

# TORONTO TRANSIT COMMISSION REPORT NO.

**MEETING DATE:** OCTOBER 23, 2013

**SUBJECT:** CHIEF EXECUTIVE OFFICER'S REPORT –  
OCTOBER 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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October 10, 2013

42-81

Attachment: Chief Executive Officer's Report



TORONTO TRANSIT COMMISSION

CHIEF EXECUTIVE OFFICER'S REPORT

OCTOBER 2013 UPDATE



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# 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	Q2	79%	TBD			2.2
<b>Customer Journeys</b>		Customer Trips	Period	P8	38.400M	38.443M			2.3
<b>Punctuality – Subway and Scarborough Rapid Transit (SRT)</b>									
Yonge-University-Spadina	Headway + 3 minutes	Period	P8	94.2%	96.0%			2.4.1	
Bloor-Danforth	Headway + 3 minutes	Period	P8	96.4%	97.0%			2.4.1	
Sheppard	Headway + 3 minutes	Period	P8	99.1%	98.0%			2.4.1	
SRT	Headway + 3 minutes	Period	P8	97.2%	96.0%			2.4.2	
<b>Punctuality – Bus, Streetcar, and Wheel-Trans</b>									
Bus	Headway +/- 3 minutes	Period	P8	65.7%	65.0%			2.5.1	
Streetcar	Headway +/- 3 minutes	Period	P8	68.8%	70.0%			2.5.2	
Wheel-Trans	Within 10 minutes of schedule	Period	P8	83.2%	90.0%			2.5.3	
<b>Safety and Security</b>									
Lost Time Injuries	Injuries / 100 Employees	Period	P8	3.58	TBD			2.6.1	
Customer Injuries	Injury incidents / 1M Vehicle Boardings	Period	P7	2.03	NA			2.6.2	
Behavioural Safety Index	Safety Focused Behaviour	Period	TBD					2.6.3	
Offences against Customers	Assault, theft, other	Period	P8	32	NA			2.6.4	
Offences against Staff	Assault, threat, other	Period	P8	43	NA			2.6.5	
<b>People</b>									
Attendance	Employee Absence	Period	P8	6.78%	< 6.50%			2.7.1	
Operator Hires	Actual vs. Budget	Period	P8	38	38			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	P8	98.5%	98.0%			2.8.1	
Escalators	% Escalators Available	Period	P8	97.0%	97.0%			2.8.2	
Fare Purchase Opportunity	% TVM's / PVM's Available	Period	P8	95.7%	96.0%			2.8.3	
<b>Mystery Shopping and Audits</b>									
Station Cleanliness	Cleanliness Audit Score	Quarter	Q3	72.3%	75.0%			2.9.1	
Vehicle Cleanliness	Cleanliness Audit Score	Quarter	Q2	63.1%	75.0%			2.9.2	
Information MSS	Customer Announcements Score	Quarter	TBD					2.9.3	
Staff Helpfulness MSS	Welcoming Staff Score	Quarter	TBD					2.9.4	
<b>Financials</b>									
TTC Revenue	Actual vs. Budget	Period	P1-8	\$737.7M	\$745.2M			4.1	
TTC Operating Expenditure	Actual vs. Budget	Period	P1-8	\$997.9M	\$1014.5M			4.1	
Wheel-Trans Revenue	Actual vs. Budget	Period	P1-8	\$3.8M	\$3.7M			4.2	
W-T Operating Expenditure	Actual vs. Budget	Period	P1-8	\$67.2M	\$68.0M			4.2	
Capital Expenditure – Base	Actual vs. Budget	Period	P1-8	\$300.2M	\$559.2M			4.3	
Capital Expenditure – TYSSE	Actual vs. Budget	Period	P1-8	\$230.5M	\$482.2M			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 but one of our stated commitments for the third quarter; further details are provided in Section 3.6 of this report.

Customer journeys (ridership) were very marginally below target in Period 8. The year-end outlook is that ridership and passenger revenues will fall slightly below target, primarily due to the combined effects of several severe winter storms, the severe rainstorm and flood aftermath in July, and decreases in the average fare that mostly stem from ongoing monthly pass sales growth.

Subway punctuality on the Yonge-University-Spadina line continued below target; however, a significant improvement in performance has been achieved compared to the low of Period 7. Subway punctuality fell below target on the Bloor-Danforth line and remained ahead of target on the Sheppard line. SRT punctuality continued ahead of target.

Improved reliability of our subway service is an important area of our business. I am particularly concerned about the performance of the Yonge-University-Spadina Line, which remains below target despite some recent improvements. A number of factors can impact poorly on subway service and I have established teams to identify and resolve root causes of delays. One team is looking at ways to improve the reliability of our rolling stock – subway trains. The Toronto Rocket is now starting to deliver better performance. Another team is focused on signal and switch failures at the same time as we get closer to the introduction of a new signal system. We’re operating with old technology and are in the midst of modernizing it. Until then, we must continue to operate the subway safely with the existing equipment. Finally, a third team is tasked with driving down the number of Passenger Assistance Alarm activations involving non-emergency incidents.

Bus punctuality was above target. Streetcar and Wheel-Trans punctuality were each below target, but this is typical in the summer months when construction hits surface transit hard, especially streetcars.

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

Elevator and escalator availability each rebounded to be above target; TVM/PVM availability increased to just below target. For each of these three indicators, performance improvements were attributable to returning equipment back into service that had been damaged by the severe rainstorm and flood aftermath in July.

On the financial side, total year-to-date TTC revenues were below budget, primarily due to 1.9 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, discussions with the City continue regarding the TTC Operating and Capital Budget submissions for 2014 – 2023. I am resolute in expecting an increase in subsidy to accommodate and service ever increasing customer numbers.

## **2.2 – Customer Satisfaction Survey**

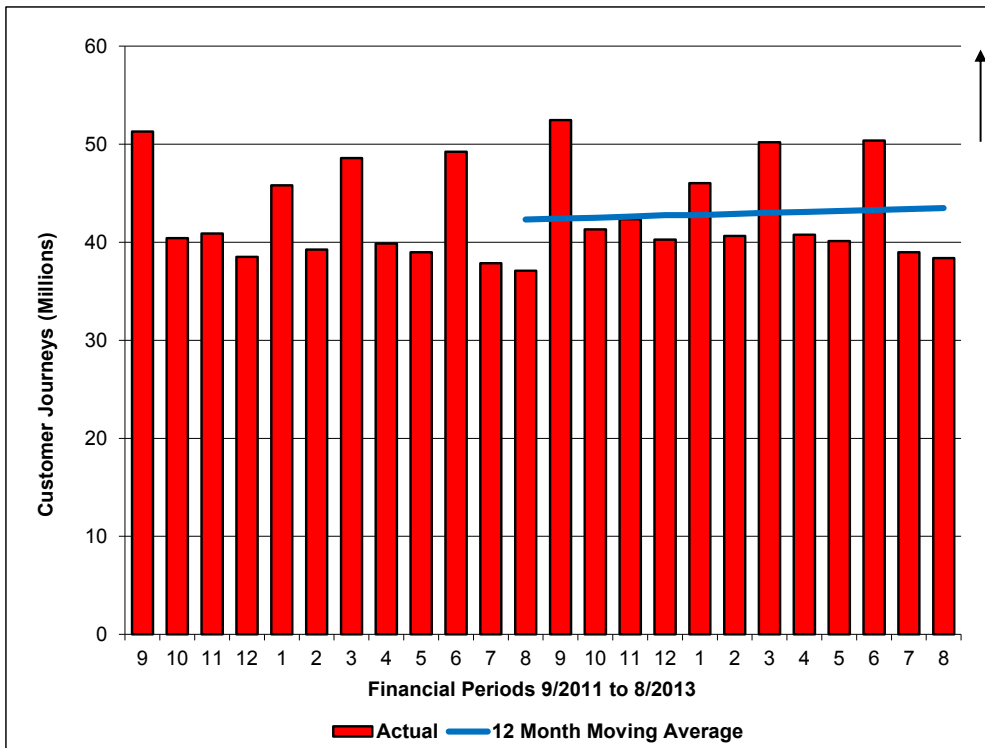
The Q2 2013 Customer Satisfaction Survey demonstrates an overall customer satisfaction rating of 79%. This represents a 4% improvement in overall customer satisfaction compared to Q1 2013 (75%) and a 7% increase compared to Q4 2012 (72%). The survey also demonstrated positive trends for customer perceptions of wait times for vehicles, duration of trips for buses and streetcars, and the cleanliness of subway vehicles.

The Q2 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 Surveys were presented at the September TTC Board meeting and are available on the TTC’s website.

