TORONTO TRANSIT COMMISSION
REPORT NO.

MEETING DATE: February 24, 2014

SUBJECT: Chief Executive Officer's Report – February 2014 Update

ACTION ITEM

RECOMMENDATION

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

DISCUSSION

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

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

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

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February 11, 2014
42-81
Attachment: Chief Executive Officer's Report

TORONTO TRANSIT COMMISSION

CHIEF EXECUTIVE OFFICER'S REPORT

FEBRUARY 2014 UPDATE

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TORONTO TRANSIT COMMISSION – MONTHLY SCORECARD

Key Performance Indicator	Description	Frequency	Latest Measure	Current	Target	Current Status	Trend	Ref. #
CSS	Customer Satisfaction Survey	Quarter	Q4	74%	TBD		↓	2.2
Customer Journeys	Customer Trips	Period	P12	40.957M	41.545M		↓	2.3
Punctuality – Subway and Scarborough Rapid Transit (SRT)								
Yonge-University-Spadina	Headway + 3 minutes	Period	P12	91.6%	96.0%		↓	2.4.1
Bloor-Danforth	Headway + 3 minutes	Period	P12	96.0%	97.0%		↓	2.4.1
Sheppard	Headway + 3 minutes	Period	P12	99.1%	98.0%		↓	2.4.1
SRT	Headway + 3 minutes	Period	P12	97.0%	96.0%		↓	2.4.2
Punctuality – Bus, Streetcar, and Wheel-Trans								
Bus	Headway +/- 3 minutes	Period	P12	63.7%	65.0%		↓	2.5.1
Streetcar	Headway +/- 3 minutes	Period	P12	68.5%	70.0%		↓	2. 5.2
Wheel-Trans	Within 10 minutes of schedule	Period	P12	83.4%	90.0%		↓	2.5.3
Safety and Security								
Lost Time Injuries	Injuries / 100 Employees	Period	P12	4.65	TBD		↓	2.6.1
Customer Injuries	Injury incidents / 1M Vehicle Boardings	Period	P12	1.86	NA		↓	2.6.2
Behavioural Safety Index	Safety Focused Behaviour	Period	TBD					2.6.3
Offences against Customers	Assault, theft, other	Period	P12	32	NA		↓	2.6.4
Offences against Staff	Assault, threat, other	Period	P12	30	NA		↔	2.6.5
People								
Attendance	Employee Absence	Period	P12	8.12%	< 6.50%		↑	2.7.1
Operator Hires	Actual vs. Budget	Period	P12	0	0		↑	2.7.2

TORONTO TRANSIT COMMISSION – MONTHLY SCORECARD

Key Performance Indicator	Description	Frequency	Latest Measure	Current	Target	Current Status	Trend	Ref. #
Device Availability								
Elevators	% Elevators Available	Period	P12	96.7%	98.0%			2.8.1
Escalators	% Escalators Available	Period	P12	97.1%	97.0%			2.8.2
Fare Purchase Opportunity	% TVM's / PVM's Available	Period	P12	96.9%	96.4%			2.8.3
Mystery Shopping and Audits								
Station Cleanliness	Cleanliness Audit Score	Quarter	Q4	71.0%	75.0%			2.9.1
Vehicle Cleanliness	Cleanliness Audit Score	Quarter	TBD					2.9.2
Information MSS	Customer Announcements Score	Quarter	TBD					2.9.3
Staff Helpfulness MSS	Welcoming Staff Score	Quarter	TBD					2.9.4
Financials								
TTC Revenue	Actual vs. Budget	Period	P1-11	$1032.3M	$1039.8M			4.1
TTC Operating Expenditure	Actual vs. Budget	Period	P1-11	$1379.0M	$1411.1M			4.1
Wheel-Trans Revenue	Actual vs. Budget	Period	P1-11	$5.2M	$5.1M			4.2
W-T Operating Expenditure	Actual vs. Budget	Period	P1-11	$93.8M	$94.3M			4.2
Capital Expenditure – Base	Actual vs. Budget	Period	P1-11	$523.2M	$781.8M			4.3
Capital Expenditure – TYSSE	Actual vs. Budget	Period	P1-11	$339.9M	$629.2M			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

<u>Note:</u>

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

Our Five-Year Corporate Plan to modernize the TTC from top to bottom involves a lot more than the purchase of new vehicles and renewal of infrastructure. We must also re-engineer our processes so that decisions are customer-led rather than production-led. I want my team to always have the customer in mind in everything we do, rather than having procedures that are, or that appear to be, designed for our own convenience. The other challenge is to transform the leadership culture at the TTC so that local issues are effectively and proactively managed and so that, ultimately, satisfied customers and motivated TTC employees enjoy a more positive and mutually respectful relationship.

A key part of our transformation has been to instill a culture of accountability and transparency in everything we do. To facilitate this, we hold regular "Meet the Manager" sessions across the TTC network where customers can meet and give direct feedback to me and my senior team. We also post "explainer" videos on our YouTube channel to keep customers informed about the TTC and why we do what we do. We also post daily, monthly, and quarterly performance statistics on our website so that you can hold us to account on our stated commitments. For the TTC to succeed, staff need to know about, and embrace the principles and detail of our five-year Corporate Plan. To that end, I have personally led a nine-month long series of around 80 employee town halls across all departments of the TTC. At these sessions, I have stressed the need for all TTC staff to up their game as we review and overhaul every aspect of our operation. Much remains to be done but I am determined to transform the TTC and to deliver a transit system that makes Toronto proud.

Customer journeys (ridership) and passenger revenues were marginally below target for 2013. This was primarily due to the combined effects of several severe winter storms in February, the rain storm and flood aftermath in July, the ice storm in December, and decreases in the average fare that mostly stem from ongoing monthly pass sales growth.

Subway punctuality on the Yonge-University-Spadina and Bloor-Danforth lines was below target; much of the decrease in performance was due to the December 2013 ice storm and its aftermath. Punctuality remained above target on the Sheppard line. SRT punctuality continued ahead of target.

Bus punctuality, streetcar punctuality, and Wheel-Trans punctuality each decreased and remained below target.

Employee absence remained above target. The long-term trend of period results being consistently lower than the comparable prior-year period has begun to soften.

Elevator availability fell below target due to station power outages resulting from the ice storm. Escalator availability and TVM/PVM availability were each above target.

On the financial side, for the TTC and Wheel-Trans Operating Budgets and for the Capital Budget, unaudited results reflecting year-end 2013 will not be available until the CEO's Report for March is released. As a result, the information in Sections 4.1, 4.2, and 4.3 of this report remains unchanged from the results to the end of Period 11 2013 (as reported in the January 2014 CEO's Report).

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

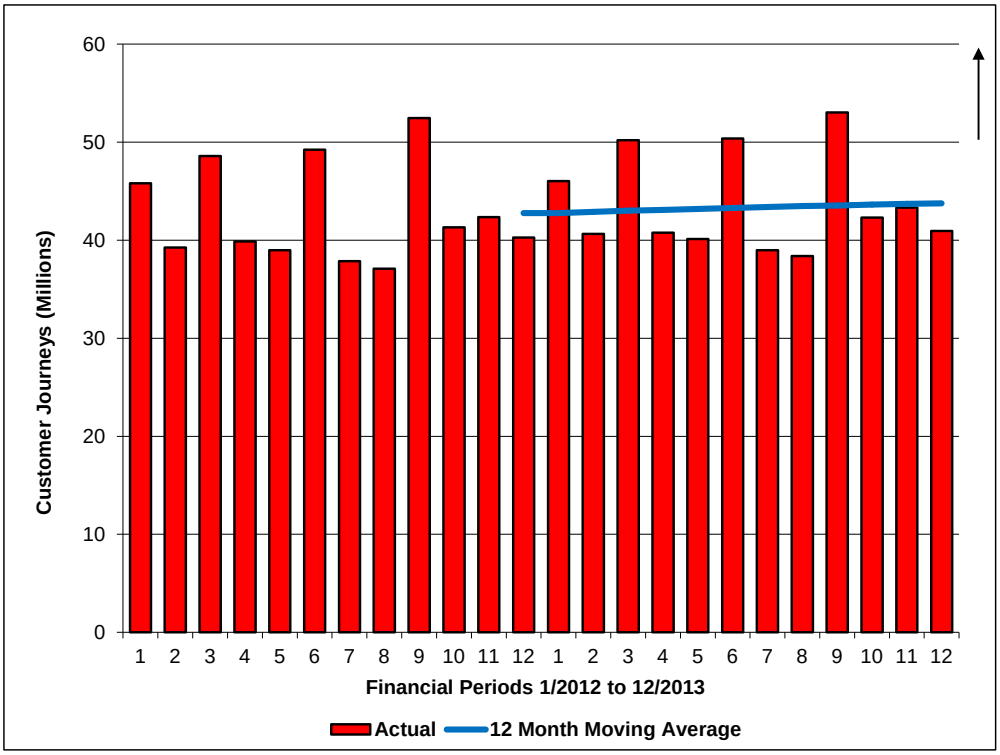
2.2 – Customer Satisfaction Survey

The Q4 2014 Customer Satisfaction Survey indicates an overall customer satisfaction rating of 74%. This was a slight decline in overall satisfaction compared to Q3 2013 (75%), but the Q4 value is marginally higher than the comparable period in 2012 (72%).

