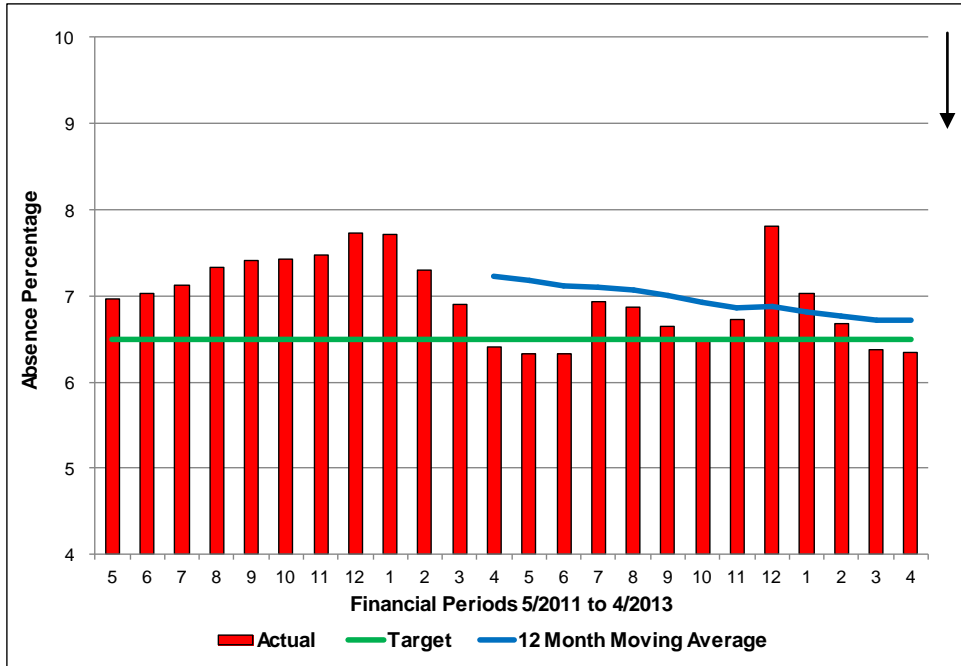


Total occurrences against staff increased in Period 5.

Year-to-date to Period 5, there were 3 fewer offences (185 vs. 188) compared with the corresponding period in 2012. This includes 23 fewer assaults (94 vs. 117), 14 more threats (66 vs. 52), and six more 'other' offences (25 vs. 19).

## 2.7 – People

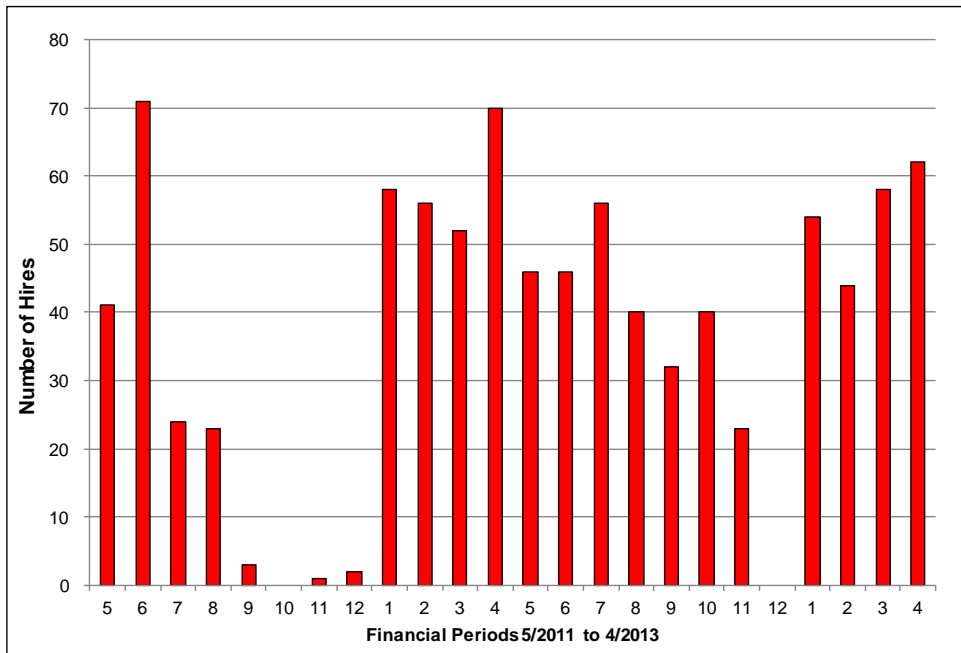
### 2.7.1 – Attendance



The absence rate for Period 4 2013 was 6.35%, falling below target for the second consecutive period. This rate was 1% lower than the corresponding rate of 6.41% for Period 4 2012.