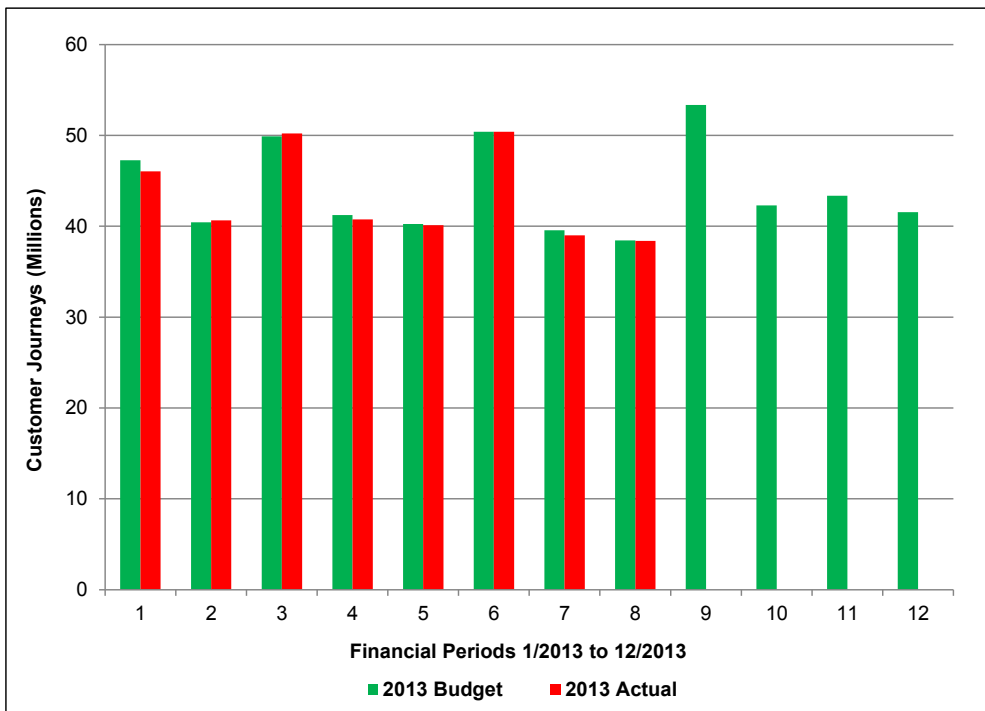


### 2.3 – Customer Journeys



There were 38.400M customer journeys (ridership) taken during Period 8 2013, which was 1.291M (+3.5%) more than the 37.109M journeys taken during Period 8 2012.

The annual number of customer journeys to the end of Period 8 2013 was 521.968M, which was 14.107M (+2.8%) more than the 507.861M annual journeys taken to the end of Period 8 2012.



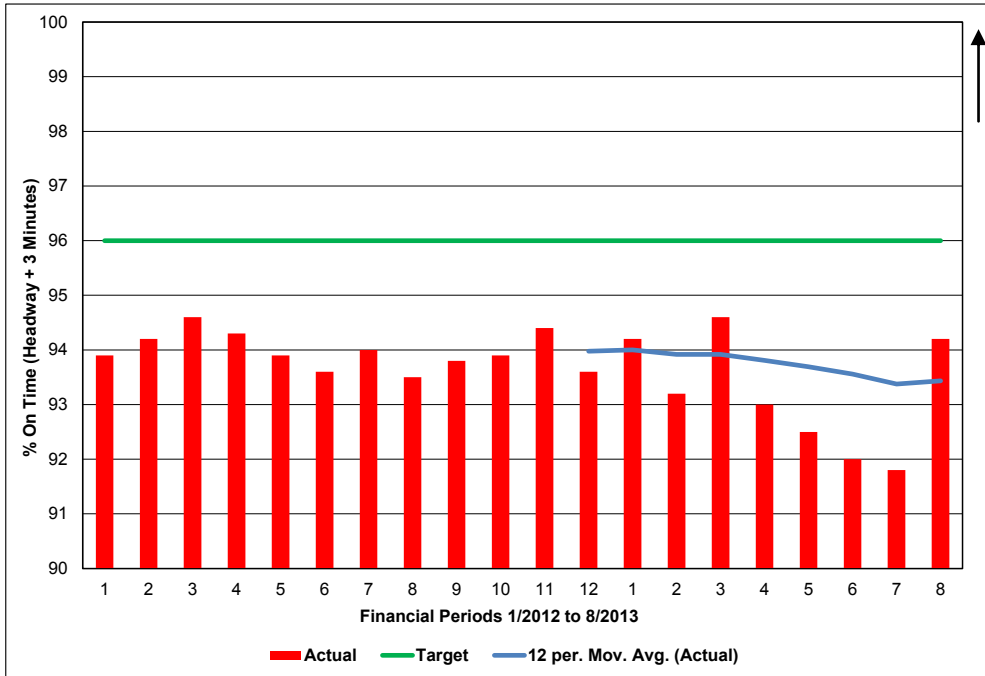
There were 38.400M customer journeys taken during Period 8 2013, which was 0.043M (-0.1%) less than the budget of 38.443M journeys.

The number of customer journeys taken year-to-date to the end of Period 8 2013 was 345.562M, which was 1.896M (-0.5%) less than the budget of 347.458M journeys.

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

### 2.4.1 – Subway

#### Yonge-University-Spadina Line

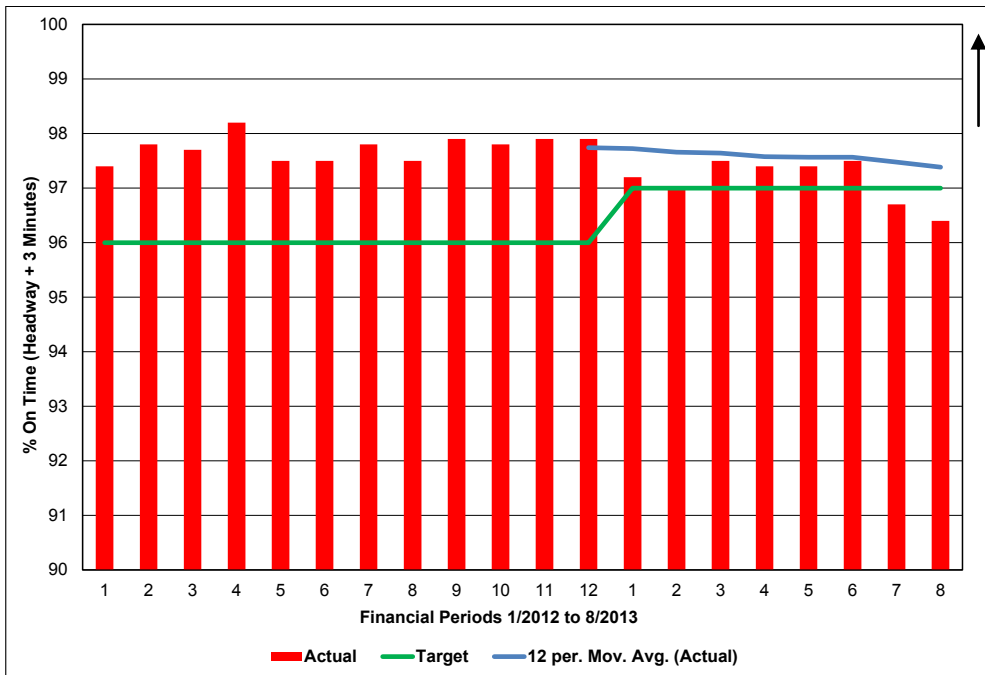


Performance continued below target, however, substantial improvement was achieved in Period 8.

Peak periods are performing above target while off-peak periods are performing well below target; therefore, emphasis is being placed on off-peak management, particularly late evenings and weekends.

Workforce levels, while still not optimal, improved significantly.

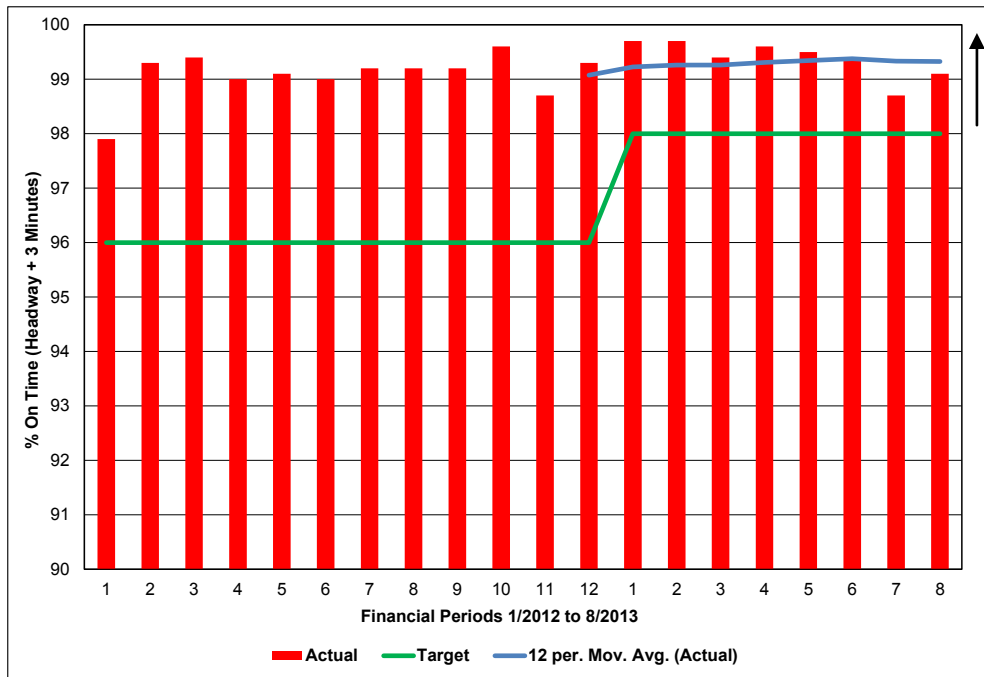
#### Bloor-Danforth Line



Performance remained below target in Period 8.