There were also some positive trends with several aspects of TTC service. TTC customers noted improvements for Q4 in the following areas: cleanliness of subway stations, availability of staff in subway stations, and cleanliness of subway and bus vehicles. Negative trends for Q4 were evident in the following areas: subway and streetcar journey time, crowding on streetcars, and streetcar wait times.

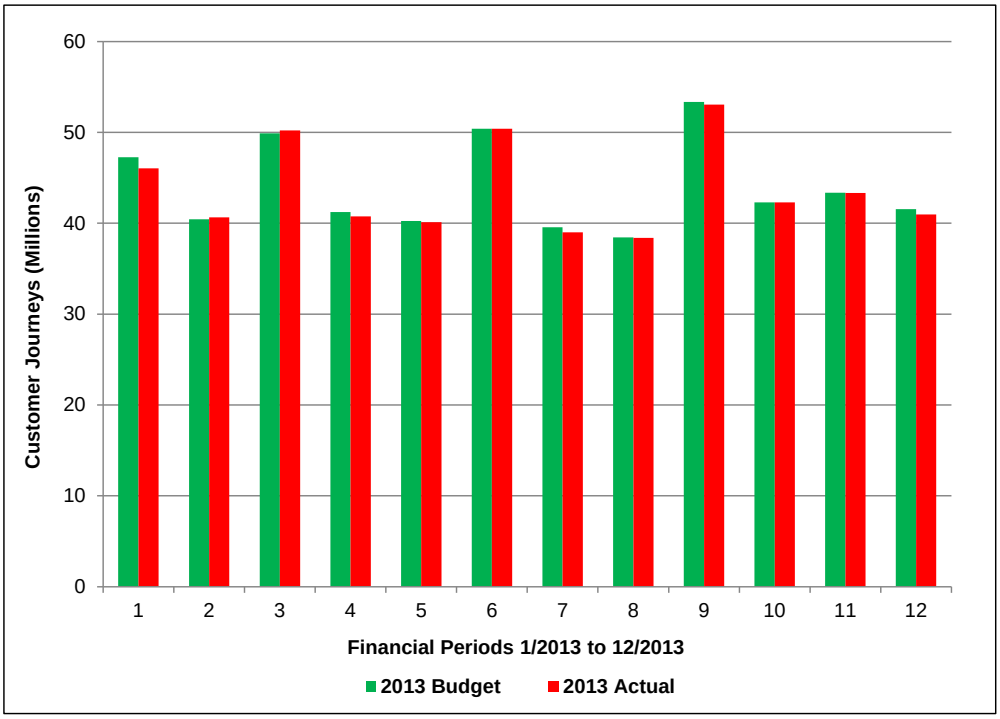
The results for Q4 2013 will be presented at the February Board meeting.

2.3 – Customer Journeys



There were 40.957M customer journeys (ridership) taken during Period 12 2013, which was 0.677M (+1.7%) more than the 40.280M journeys taken during Period 12 2012.

The annual number of customer journeys to the end of Period 12 2013 was 525.194M, which was 12.071M (+2.4%) more than the 513.123M annual journeys taken to the end of Period 12 2012.



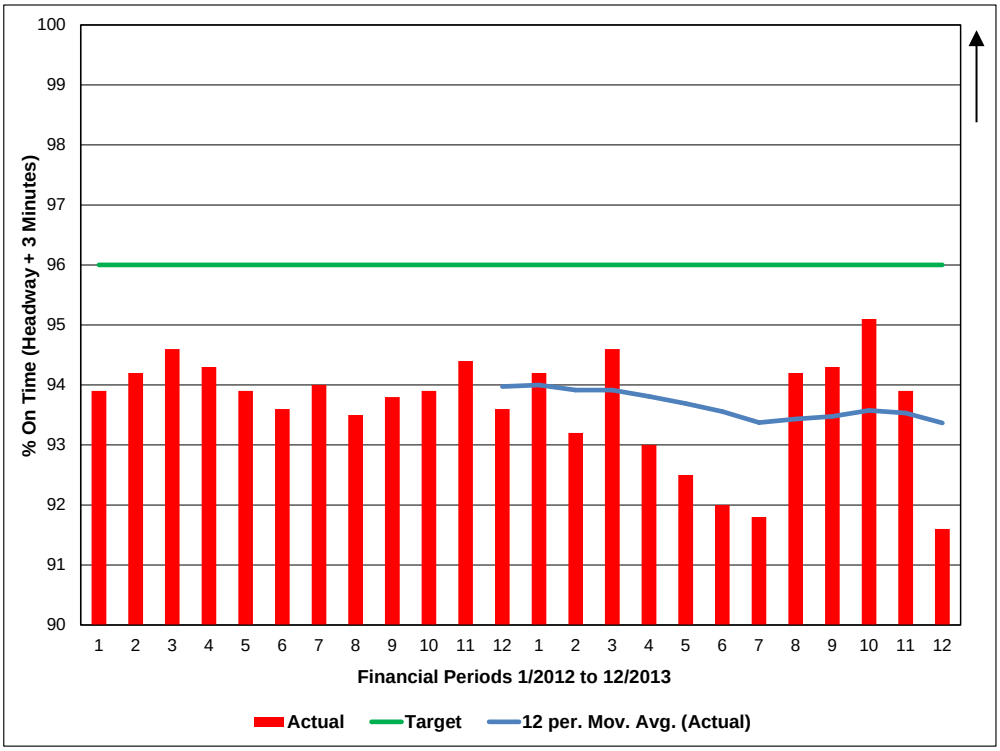
There were 40.957M customer journeys taken during Period 12 2013, which was 0.588M (-1.4%) less than the budget of 41.545M journeys.

The number of customer journeys taken year-to-date to the end of Period 12 2013 was 525.194M, which was 2.806M (-0.5%) less than the budget of 528.000M journeys.