The overall absence trend continues to be encouraging. For 16 of the past 17 periods, the period results have been lower than the prior-year comparable period. Over the same timeframe, the moving annual rate has decreased 9% from 7.41 to 6.71.

### 2.7.2 – Operator Hires

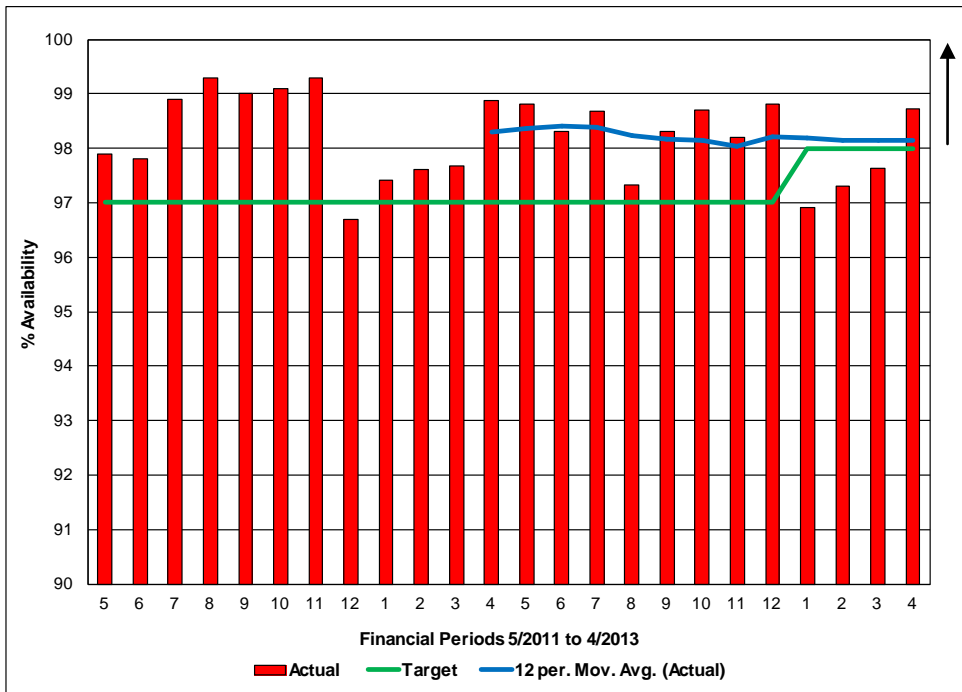


In Period 4 2013, 62 Operators were hired, which was exactly on target.



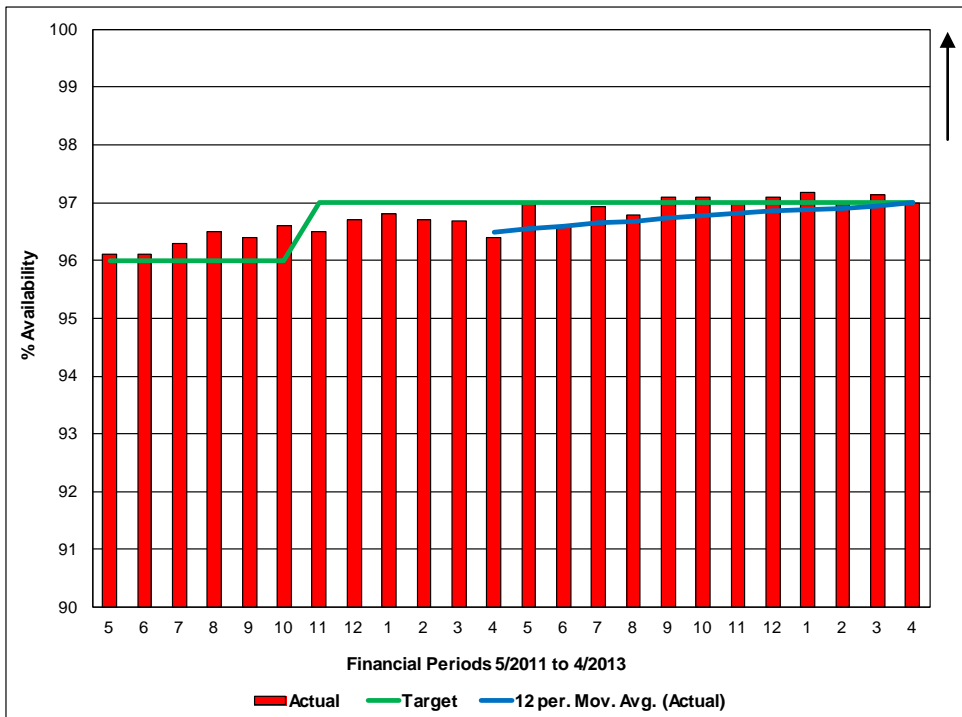
## 2.8 – Device Availability

### 2.8.1 – Elevator Availability



Performance in Period 4 exceeded target for the first time since the new, stretched target was established effective Period 1 2013.