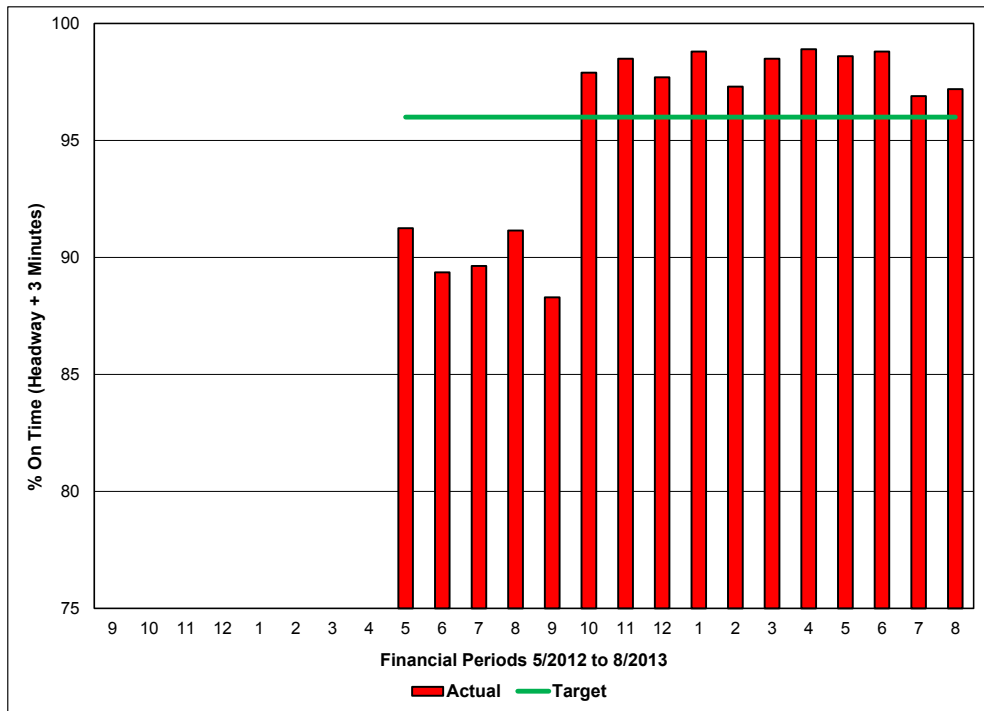
Performance decreased due to continued workforce availability issues and the periodic transfer of trains to the YUS line to cover shortages.

## Sheppard Line



Performance continued well above target in Period 8.

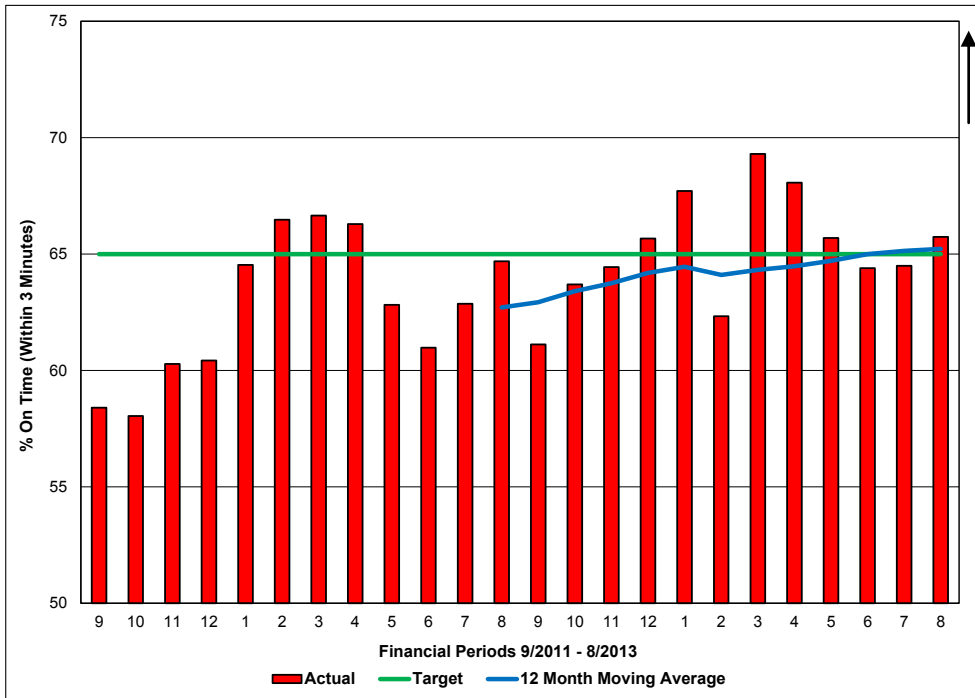
## 2.4.2 – SRT



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

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

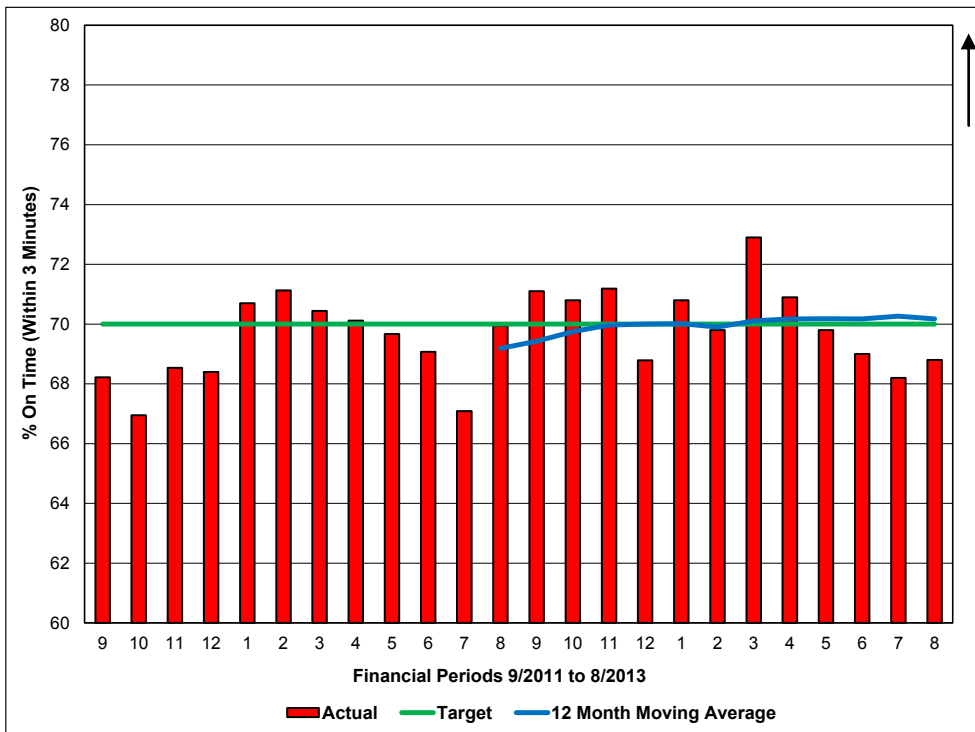
### 2.5.1 – Bus



Performance in Period 8 improved to above target for the first time in three periods. Overall performance continues to exceed prior-year trends.

Ongoing divisional efforts are beginning to effect a positive change in headway adherence performance.

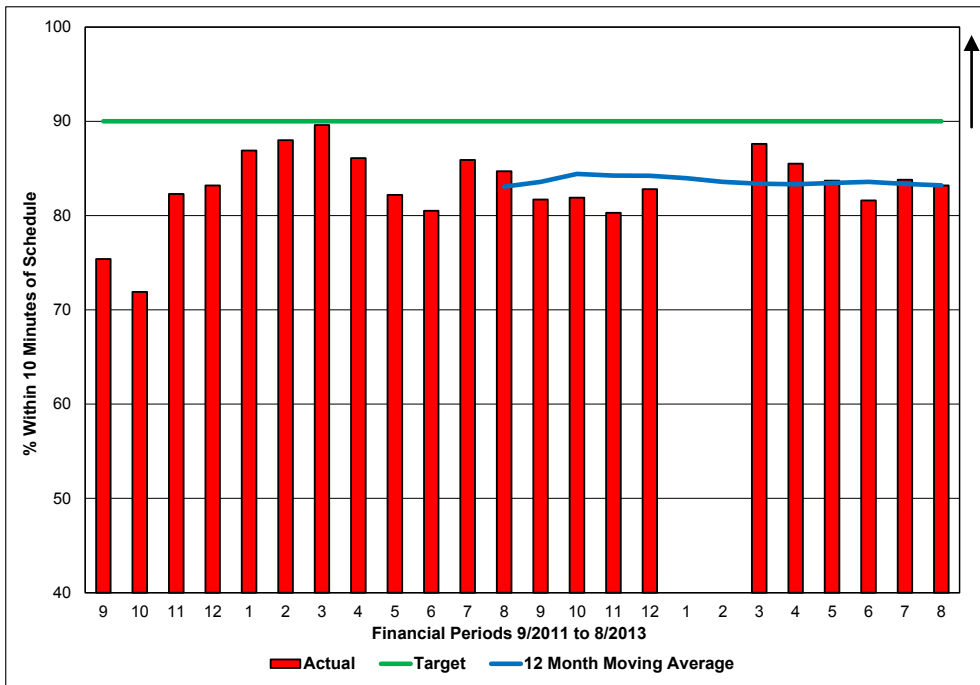
### 2.5.2 – Streetcar



Performance improved in Period 8 but remained below target for the fourth consecutive period.

Construction on Front Street, Richmond Street, and the Gardiner Expressway has increased congestion levels on the 501 Queen and 504 King routes, which has negatively impacted overall streetcar punctuality.