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

2.4.1 – Subway

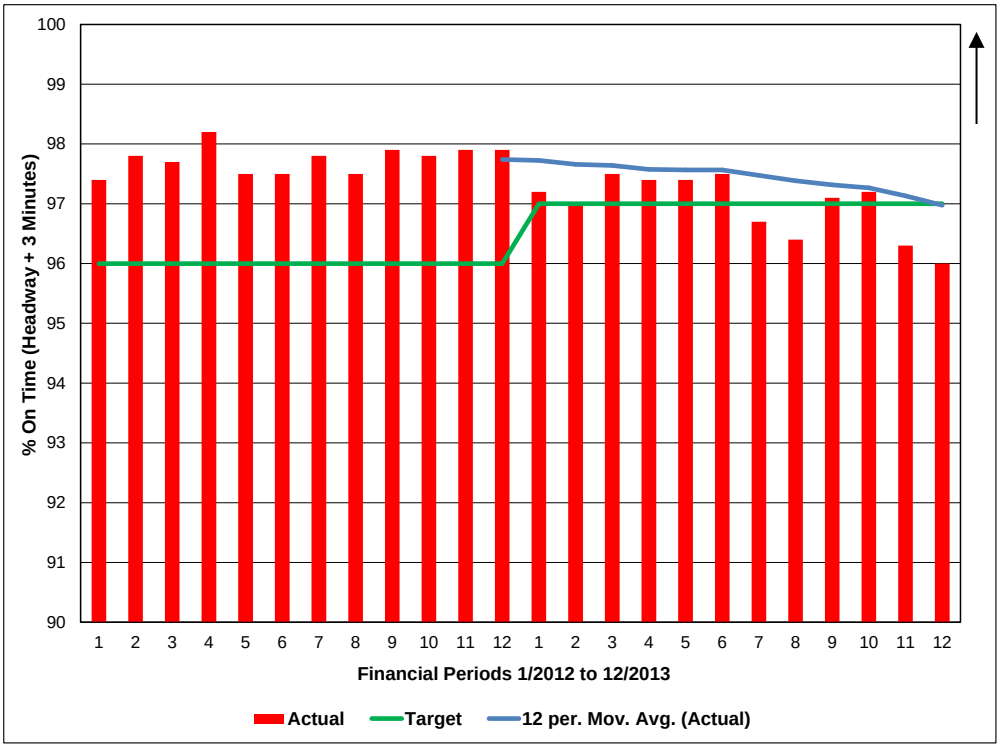
Yonge-University-Spadina Line



Performance in Period 12 decreased to the lowest point in two years. This was attributable to much higher than average service delays. Some of the challenges faced included a Toronto Rocket fleet check, a shooting incident at Queen Station, and the ice storm.

Various initiatives to improve performance are in progress including developing new KPIs to better understand the root causes of poor performance and working with internal partners to both mitigate the impact of delays and to identify opportunities to improve subway scheduling.

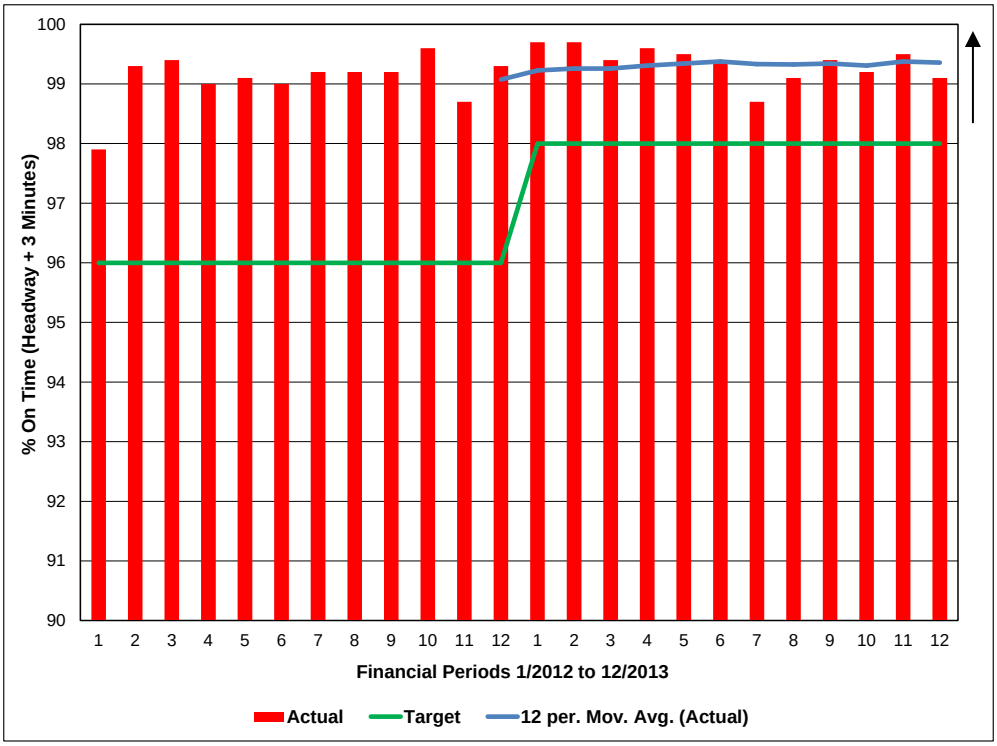
Bloor-Danforth Line



Performance in Period 12 fell below target for the second consecutive period. This was attributable to increases in delay incidents, particularly in the latter part of the period related to weather, and increases in speed control incidents as the program continues its roll-out onto the BD line.

Efforts are being focused on both increasing Operator familiarity with the speed control system to try to decrease the frequency of emergency brake incidents and working with internal partners to decrease the number of staff-related delays.

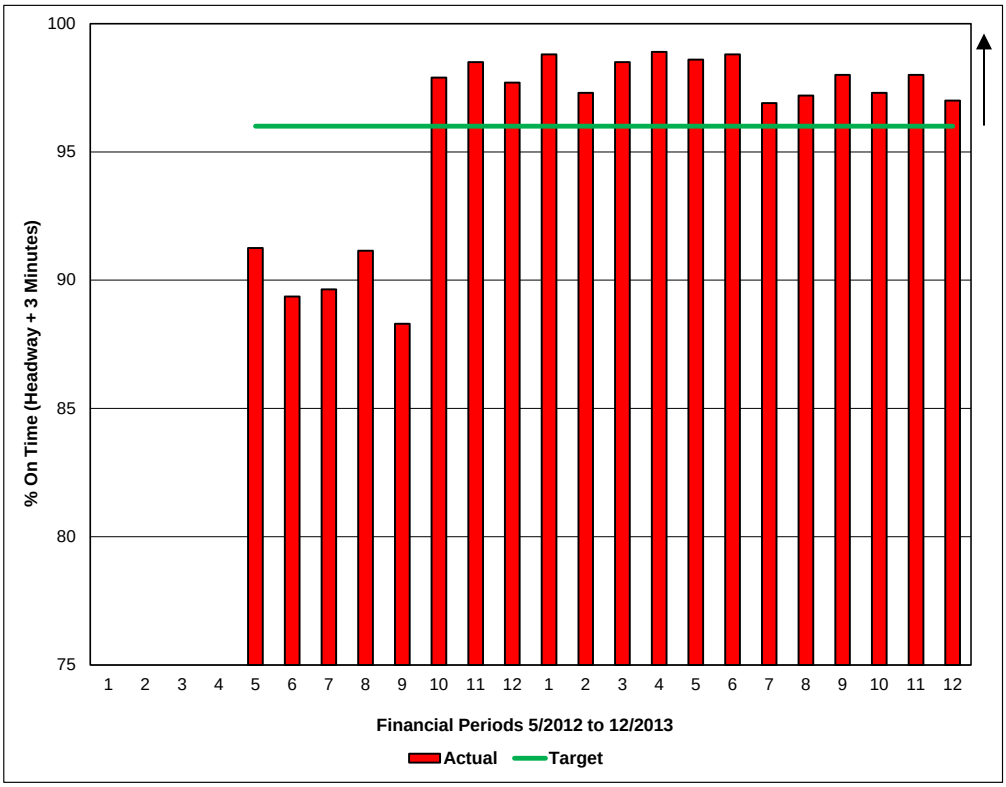
Sheppard Line



Performance continued well above target in Period 12.

Of note in Period 12 was the inability to operate the line as a result of power loss from the ice storm, which caused 2,891 minutes of delay.