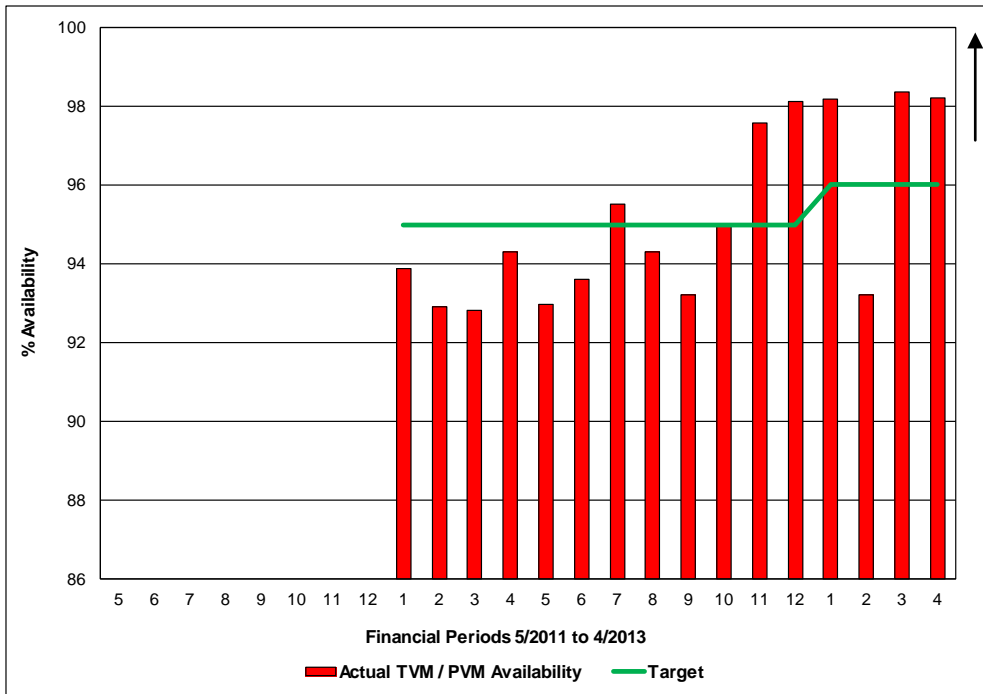
### 2.8.2 – Escalator Availability



Performance in Period 4 remained on target for the eighth consecutive period.