### 2.5.3 – Wheel-Trans

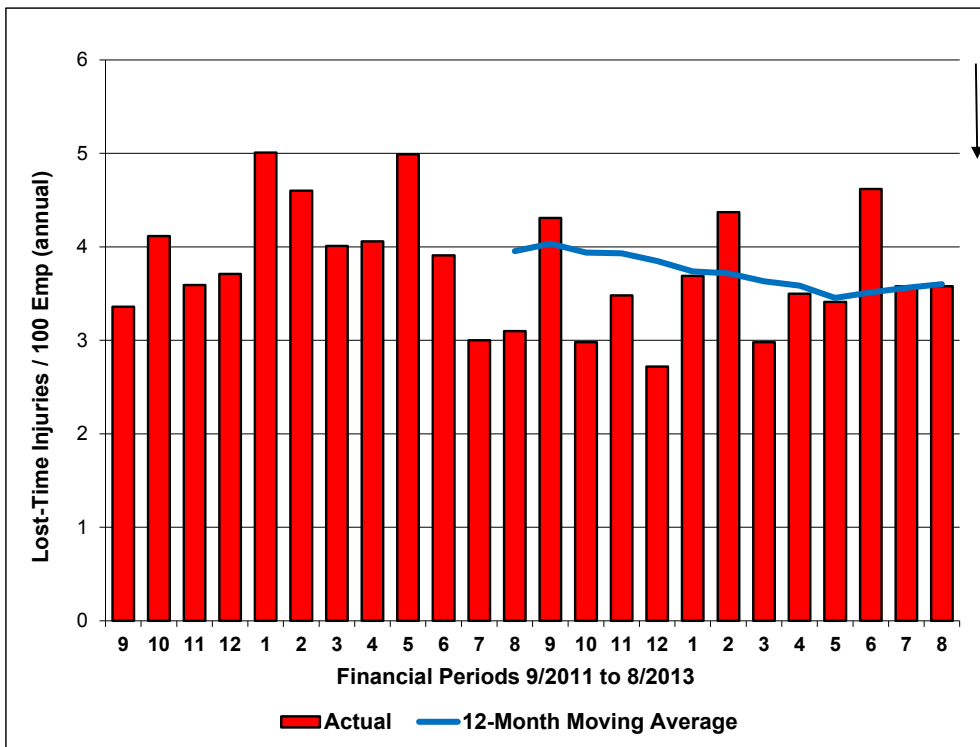


Performance in Period 8 continued below target.

To improve performance, schedule adjustments for locations in congested areas are being pursued. In addition, there is an increased focus on early service adjustments by Dispatchers.

### 2.6 – Safety and Security

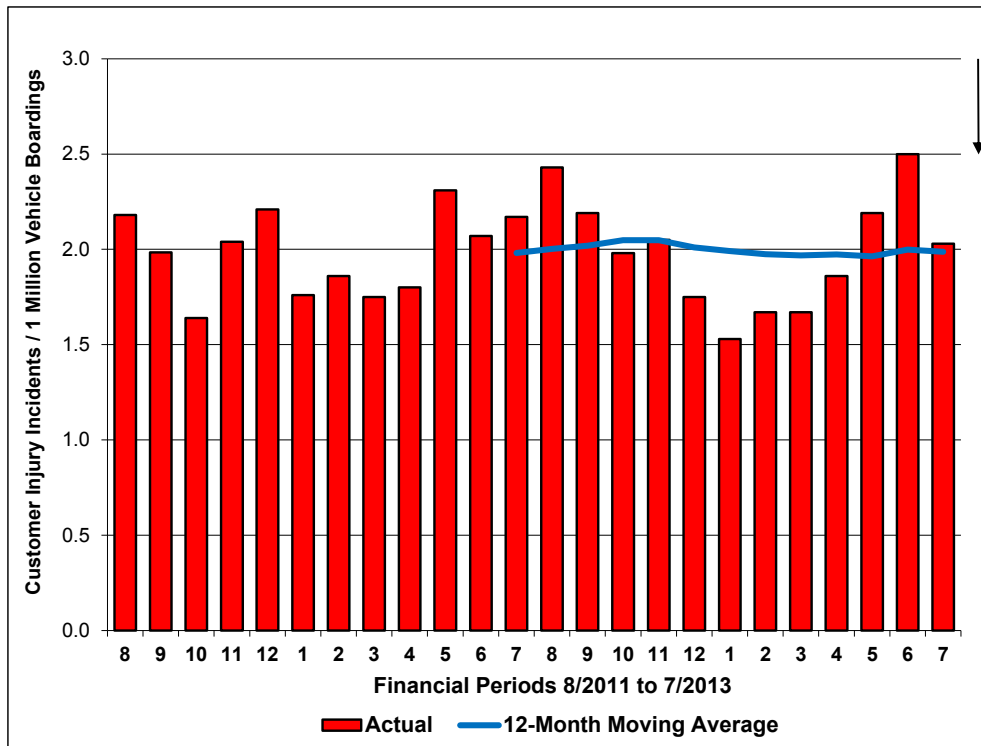
#### 2.6.1 – Lost-Time Injuries (Annual Injuries / 100 Employees)



The annualized lost-time injury rate (LTIR) for Period 8 2013 was 3.58 lost-time injuries per 100 employees, which was 15% higher than the LTIR of 3.10 for Period 8 2012.

The moving annual LTIR to the end of Period 8 2013 was 3.60, which was 9% lower than the corresponding rate of 3.95 to the end of Period 8 2012.

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



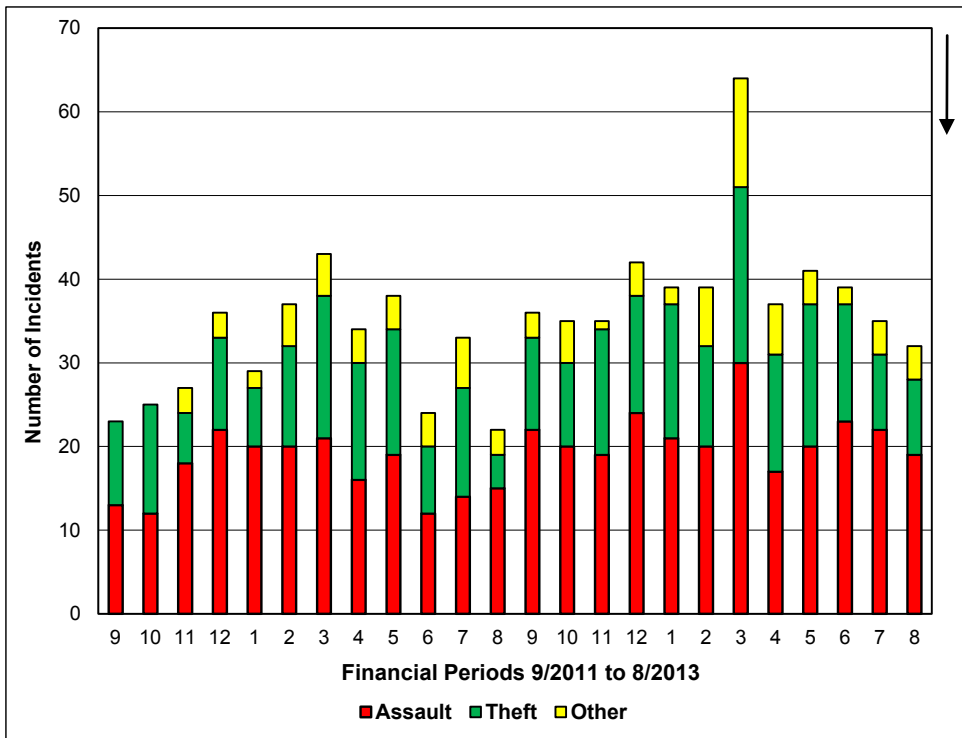
The customer injury incident rate for Period 7 2013 was 2.03 injury incidents per 1 million vehicle boardings, which was 6% lower than the corresponding rate of 2.17 for Period 7 2012.

The moving annual customer injury incident rate to the end of Period 7 2013 was 1.99, which was virtually identical to the corresponding rate of 1.98 to the end of Period 7 2012.

### 2.6.3 – Behavioural Safety Index

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

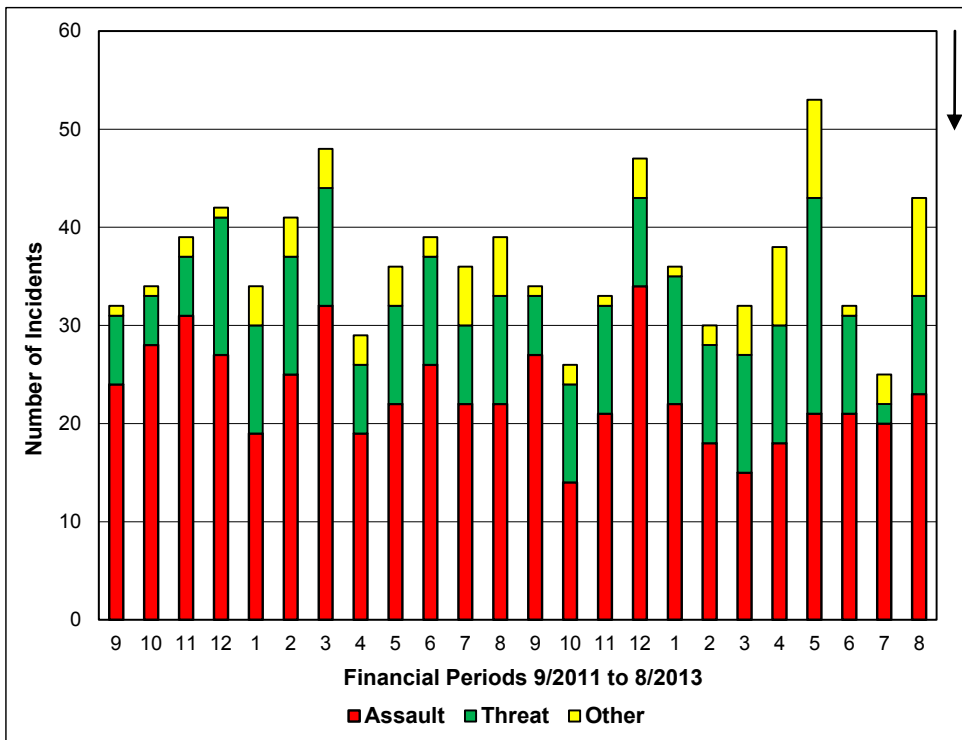
### 2.6.4 – Offences Against Customers



Total offences against customers decreased in Period 8.