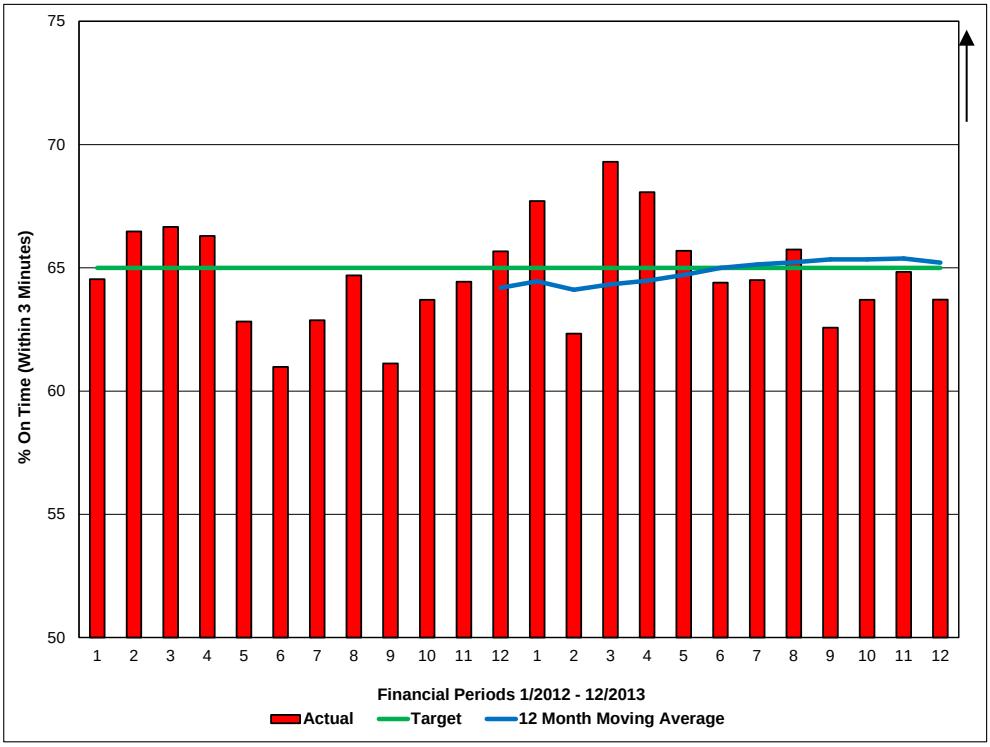
2.4.2 – SRT



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

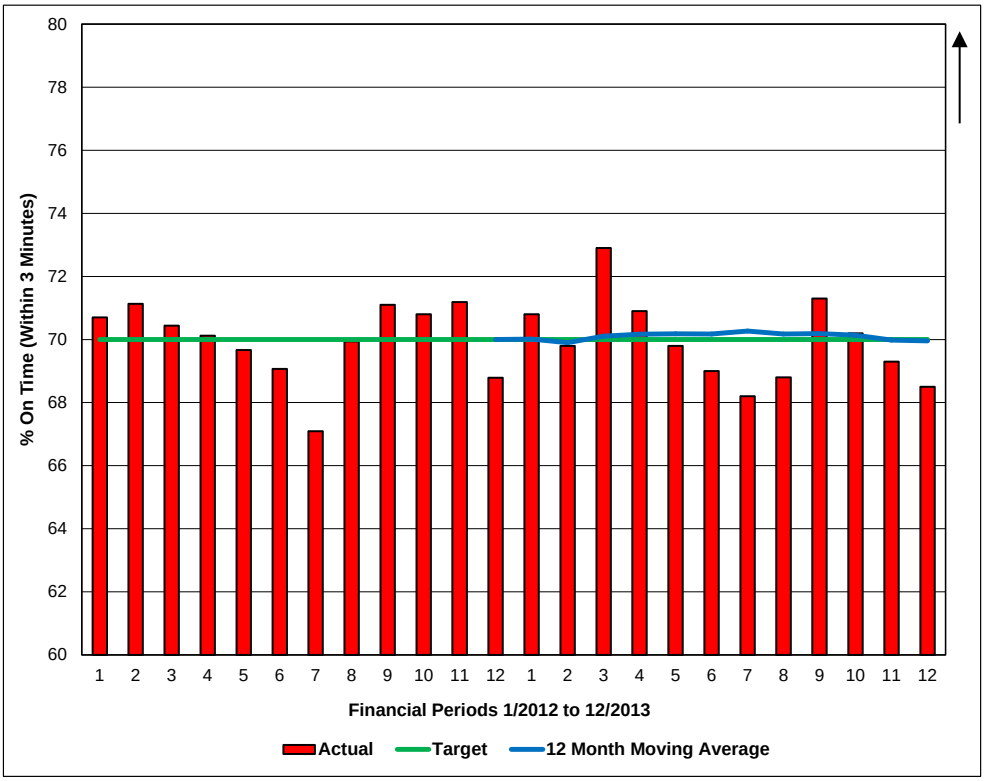
2.5.1 – Bus



Performance decreased in Period 12 after having increased for two consecutive periods.

The decrease in performance was mainly attributable to heavy snowfall on December 14/15 and the ice storm. These events required the use of buses to replace and supplement streetcar and subway services, which negatively impacted the delivery of a high-level bus service.

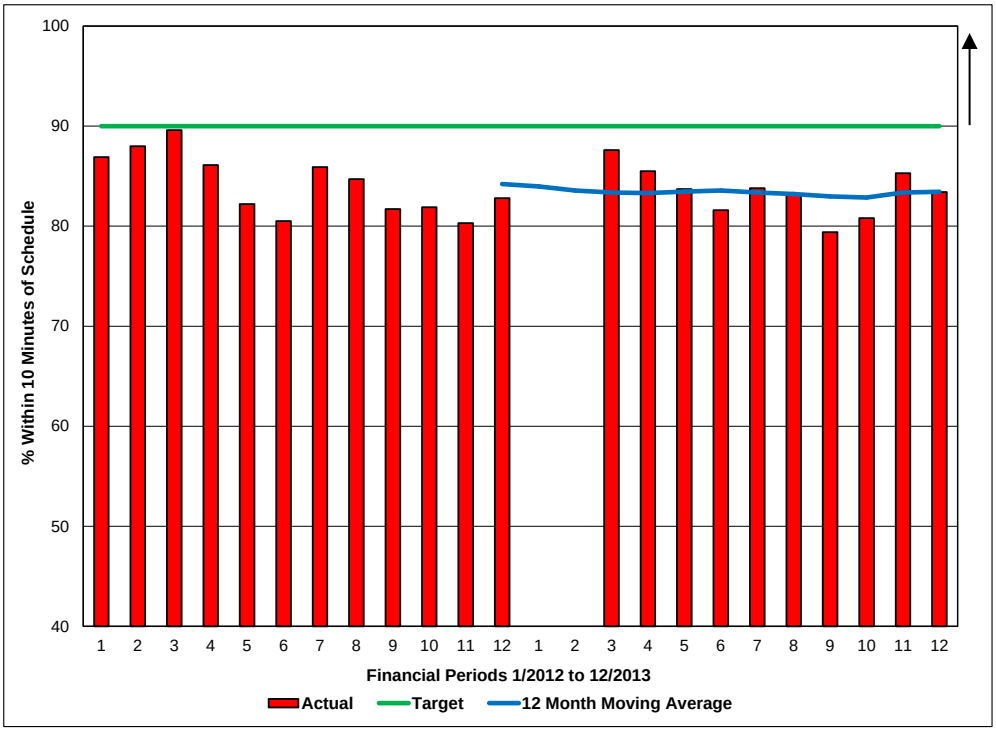
2.5.2 – Streetcar



Performance decreased in Period 12 for the third consecutive period.

The decrease in performance was attributable to severe cold weather and the ice storm, which resulted in increased service cancellations due to unavailability of streetcars.

2.5.3 – Wheel-Trans



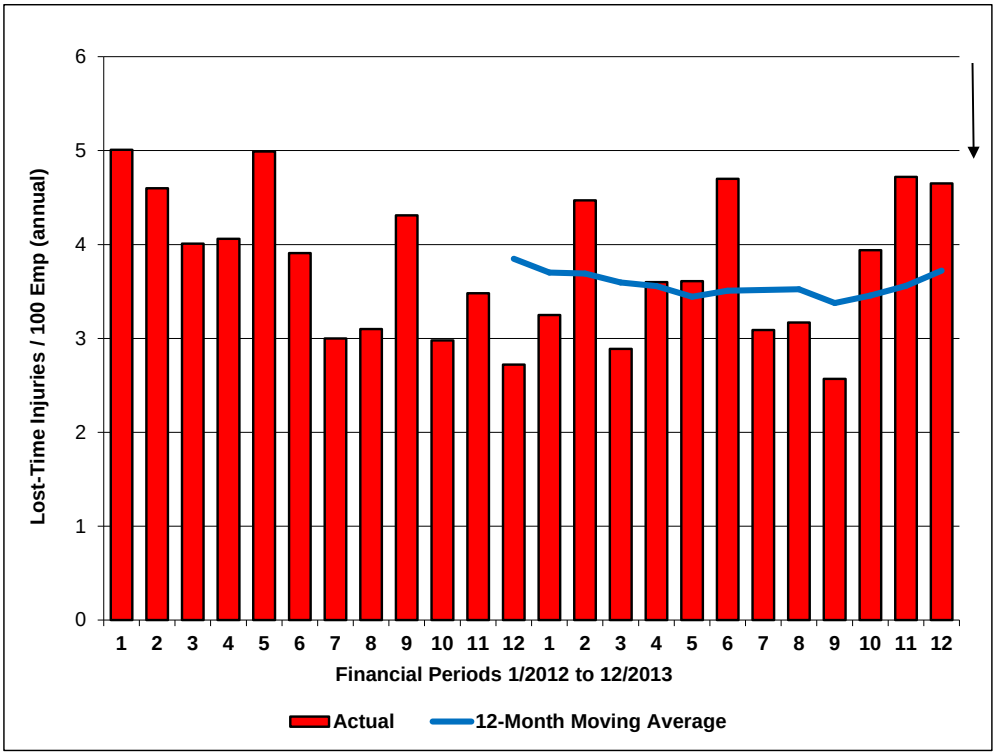
Performance decreased in Period 12 after having increased for two consecutive periods.