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

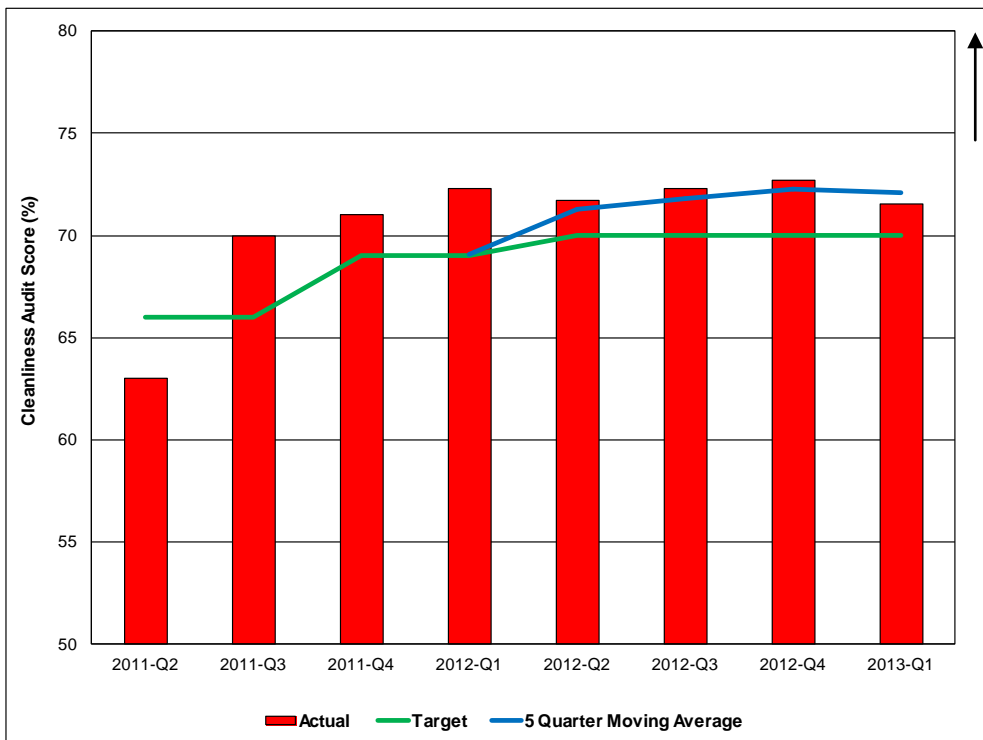


Performance in Period 4 was above target for the second consecutive period and for six of the past seven periods.

The ongoing commitment to preventative maintenance and repair schedules is continuing to facilitate improved equipment reliability.