Year-to-date to Period 8, there were 66 more offences (326 vs. 260) compared with the corresponding period in 2012. This includes 35 more assaults (172 vs. 137), 22 more thefts and robberies (112 vs. 90), and nine more 'other' offences (42 vs. 33).

### 2.6.5 – Offences Against Staff

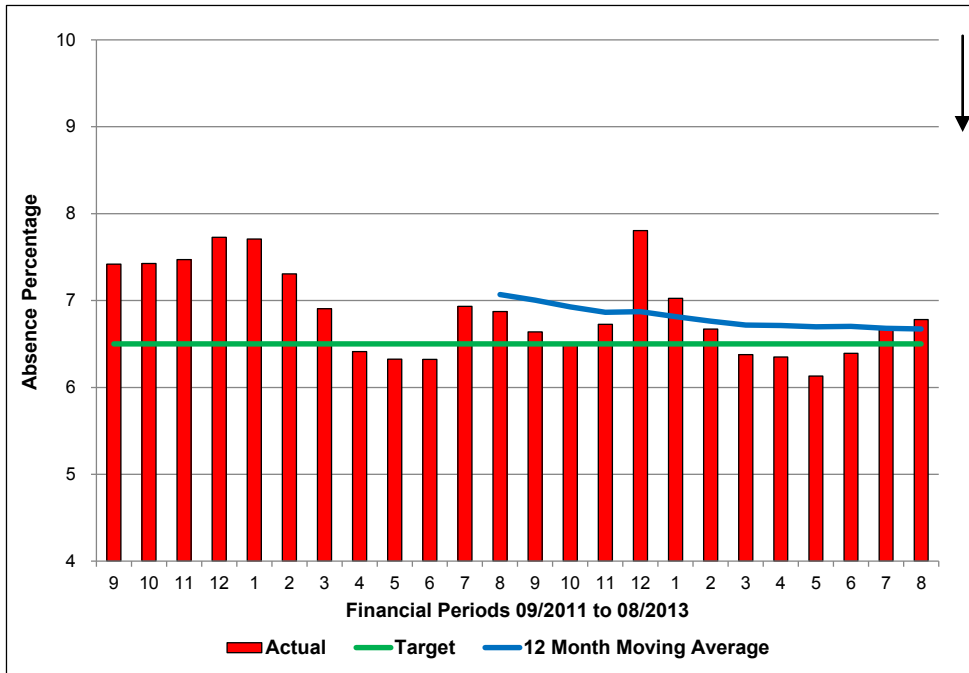


Total occurrences against staff increased in Period 8.

Year-to-date to Period 8, there were 13 fewer offences (289 vs. 302) compared with the corresponding period in 2012. This includes 29 fewer assaults (158 vs. 187), nine more threats (91 vs. 82), and seven more 'other' offences (40 vs. 33).

## 2.7 – People

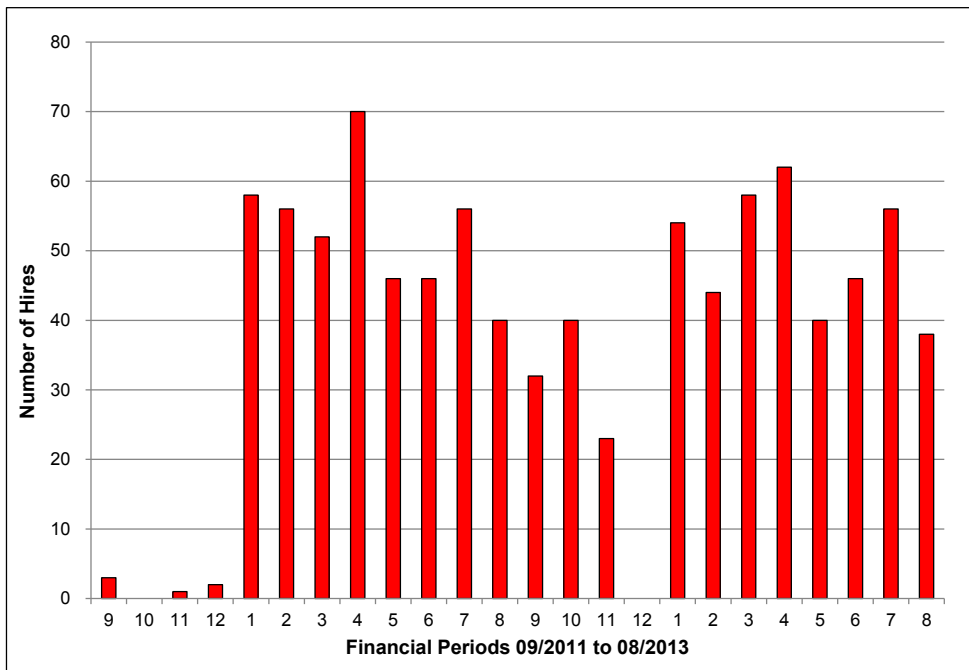
### 2.7.1 – Attendance



The absence rate for Period 8 was 6.78%, increasing for the third consecutive period and to above target for two periods in a row.

Although absence increased in Period 8, the rate of 6.78% was 1% lower than the corresponding rate of 6.87% for Period 8 2012. This reflects a continuation of the encouraging overall absence trend. For 19 of the past 21 periods, the results have been lower than the prior-year comparable period. Over the same timeframe, the moving annual rate has decreased by 10% from 7.41 to 6.68.

### 2.7.2 – Operator Hires

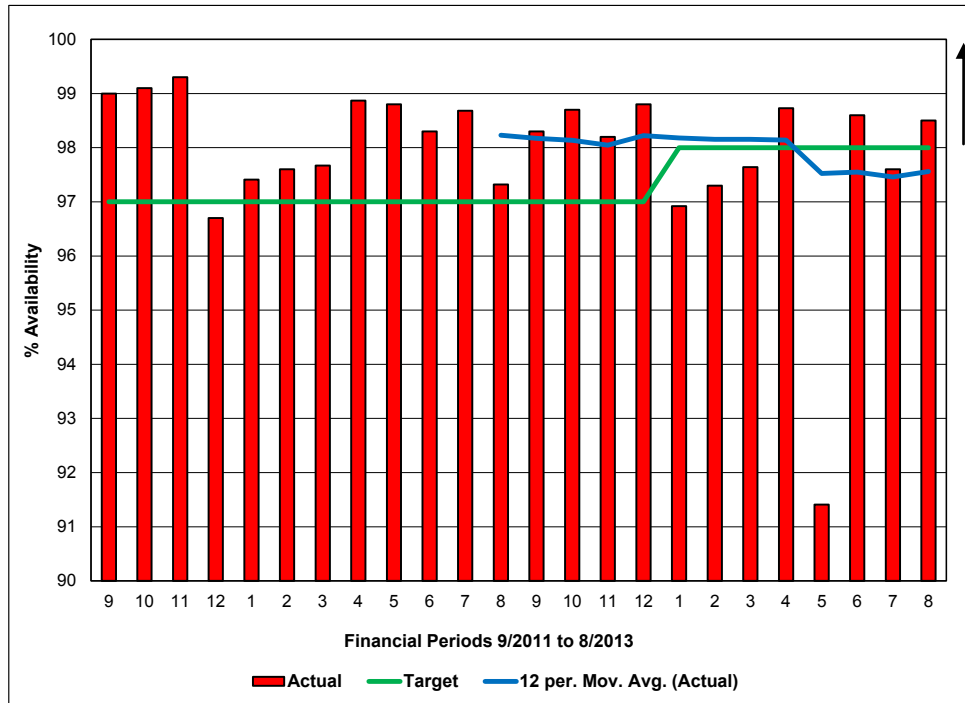


In Period 8, 38 Operators were hired, which was exactly on target.



## 2.8 – Device Availability

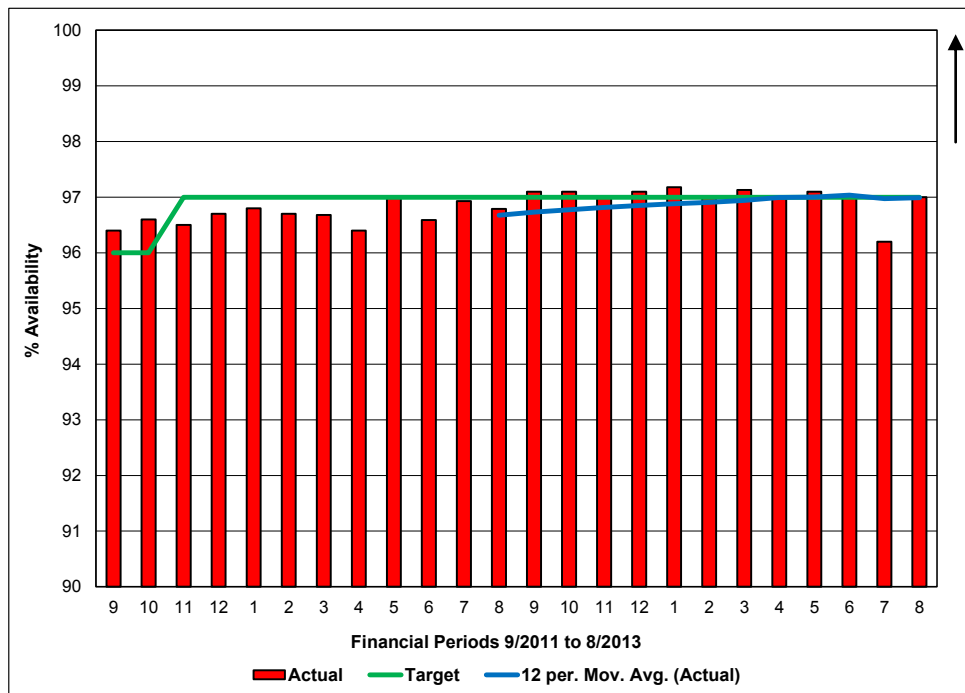
### 2.8.1 – Elevator Availability



Performance increased to above target in Period 8.