The decrease in performance was mainly attributable to the severe cold weather and ice storm.

Despite this decrease, there was an improvement over the corresponding period in 2012. This improvement was attributable to daily service reviews and quicker responses to events.

2.6 – Safety and Security

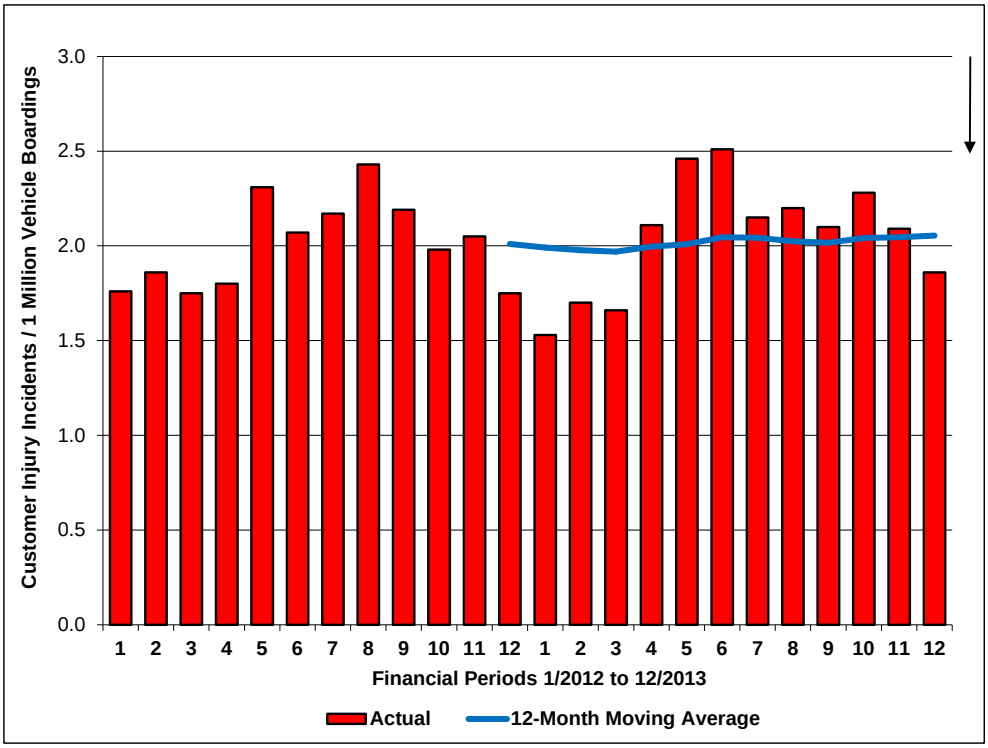
2.6.1 – Lost-Time Injuries (Annual Injuries / 100 Employees)



The annualized lost-time injury rate (LTIR) for Period 12 2013 was 4.65 lost-time injuries per 100 employees, which was 71% higher than the corresponding rate of 2.72 for Period 12 2012.

The moving annual LTIR to the end of Period 12 2013 was 3.72, which was 3% lower than the corresponding rate of 3.85 to the end of Period 12 2012.

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



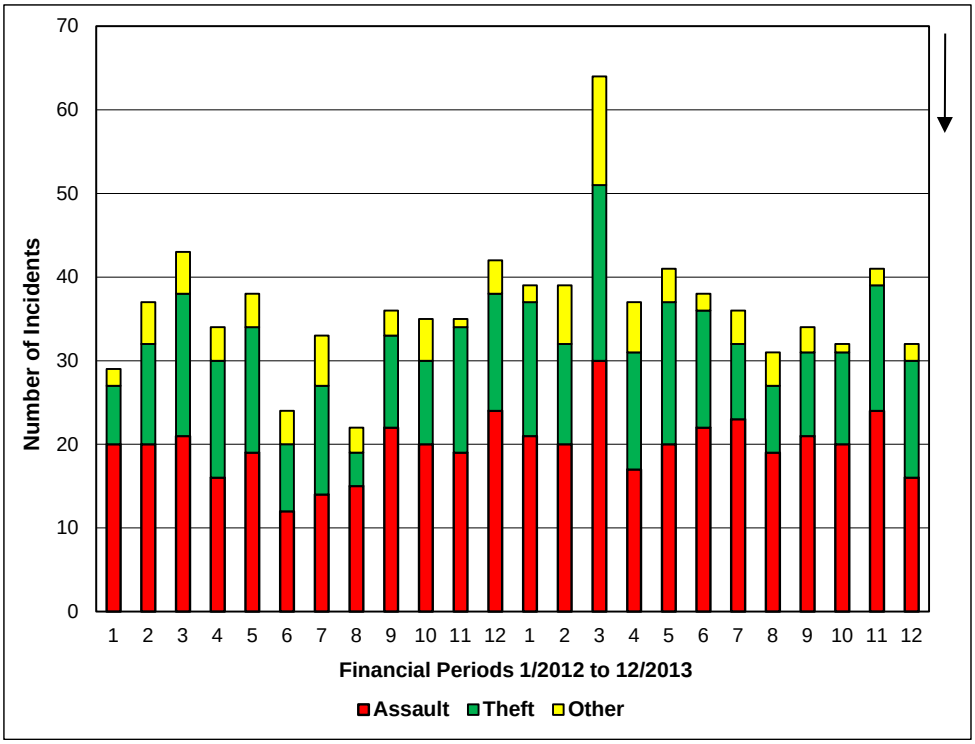
The customer injury incident rate for Period 12 2013 was 1.86 injury incidents per 1 million vehicle boardings, which was 6% higher than the corresponding rate of 1.75 for Period 12 2012.

The moving annual customer injury incident rate to the end of Period 12 2013 was 2.05, which was 2% higher than the corresponding rate of 2.01 to the end of Period 12 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.

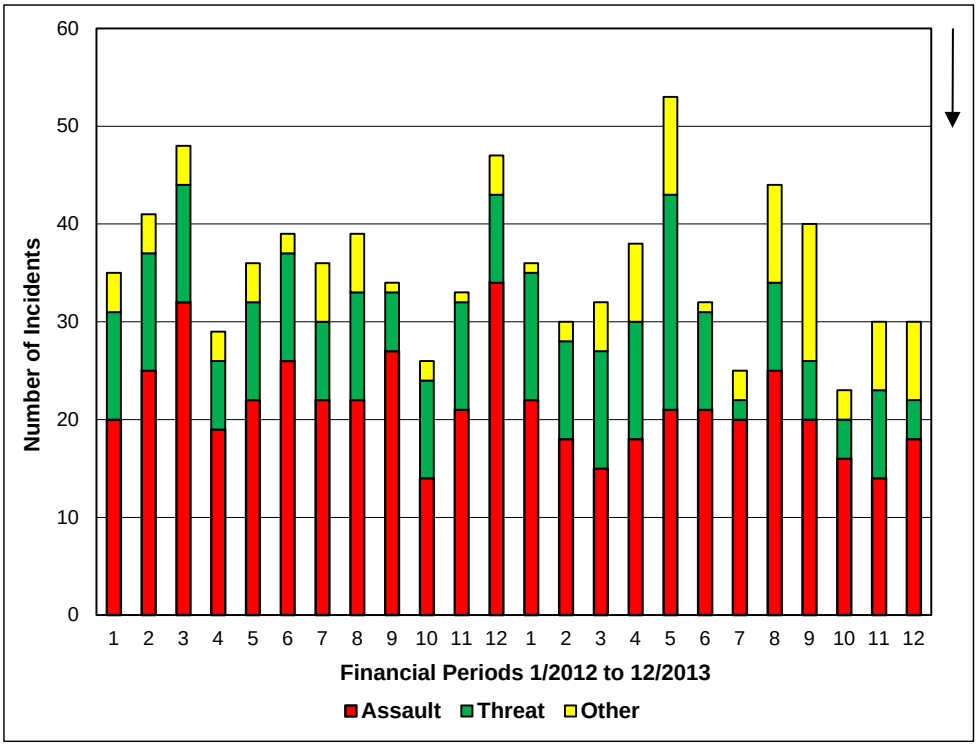
2.6.4 – Offences Against Customers



Total offences against customers decreased in Period 12.