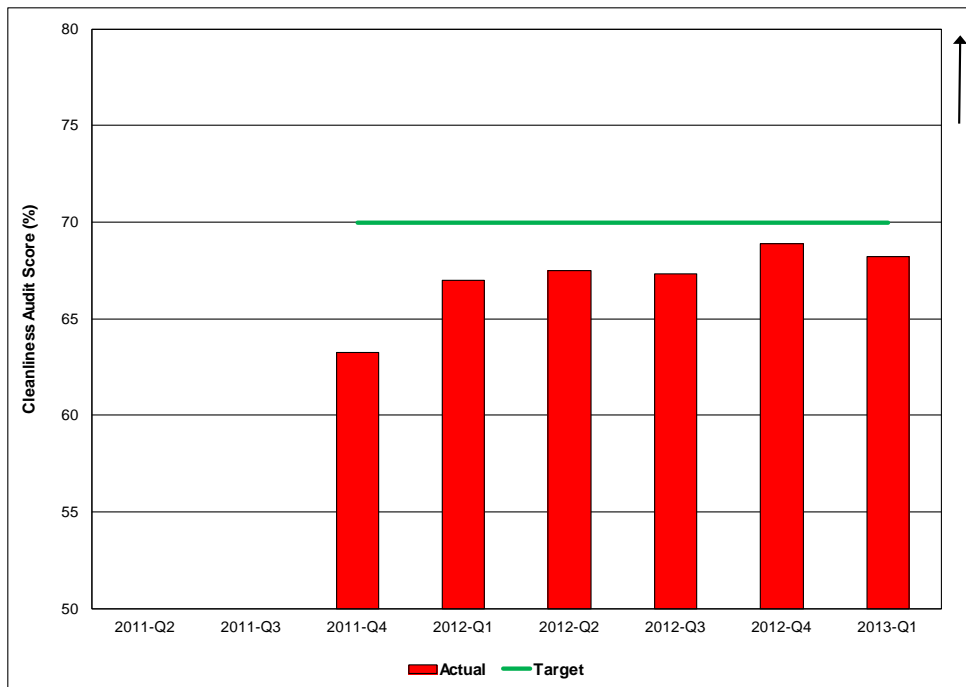
### 2.9 – Mystery Shopping and Audits

#### 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.

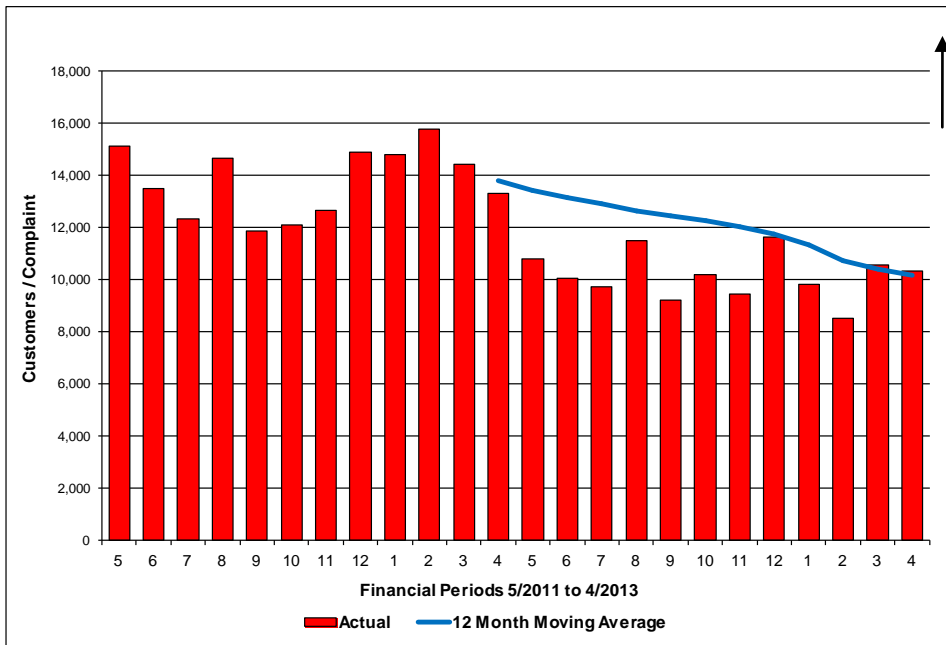
## 2.9.4 – Staff Helpfulness MSS

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, current and planned system closures, an update on action taken to address noise and vibration impacting three west-end communities, and a progress report on the TTC Customer Charter.

#### 3.1 – Customers / Complaint

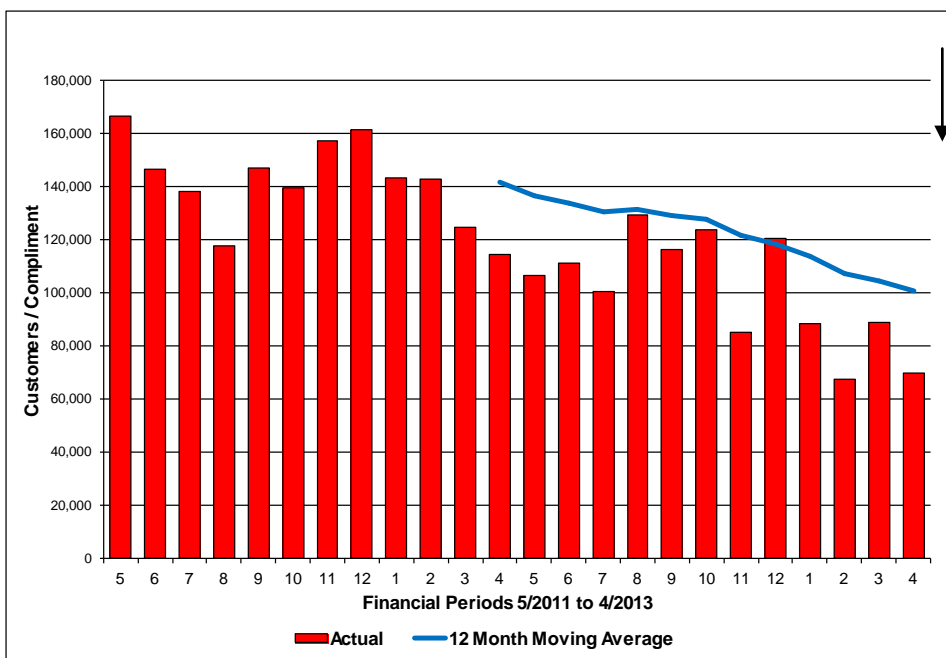


Customers per complaint decreased marginally in Period 4.

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.