The improved performance was due to returning several elevators back into service which had been damaged by the severe rainstorm and flood aftermath in July.

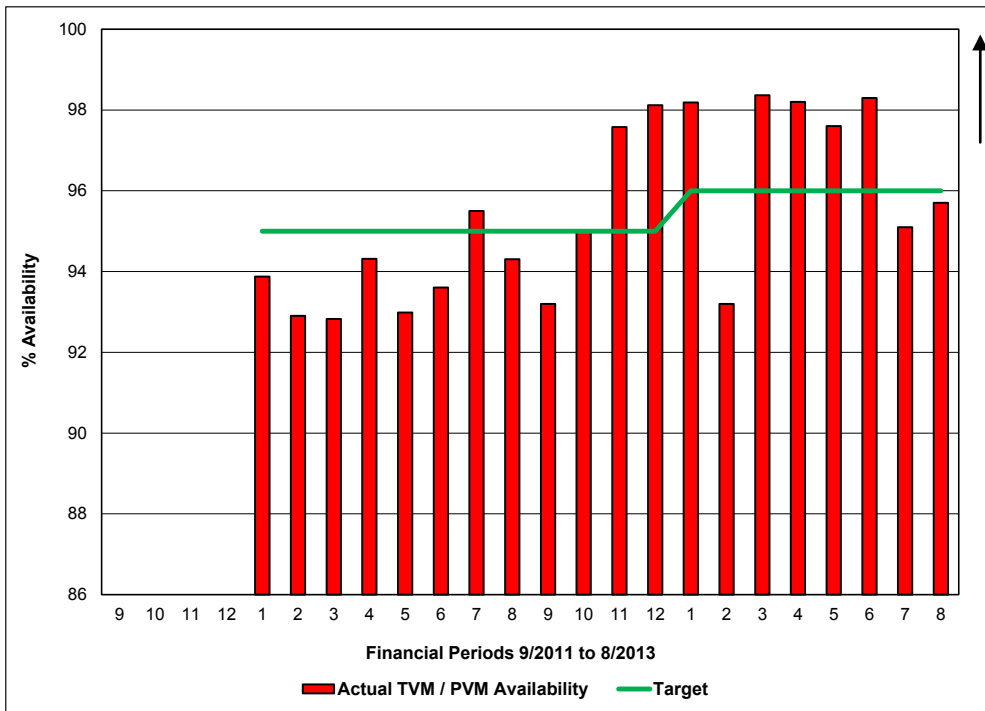
### 2.8.2 – Escalator Availability



Performance increased to be on target in Period 8.

The improved performance was due to returning several escalators back into service which had been damaged by the severe rainstorm and flood aftermath in July.

### 2.8.3 – Fare Purchase Opportunity



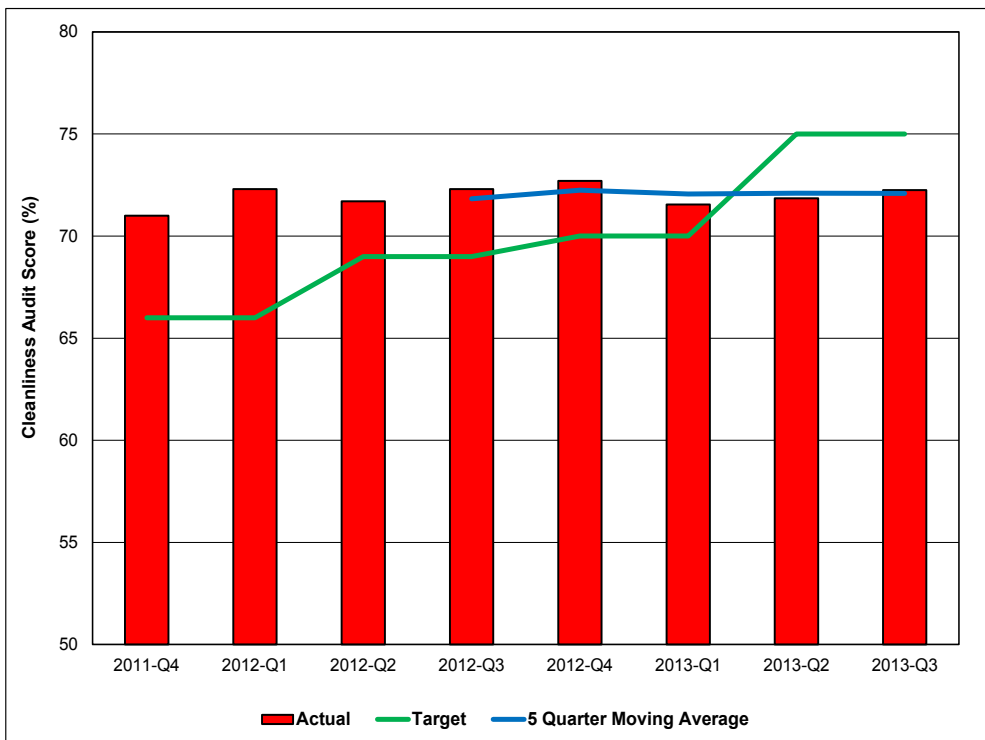
Performance improved in Period 8 but remained below target.

The improved performance was due to returning several pass machines back into service which had been damaged by the severe rainstorm and flood aftermath in July.

Performance in Period 8 was negatively impacted by continued vandalism incidents in the west end. Management is working to resolve this issue. Performance was also affected by workforce availability issues. This will be rectified with the introduction of two additional resources, which will improve scheduling.

### 2.9 – Mystery Shopping and Audits

#### 2.9.1 – Station Cleanliness

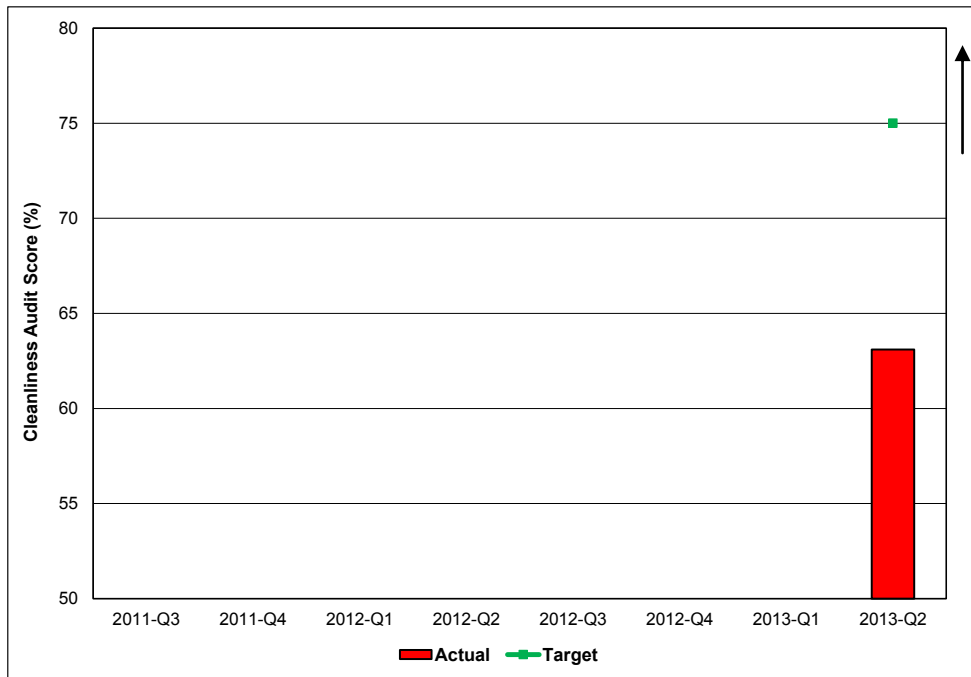


Performance increased marginally in Q3 but remained below the new stretch target of 75%.

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

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

### 2.9.2 – Vehicle Cleanliness



Audit criteria were partially revised in Q2 in order to improve the quality of the information being presented and to better identify areas that require improvement.

As a result of these revisions, prior quarterly results are no longer comparable. Further refinements are under consideration and will be reflected in the next quarterly update.