In 2013, there were 56 more offences (464 vs. 408) compared with 2012. This includes 31 more assaults (253 vs. 222), 21 more thefts and robberies (161 vs. 140), and four more 'other' offences (50 vs. 46).

2.6.5 – Offences Against Staff

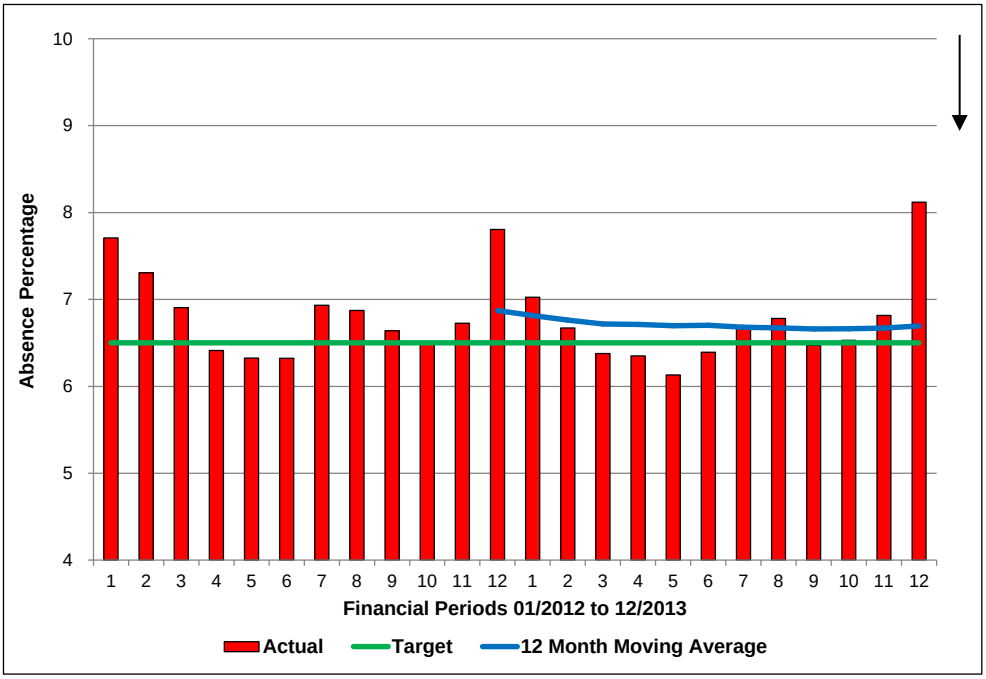


Total offences against staff remained unchanged in Period 12.

In 2013, there were 30 fewer offences (413 vs. 443) compared with 2012. This includes 56 fewer assaults (228 vs. 284), five fewer threats (113 vs. 118), and 31 more 'other' offences (72 vs. 41).

2.7 – People

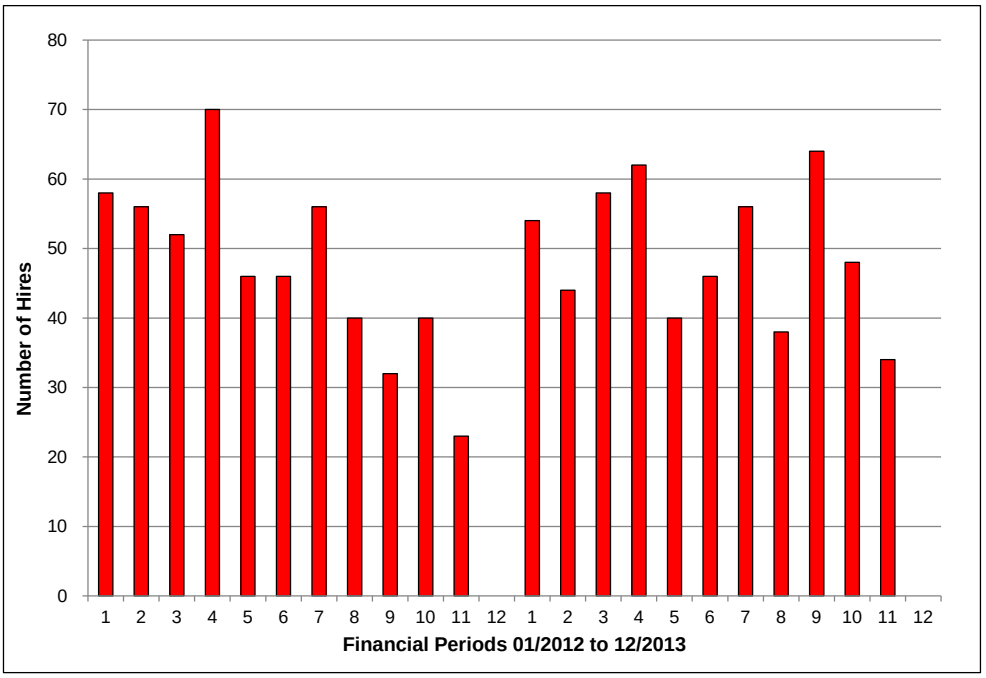
2.7.1 – Attendance



The absence rate in Period 12 increased to 8.12%, remaining above target for the third consecutive period and rising to the highest rate in the past 36 periods.

The long-term absence trend has begun to soften. For each of the past three periods, the results have been higher than the prior-year period. Previous to this, period results had been lower than the prior-year period for 20 of 22 periods.

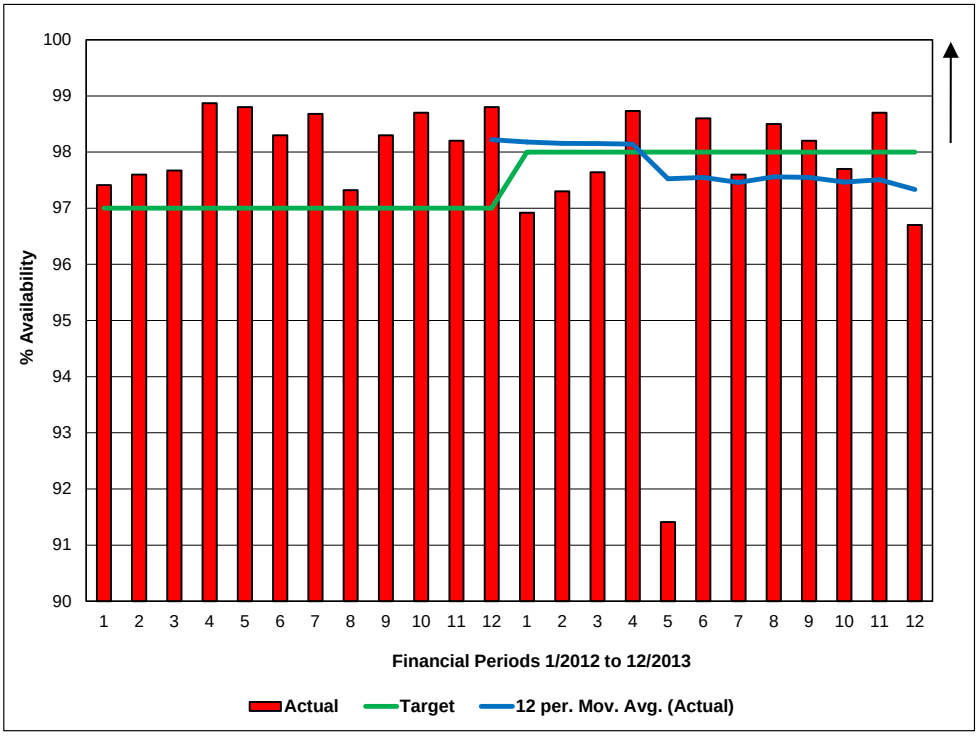
2.7.2 – Operator Hires



In Period 12, no Operators were hired.