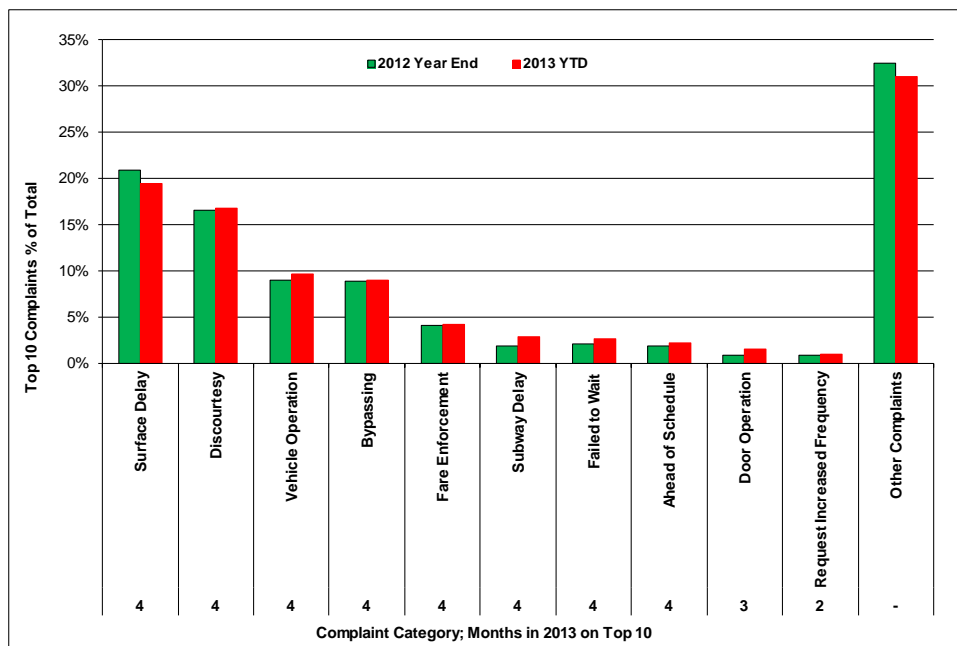
#### 3.2 – Customers / Compliment



Customers per compliment improved in Period 4.

The overall trend in this measure has been positive since Period 8 2012 and the current results represent a significant improvement from the same period in 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 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.

The second of four rider Town Halls was conducted on May 15 at the Scarborough Civic Centre. The TTC has partnered with TTCriders to deliver these Town Halls over the course of 2013, an initiative that will deliver benefits to both TTCriders and the TTC.

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; and Kennedy. 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.

For the first time ever, the TTC conducted an online survey asking customers and the community if they favoured speeding up the completion of a construction project (Pape Station) by closing the station for either 12 consecutive days or six weekends or by keeping the station open and continuing with the current construction schedule. The majority of respondents wanted the station closed to speed up construction, and supported a 12-day closure. Disappointingly, the planned closure has had to be cancelled due to an ongoing dispute involving the Terrazzo, Tile & Marble Guild of Ontario that is completely outside the control of the TTC. The end date for project completion remains the end of 2013 in line with our Customer Charter commitment.

### 3.5 – 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
<b>Streetcar</b>	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			
<b>Streetcar</b>	Spadina Ave. King to north of Lake Shore	Sep 24/12 – Jun 22/13	Platform Upgrades & Track Replacement
<b>Streetcar</b>	Spadina Ave. and Queens Quay including Loop	May 13/13 – Dec 10/13	Platform Upgrades & Track Replacement
<b>Streetcar</b>	Kingston Rd. Queen to Victoria Park	Jun 3/13 – Dec 21/13	Track Rehabilitation
<b>Streetcar</b>	York St. Wellington to Queen	Jun 23/13 – Oct 11/13	Track Rehabilitation (at York St.)
<b>Streetcar</b>	Queen St. Victoria to McCaul	Jun 29/13 – Jul 10/13	Track Rehabilitation (at York St.)
<b>Subway</b>	Yonge-University-Spadina Line Wilson Stn to Downsview Stn	Jun 29/13	Rail Installation
<b>Subway</b>	Bloor-Danforth Line Broadview Stn to St. George Stn	Jul 7/13	Beam Installation
<b>Subway</b>	Bloor-Danforth Line Broadview Stn to St. George Stn	Jul 14/13	Beam Installation
<b>Subway</b>	Bloor-Danforth Line Broadview Stn to St. George Stn	Jul 28/13	Beam Installation
<b>Streetcar</b>	Spadina Ave. and King St.	Aug 6/13 – Aug 29/13	Platform Upgrades & Track Replacement
<b>Streetcar</b>	Ossington Ave. College to Dundas	Sep 9/13 – Nov 22/13	Track Rehabilitation
<b>Streetcar</b>	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 – Noise & Vibration Update – Three West-End Communities (B-D Subway Line)

#### Update for May 2013

This is the eighth 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 Aercoustics 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 status to the end of May 2013 (Weeks 1 to 22).

Please note that all work that was committed to at our public meeting has now been completed (see details below). We are in the process of conducting quality checks, and anticipate completion before the end of June. Provided no delays to quality checks and/or irregularities are identified during these quality checks, the next update will be our final one.

#### 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	✓
Aercoustics 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.	10-Apr-2013 (Westbound)	✓
	6-May-2013 (Eastbound)	✓

## 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.	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.	7-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.	8-April-2013 (Eastbound)	✓
	9-April-2013 (Westbound)	✓

## Part 2

### Q&A / Action Items (per October 18<sup>th</sup> public meeting)

Planned Action	Timeline	Completed
A resident enquired about a report for the Montgomery area (west of Royal York Station). Provide report to Councillor Milczyn.	7- Dec-12	✓
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.	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.	8-April-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.	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.	End of Jan - 2013.