### 2.9.3 – Information MSS

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

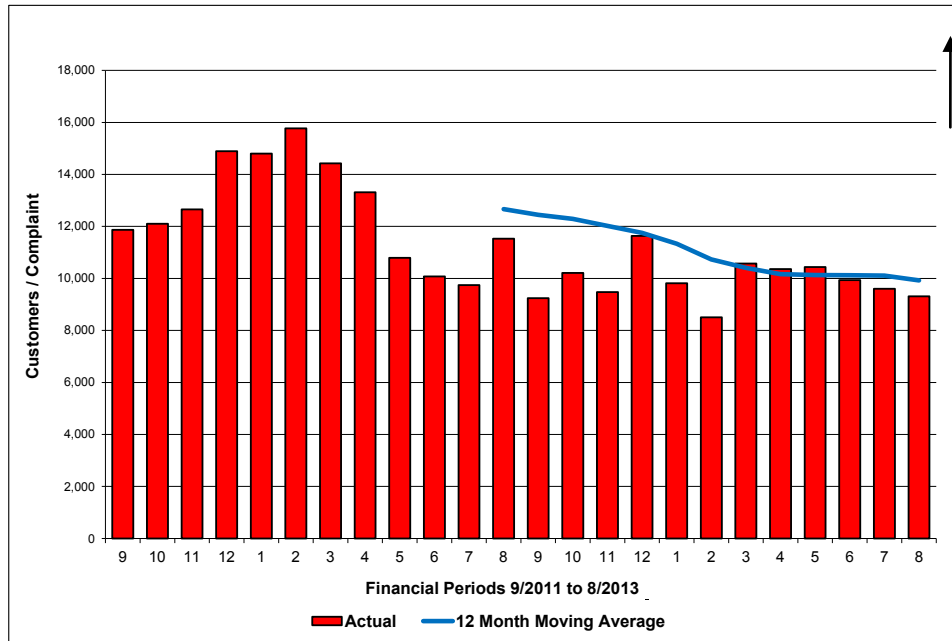
### 2.9.4 – Staff Helpfulness MSS

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

## Part 3 – Customer Measures and Improvement Program Progress

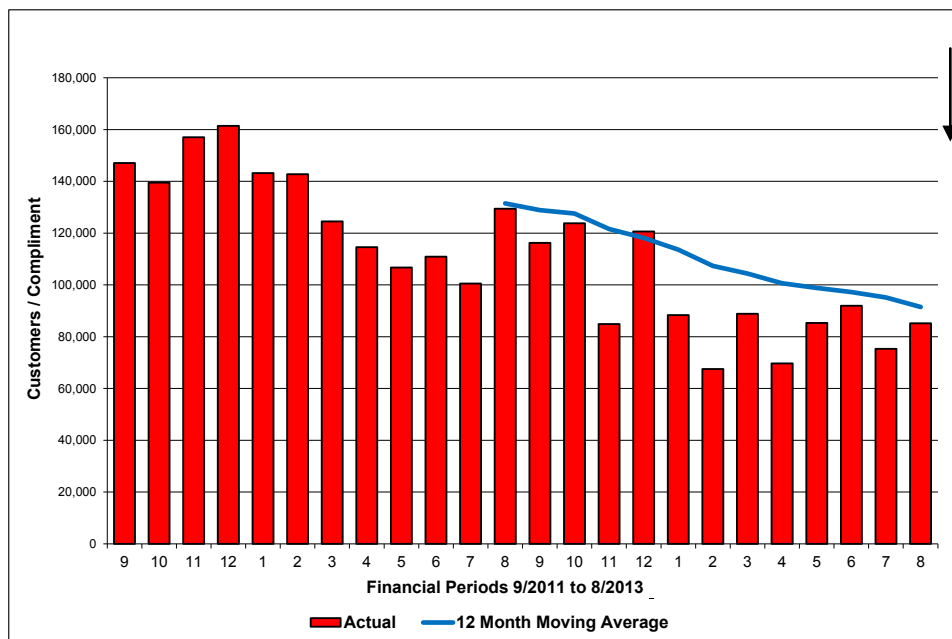
This section provides information on various customer-related issues, including trends for customer complaints and compliments, customer satisfaction improvement initiatives, major closures and diversions, and a progress report on the TTC Customer Charter.

### 3.1 – Customer Complaints



Customers per complaint declined slightly in Period 8 for the third period in a row. This decline has been disappointing considering the more positive customer trends noted in the Customer Satisfaction Survey.

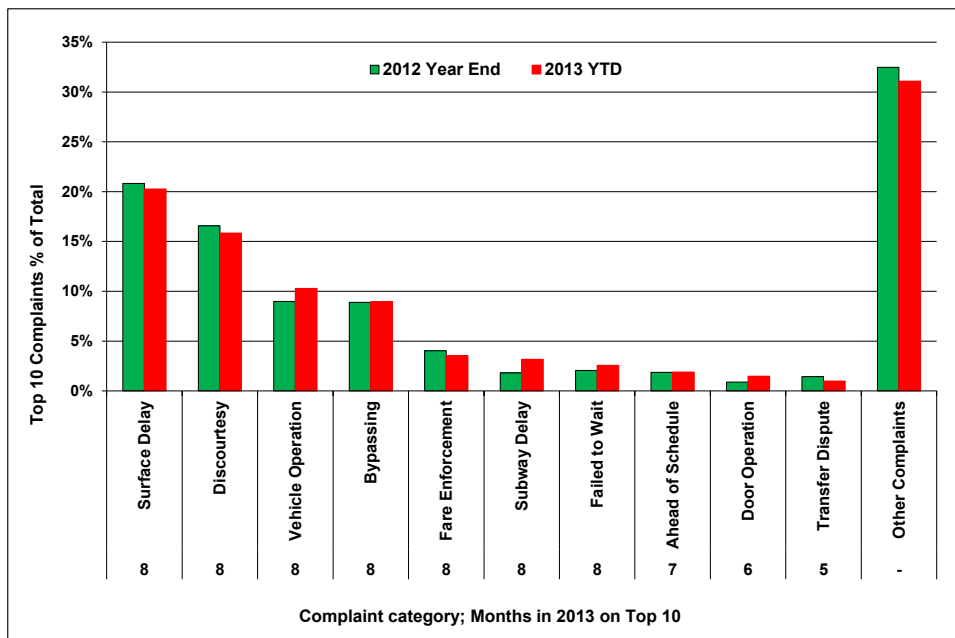
### 3.2 – Customer Compliments



Customers per compliment increased (unfavourable) in Period 8 but was significantly better than the comparable period in 2012.

The overall trend line continues to show improvement.

### 3.3 – Top Ten Complaints



The general proportion and types of complaints remained largely unchanged. The proportion of complaints regarding surface delays, the number one complaint category, is slightly lower than last year.

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

### 3.4 – Commentary on Customer Satisfaction Improvement

The TTC continues to make progress on commitments made in its Customer Charter. Results for Q3 are posted on the TTC’s website and are included in this CEO Report (see Section 3.6).

The TTC continues to conduct Meet the Managers sessions at subway stations. So far this year, sessions have been conducted at the following stations: Bathurst, Bay, Bloor-Yonge, Broadview, Davisville, Downsview, Dundas, Eglinton, Finch, Islington, Keele, Kennedy, Kipling, Pape, Queen’s Park, St. Clair West, and Spadina. 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’s website.

The third of four rider Town Halls was conducted on September 18 at Metro Hall, in partnership with “TTCriders”. Acting Chief Service Officer Chris Upfold and TTC Executive Director of Corporate Communications Brad Ross were in attendance to help discuss issues and ideas that were raised.

The TTC supported the City’s Nuit Blanche initiative, as all-night service was available for portions of the subway, in addition to the regular all-night Blue Night Network service. A Special Event TTC Day Pass was also developed and sold to customers to support this event.

### 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 all repair work is completed.

Mode	Area Affected	Dates	Reason
<b>Streetcar</b>	Queens Quay Union Stn to Spadina	Jul 29/12 – Aug 2/14	Waterfront Toronto Queens Quay Reconstruction
<b>Streetcar</b>	Spadina Ave. and Queens Quay including Loop	May 13/13 – Feb 15/14	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 – Nov 23/13	Track Rehabilitation (at York St.)
<b>Streetcar</b>	Ossington Ave. College to Dundas	Sep 9/13 – Nov 23/13	Track Rehabilitation

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

### 3.6 – TTC Customer Charter Quarterly Progress Report

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

#### Third Quarter – July 7 to October 5, 2013

Key Area	Our Third Quarter Commitment in 2013	How We Did
Informative	Implement Emergency Customer Service Assistance Plan	✓
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	x
Renewal	Accept deliver of two additional low-floor streetcars	✓
Renewal	Accept delivery of prototype model of “bendy bus”	✓
Accessible	Begin the Coxwell Station Easier Access Project	✓
Clean	Maintenance Blitz	✓
Clean	Wash light fixtures and replace lights (as necessary) at sixteen stations.	✓

#### **Informative**

Customer communication is important to you. We have made big strides in this area and will continue to work on getting you up-to-the-minute information, when it’s needed the most.

#### ***Our commitment: Implement Emergency Customer Service Assistance Plan***

In the third quarter, we will implement an Emergency Customer Service Assistance Plan. During an emergency where a subway disruption will last a significant time, this plan will reposition office staff to our stations to provide customer assistance.

#### ***How we met our commitment:***

- A plan has been developed that outlines the roles/responsibilities and the processes and operating procedures necessary to reposition office staff to stations during a significant subway disruption.
- An initial group of TTC office volunteers has been identified to support this initiative. The program will be rolled out throughout the TTC over the coming months.

#### **Responsive**

Getting you to your destination on time, and with improved comfort. Helpful staff will be available to assist you.

#### ***Our commitment: List performance of individual bus and streetcar routes on TTC website***

In each quarter, we will list on our website the performance of each individual bus and streetcar route, 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 Manager sessions in each quarter. 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:***

- Eight “Meet the Managers” sessions were conducted during Q3 at the following stations: Spadina, Queen’s Park, Pape (three), Dundas, Eglinton, and Islington. Feedback was received from customers on a variety of issues, both positive and negative.
- Five more sessions will be conducted during Q4 at the following stations: St George, Union, Bloor-Yonge, Don Mills, and Victoria Park.
- The third of four rider Town Halls was conducted on September 18 at Metro Hall, in partnership with “TTCriders”. 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**

Providing you with the latest and most comfortable vehicles.

***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.

***Why we did not meet our commitment: Accept delivery of five new Toronto Rocket trains***

- Due to production issues on the vehicle suppliers’ production line we only received delivery of 4 train sets in the third quarter.