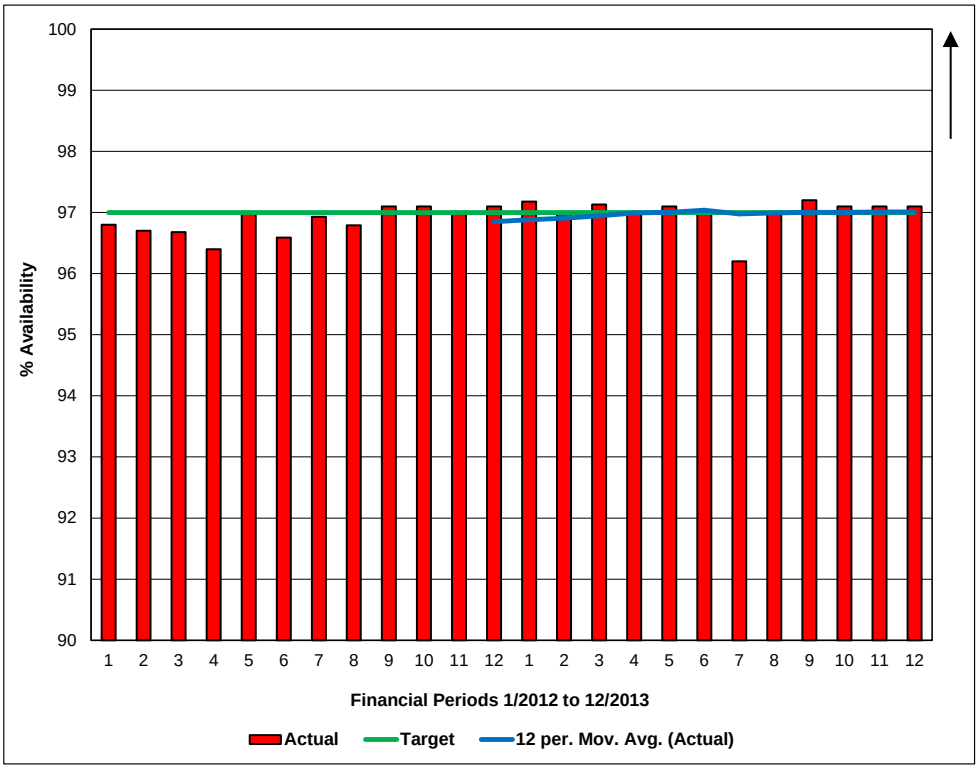
2.8 – Device Availability

2.8.1 – Elevator Availability



Performance in Period 12 fell below target. This was due to uncontrollable stoppages caused by power outages, fire alarm activations, and flooding.

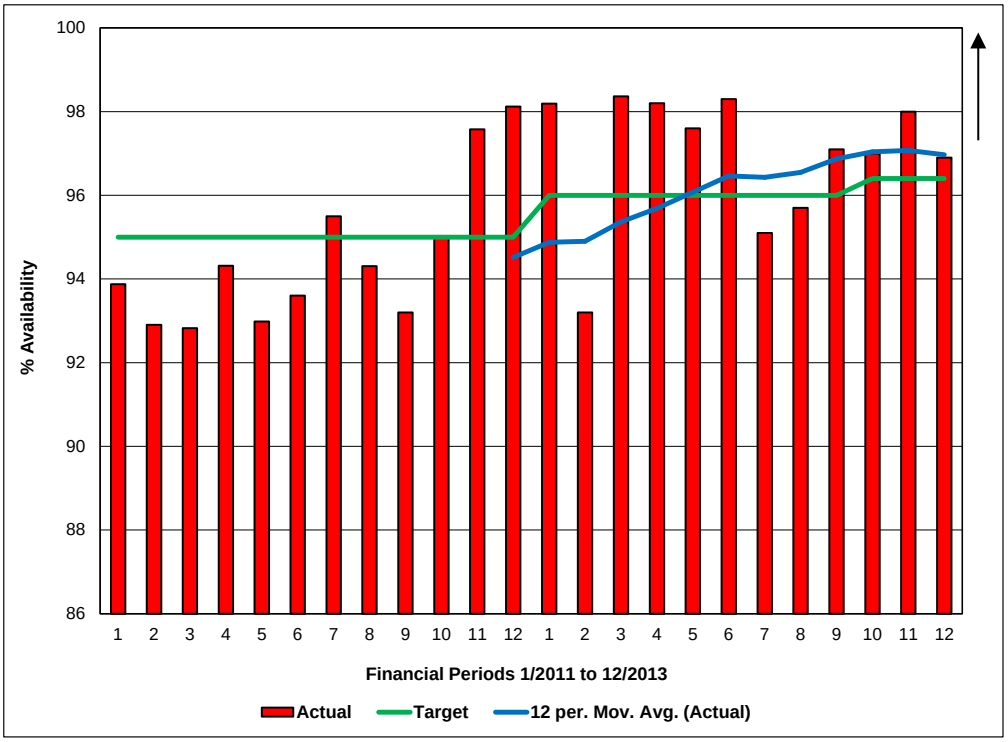
2.8.2 – Escalator Availability



Performance in Period 12 remained on target for the fifth consecutive period.

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

2.8.3 – Fare Purchase Opportunity

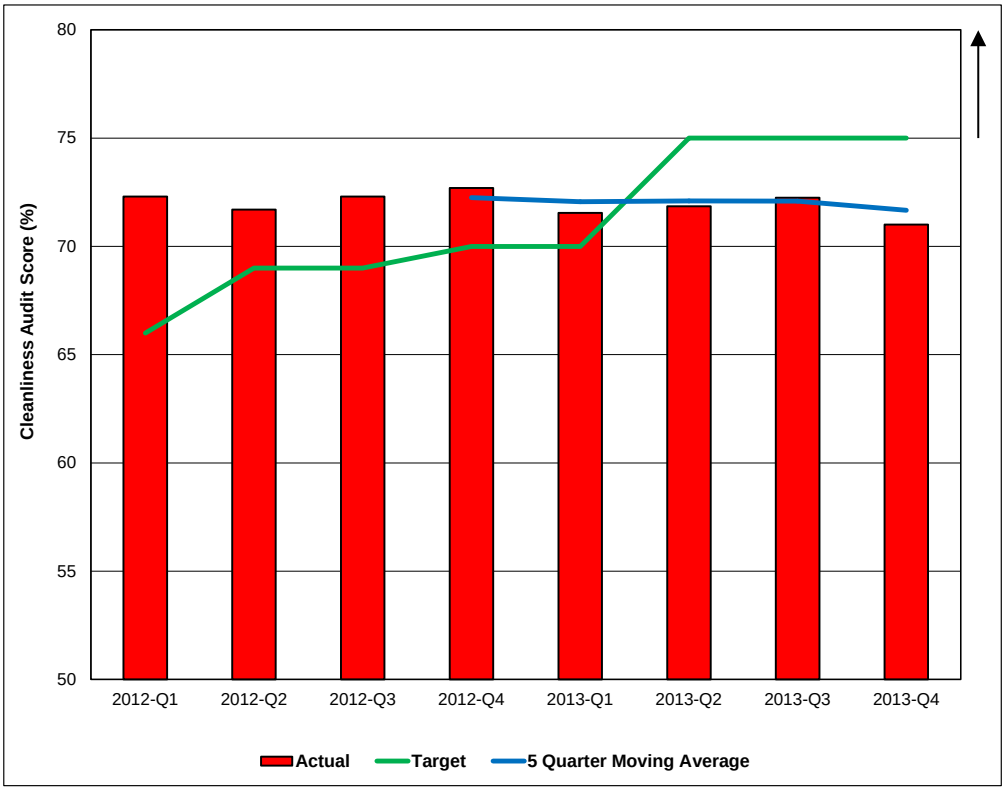


Performance in Period 12 remained above target for the fourth consecutive period.