## Grinding: Why and When

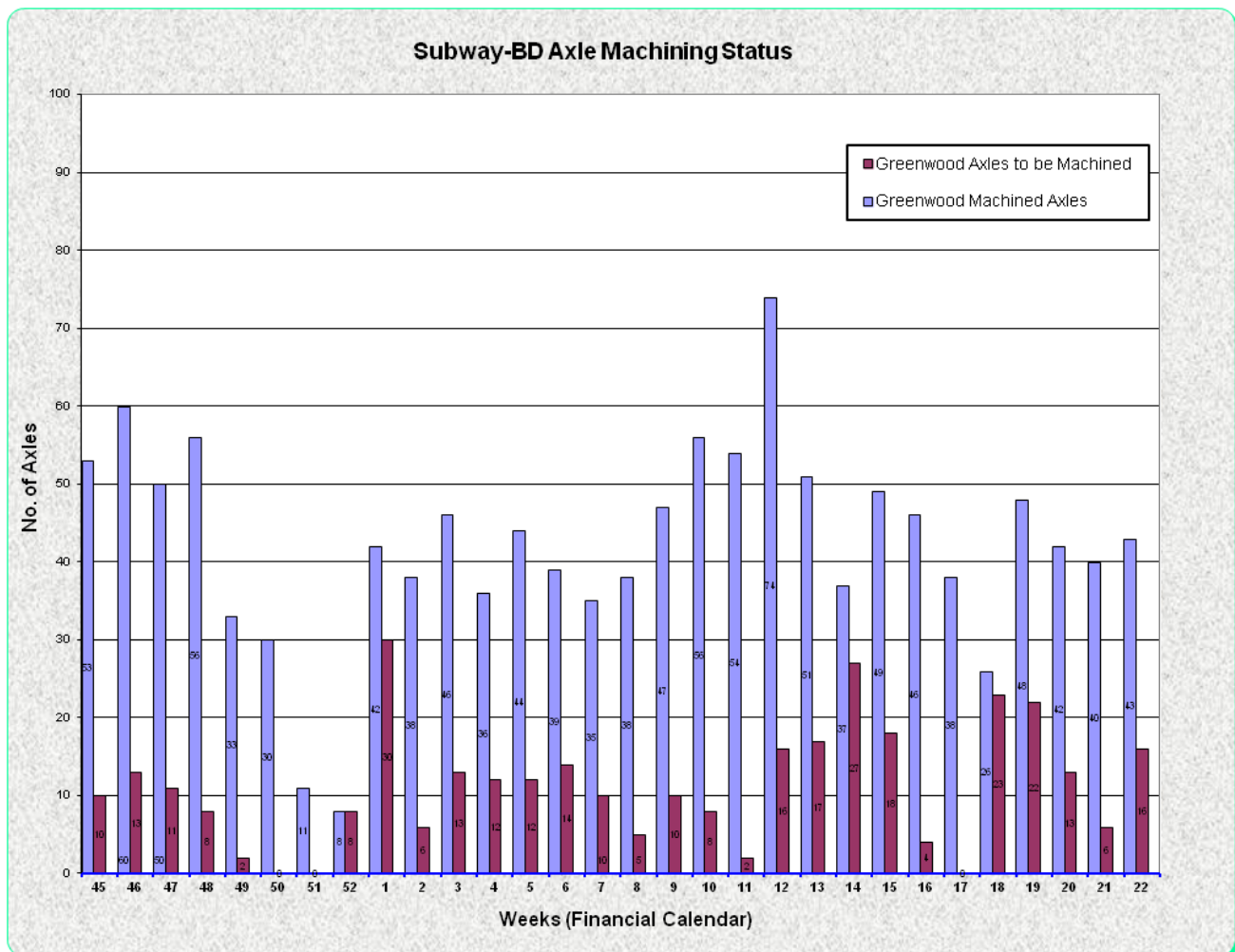
The primary purpose of rail grinding is to remove rail surface defects in order to ensure they do not propagate uncontrollably, potentially leading to a failure of the rail section, and a possible derailment. The need for grinding is established quantitatively, by measuring, very accurately, the condition 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 TTC. Given the size of the TTC'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 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 4 (May 4), total revenues were \$4.0 million (1%) below budget primarily due to 1.2 million (0.7%) fewer customer journeys than planned and a slightly lower average fare (0.97¢ or 0.5%) stemming from marginally higher (about 1.4%) monthly pass sales. Over the same time period, expenses were \$7.4 million (1.5%) below target largely due to savings on diesel prices and the timing of certain non-labour expenses.