***Our commitment: Accept deliver of two additional low-floor streetcars***

By the third quarter, we will receive another two prototype low-floor streetcars, which will help expedite the testing process so that we can have the new streetcar in service in 2014.

***How we met our commitment:***

- Two additional prototype low-floor streetcars were received, bringing the total of prototype low-floor streetcars to three.
- All three streetcars are currently undergoing testing.

***Our commitment:***

In the third quarter, we will receive a prototype model of a new, and larger “bendy bus” for testing purposes. We expect to receive 26 new-model articulated buses in the fourth quarter or the first quarter of next year. These articulated buses will help us meet ridership demand on some of our busiest bus routes.

***How we met our commitment:***

- A prototype “bendy bus” was received and is currently going through testing and final configuration.



## **Accessible and Modern**

Modernizing and upgrading our facilities to better meet your expectations and so that everyone can use them.

### ***Our commitment: Begin the Coxwell Station Easier Access Project***

By the third quarter, the construction phase of the Coxwell Station Easier Access Project will begin. Scheduled for completion in 2015, the station will include two new elevators and will be accessible.

### ***How we met our commitment:***

Construction on Coxwell Station Easier Access started in September with fire alarm replacement, Enbridge gas utility relocation and electrical work.

## **Clean**

Maintaining and improving 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 79% of the stations.

### ***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 stations by making them brighter.

### ***How we met our commitment:***

- The work of washing light fixtures and replacing lights was completed at 20 stations during the third quarter.
- Work was completed at the following stations: Sherbourne, Ossington, High Park, Dundas West, Dupont, St. Clair, Summerhill, Rosedale, Yonge/Bloor, Scarborough Centre, McCowan, Kennedy, Coxwell, Don Mills, Eglinton, Davisville, York Mills, Lawrence, Main Street, and Runnymede.

## 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 8 (August 31), total revenues were \$7.5 million (1%) below budget primarily due to 1.9 million (0.5%) fewer customer journeys than planned and a slightly lower average fare (0.98¢ or 0.5%) stemming from marginally higher (about 1%) monthly pass sales. Over the same time period, expenses were \$16.6 million (1.6%) below target, largely due to savings on diesel prices and utilities and the timing of certain non-labour expenses.

(millions)	Projection	Budget	Variance
<b>2013 TTC Operating Budget</b>			
Customer Journeys (Ridership)	527	528	(1.0)
Revenue	\$1,122.4	\$1,130.0	(\$7.6)
Expenses	\$1,533.4	\$1,541.0	(\$7.6)
Subsidy Required	\$411.0	\$411.0	-
Subsidy Available	\$411.0	\$411.0	-
Surplus/(Shortfall)	-	-	-

While there is currently no projected overall year-end subsidy variance, the projected \$7.6 million revenue shortfall will be offset by projected reductions in expenditures. The following significant projected revenue and expense variances should be noted:

#### Passenger Revenues: \$9 million decrease

The number of customer journeys for the year is expected to be marginally (about 1 million) below target. Additionally, as noted in previous reports, higher than anticipated monthly pass sales continue to cause a slight decline in the average fare. Consequently, it is estimated that passenger revenues will fall about \$9 million below budget by the end of the year.

#### Other Employee Costs: \$5 million decrease

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

#### Diesel Fuel: \$4.4 million decrease

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

#### Utilities: \$1.8 million decrease

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

#### Workforce Gapping: \$6.8 million increase

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

#### Accident Claims settlements: \$9 million increase

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

## 4.2 - Wheel-Trans Operating Budget

### 2013 Year-to-Date Results

To the end of Period 8 (August 31), total revenues were slightly (\$89K or 2.4%) above budget, primarily due to 19K (1%) additional customer journeys made. Over the same time period, expenses were below target by \$832K (1.2%), primarily due to savings on diesel (lower prices and bus service operated) and workforce gapping.

(millions)	Projection	Budget	Variance
<b>2013 Wheel-Trans Operating Budget</b>			
Customer Journeys (Ridership)	2.914	2.877	0.037
Revenue	\$5.7	\$5.6	\$0.1
Expenses	\$102.7	\$102.4	\$0.3
Subsidy Required	\$97.0	\$96.8	\$0.2
Subsidy Available	\$96.8	\$96.8	-
Surplus/(Shortfall)	(\$0.2)	-	(\$0.2)

Currently, a subsidy shortfall in the order of \$0.2 million (0.2%) 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 8 (August 31) reflect lower than projected activity and 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
<b>2013 Capital Program Budget</b>			
Base Program Total Costs	\$828.2	\$878.8	(\$50.6)
TYSSE Project	\$455.5	\$660.5	(\$205.0)

#### Base Capital Expenditures: \$50.6 million under

The current projected spending on the base capital program reflects expectations of being slightly under budget (under spending of \$50.6 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: \$12.1 million under

The schedule has slipped due to delay in design refinement.

##### Purchase of Buses: \$14.8 million under

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

##### Purchase of Subway Cars: \$44.2 million over

Slippage of milestone payments, PST, and escalation from 2012 to 2013.

##### Legacy LRVs: \$15.9 million over

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

##### PRESTO / TTC Farecard Project: \$10.3 million under

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

#### TYSSE Project Expenditures: \$205.0 million under

The project schedule has been negatively impacted by less than expected contractor performance and other earlier issues. Schedule concerns remain on all major facilities contracts and may be compounded by ongoing Tunnel Boring Machine (TBM) maintenance issues. Staff continues its efforts to minimize the impact of potential schedule delays and to improve overall contractor performance.

## **Part 5 - Critical Projects**

### **5.1 Toronto Rockets and Rail Yard Accommodation**

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

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

Forty-one trainsets have been accepted for revenue service to date. This marks the acceptance of the second trainset for the 21 H-6 replacement trainset option after the Acceptance of Trainset 39 on August 6, 2013. Trainset 39 marked a milestone of the TR project as it represented completion of the original base order of 39 trainsets.

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 revised delivery schedule is being worked on for implementation as early as logistics would allow.

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

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

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

### **5.2 Streetcar Program and Maintenance & Storage Facility**

#### **Streetcar Procurement**

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 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 (CLR) and an Articulated Light Rail Vehicle (ALRV) have also been conducted. Dynamic clearance testing 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 are undergoing 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.

As part of the technology verification program, Car 4400 was transported from TTC's Hillcrest yard to the National Research Council in Ottawa for climate room tests on July 23, 2013. The climate room tests included verification of system and component operation and performance, including HVAC capacity, under specified duty cycles and an extreme temperature range for Toronto. The tests concluded in mid-September. Valuable performance data have been collected. Necessary improvements have been identified for incorporation into the production vehicle configuration baseline.

Also on July 23, a Media Ride event was organized by Corporate Communications. Most of the City's TV, radio and print media participated. The media was taken from Hillcrest to Bathurst Station and back, with time allocated for vehicle walk-through discussions and ramp deployment. The Ride and the associated positive reports have generated considerable excitement in the City for the next generation of streetcar service.

Based on the prototype test results, a baseline vehicle configuration will be established for production vehicles, scheduled for delivery beginning in late 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 in January 2012.

2. Hydro One Cable Relocation

The contract was completed in July 2013.

3. Leslie Barns Maintenance and Storage Facility

This contract consists of the construction of the maintenance facility and storage yard on the site. The contract was awarded on April 12, 2012 with completion in June 2014. The contract is trending towards completion on budget; however delays to the scheduled substantial completion date of June 2014 have been identified. The contractor has been requested to develop a recovery schedule to mitigate the delay. A recovery schedule has been received and is under review.

#### 4. Leslie Street Connection Track

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

The Leslie Street Connection Track budget is trending towards a budget shortfall of \$60M mostly due to extensive utility work including: relining or replacing existing storm and sanitary sewers, replacing an existing watermain and enhanced streetscape and landscape work. City Finance is aware of the increase and the shortfall will be addressed in the TTC's 2014-2023 capital budget.

##### *Landscape Enhancements - Lake Shore Boulevard to the Leslie Street Spit*

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

##### *Decorative Hydro and Street Lighting Poles*

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

##### *Communications Strategy*

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

The Construction Liaison Group (CLG), comprised of local businesses and residents, school representatives, and local councillors, had its third meeting on September 30, 2013. The CGL, 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 Leslie Barns project summer newsletter was issued on July 19, 2013. The Leslie Twitter page was launched for the project in June. The Community Liaisons will continue to hold one-on-one meetings with local businesses and respond to emails, phone calls and walk in questions and concerns from the public.

### **5.3 Station Enhancements**

#### **Union Station**

The new concourse was partially opened to the public in May 2013 and the excavation of the second half of the new platform has begun. Project is on schedule for completion in early 2015.

### **Dufferin Station**

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

### **Pape Station**

The station was closed for 12 days from August 19, 2013 to August 30, 2013 to advance construction. The station reopened on schedule with a positive reaction from customers. The main station is expected to be completed with elevators to make the station accessible in October 2013. The second exit is expected to be completed by the end of 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 elevator construction at Lawrence West Station is ongoing with completion slated for 2014. The Woodbine Station contract has been tendered and work is expected to start in early 2014. The St. Clair West Station contract is expected to be tendered shortly with work commencing by early 2014. The design of Coxwell Station is nearing completion and construction of enabling works has commenced.

## **5.5 Toronto-York Spadina Subway Extension Project**

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

Overall progress is good. One exception is the Sheppard West Station (Downsview Park Station) and Southern Tunnels contract where progress has improved but remains too slow to recover previously lost time. Most significantly, progress on the Steeles West Station (Pioneer Village Station) contract has not improved over the last few weeks. The continuing slow progress of this contract is now a serious issue with the contractor. Efforts with the management of these two contractors to improve advancement of the 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 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.