(millions)	Projection	Budget	Variance
<b>2013 TTC Operating Budget</b>			
Customer Journeys (Ridership)	528	528	-
Revenue	\$1,127.9	\$1,130.0	(\$2.1)
Expenses	\$1,538.9	\$1,541.0	(\$2.1)
Subsidy Required	\$ 411.0	\$411.0	-
Subsidy Available	\$411.0	\$411.0	-
Surplus/(Shortfall)	-	-	-

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

#### Passenger Revenues: \$2.0 million decrease

The number of customer journeys for the year is expected to be close to target. However, as noted in previous CEO Reports, higher than anticipated monthly pass sales has caused a slight decline in the average fare. Consequently, it is estimated that passenger revenues will fall \$2 million short of the budget by the end of the year.

#### Diesel Fuel: \$2.5 million decrease

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

#### Utilities: \$1 million decrease

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

#### Workforce Gapping: \$0.8 million increase

Delays in filling budgeted positions are expected to generate these savings.

#### 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: \$0.7 million decrease

All other changes net out to a decrease of about \$0.7 million.

## 4.2 - Wheel-Trans Operating Budget

### 2013 Year-to-Date Results

To the end of Period 4 (May 4), total revenues were slightly (\$74K or 4%) above budget primarily due to 27K (2.8%) additional customer journeys made. Over the same time period, expenses were below target by a small margin (\$219K or 0.6%) primarily due to savings on diesel prices and workforce gapping.

(millions)	Projection	Budget	Variance
<b>2013 Wheel-Trans Operating Budget</b>			
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, and savings from lower diesel fuel costs, and workforce gapping and associated benefits in the administrative areas.

### 4.3 - Capital Program

#### 2013 Year-to-Date Results

Capital expenditures to Period 4 (May 4) typically reflect lower project activity as early efforts are focussed on setting up schedules and tendering work. Other current period activity includes settlement of 2012 accrued contract payments and 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
<b>2013 Capital Program Budget*</b>			
Base Program Total Costs	\$854.0	\$878.8	(\$24.8)
TYSSE Project	\$518.7	\$660.5	(\$141.8)

\*Excludes carry forward spending on the base capital program (\$131.3M) and on the YYSSE project (\$182.2M).

#### Base Capital Expenditures: \$24.8 million under-spent

The budget of \$878.8 million approved by Council in January 2013 was increased by a requested carry forward adjustment of \$131.3 million pending Council approval. The current projected spending on the base capital program reflects expectations of being basically on budget (minor under spending of \$24.8 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; facility construction is progressing slower than anticipated and staff is working on a recovery schedule with Contractor; Leslie St. contract awarded six months later than original schedule;

**Toronto Rocket/T1 Rail Yard Accommodation** - (\$12.2) million; schedule slipped due to delay in design refinement;

**Purchase of Buses** - (\$21.6) million; slippage of 24 articulated buses to 2014 due to change in delivery schedule by manufacturer;

**Purchase of Subway Cars** - \$51.1 million; slippage of milestone payments, PST, and escalation from 2012 as well as transfer of contingency allowance to 2013;

**Legacy Streetcars** - \$15.8 million; slippage of 2012 project milestones, PST, escalation and transfer of Options Allowance and project changes re: PRESTO to 2013.

#### TYSSE Project Expenditures: \$141.9 million under-spent

The project schedule has been negatively 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 tunneling component of two contracts, which continues to be slow. Efforts by staff to improve progress of this component have intensified. A report was submitted to the October 24, 2012 Board meeting indicating a service date of Fall 2016.

## **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-six 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 was delivered as scheduled by rail to Canadian Pacific's Lambton Yard, then by truck to TTC's Hillcrest complex in September 2012. Static system tests at TTC's Hillcrest facility have been progressing well and according to plan. Dynamic system tests on the mainline commenced on March 14, 2013.

The second vehicle was delivered on March 25, 2013 by rail directly to TTC's Hillcrest complex. Since its arrival, Car No. 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.

Discussions on logistics of delivery timing of the third test vehicle for an optimized test plan continue. Part of the discussion pertains to providing 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. Shortly after receipt of the third prototype vehicle in Toronto, 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 Fall 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.

#### 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 will be 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 for comments on March 27, 2013 and to local businesses in 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 on May 21, 22 and 23, 2013.

A Construction Liaison Group (CLG) comprised of local businesses and residents, school representatives, Councillor McMahon and Councillor Fletcher will begin meeting on a monthly basis in June 2013. The CLG 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 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 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 \$2,634M 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 is 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.