The slight decrease in overall availability was due to temporary TVM unavailability during the fare increase changeover and PVM hardware issues.

2.9 – Mystery Shopping and Audits

2.9.1 – Station Cleanliness



Performance decreased in Q4 and remained below target.

Severe weather at the time the Q4 audit was conducted in mid-December negatively impacted audit scores.

Station supervision for the janitorial workforce was assumed by the Group Station Managers (GSM) area at the end of November 2013. It is anticipated that subsequent increased supervision by GSM supervisory staff will ensure that higher levels of cleanliness are achieved and sustained.

2.9.2 – Vehicle Cleanliness

The existing cleanliness audit process for vehicles was developed and implemented throughout 2012 and 2013. The audit process is under review to identify improvements in data collection and assessment that will allow a more effective means of identifying root causes and developing action plans to increase vehicle cleanliness. The results of this review are being incorporated into a revised cleanliness audit contract specification. The revised cleanliness audits for buses, streetcars, and subway cars will begin in the second quarter 2014. A revised performance chart will be provided in this section effective with the results for Q2 2014.

2.9.3 – Information MSS

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

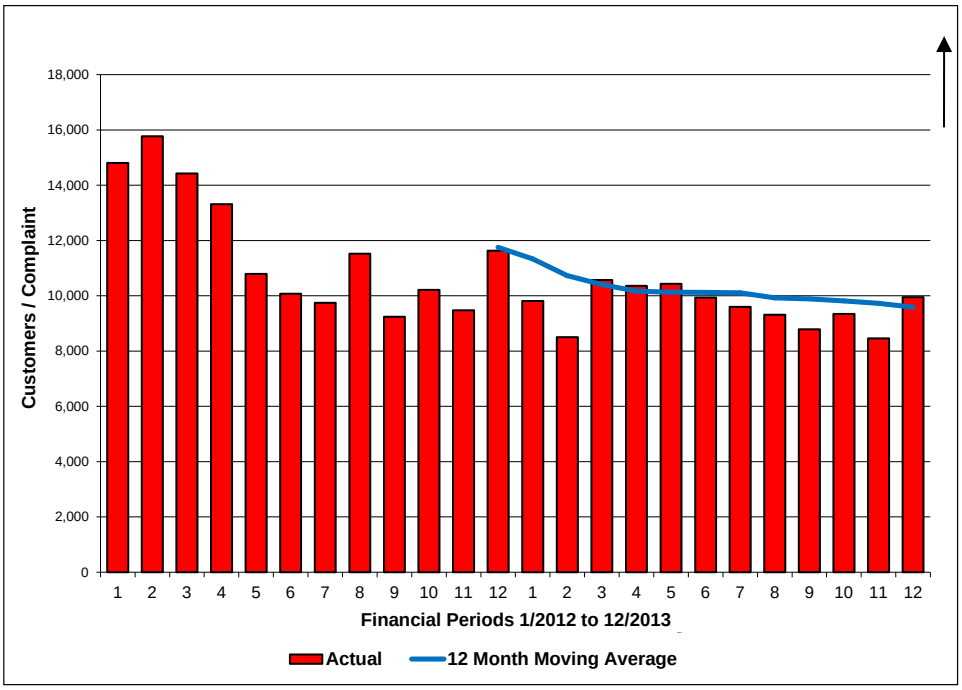
2.9.4 – Staff Helpfulness MSS

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

Part 3 – Customer Measures and Improvement Program Progress

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

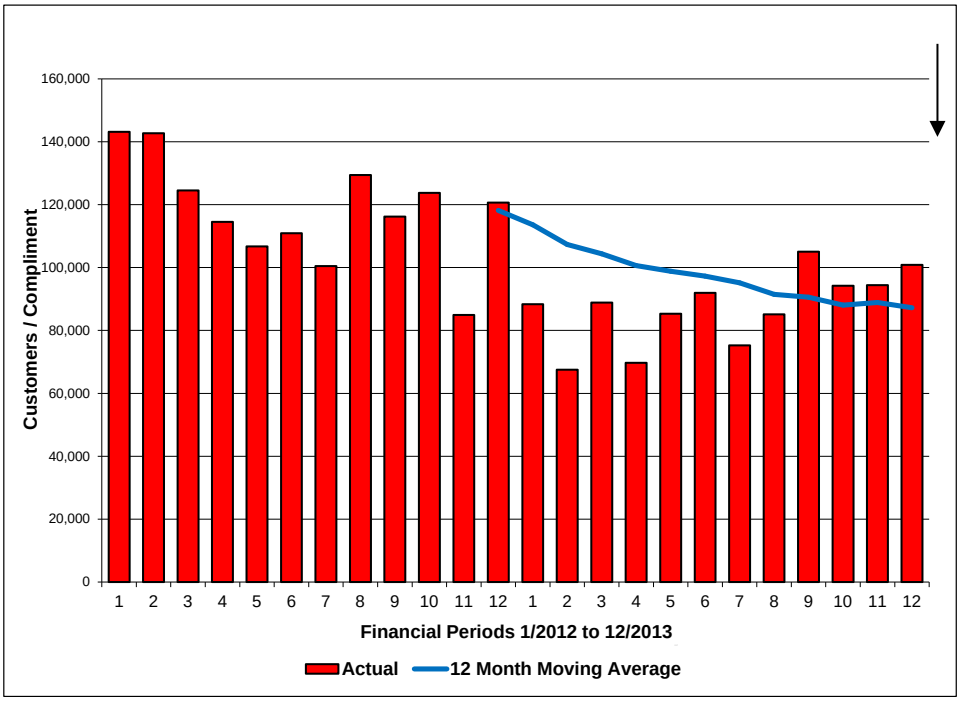
3.1 – Customer Complaints



Customers per complaint improved in Period 12 and has returned to the more positive levels evident in Periods 4 to 6 earlier in 2013.

A number of complaint categories improved in Period 12; however, the TTC continues to see a significant increase in the number of complaints related to surface delays, particularly in areas where construction on city streets is occurring.

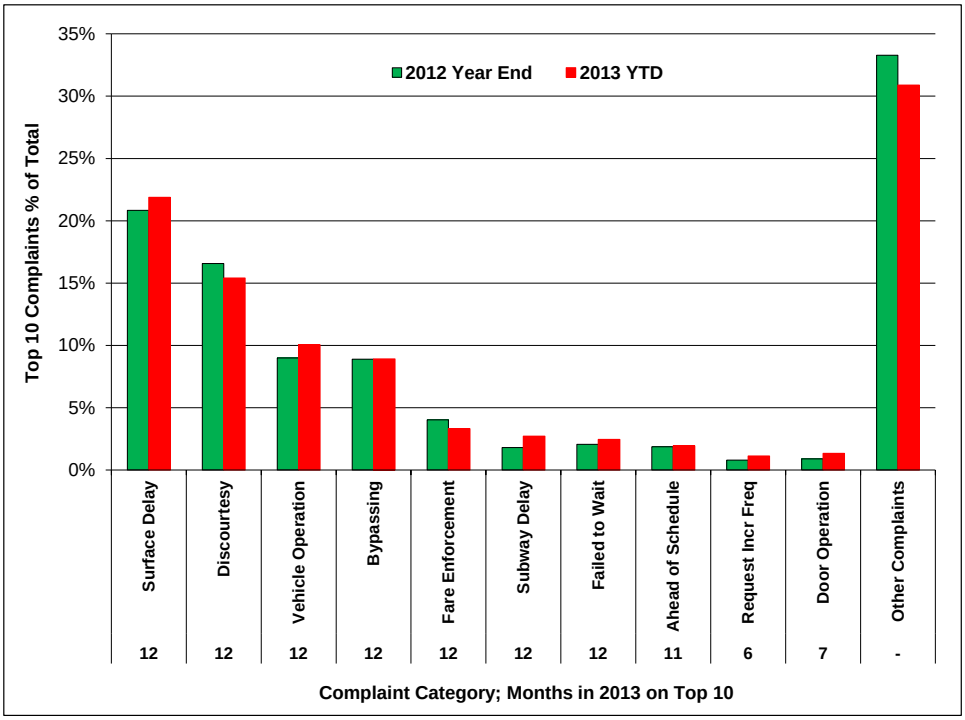
3.2 – Customer Compliments



Customers per compliment exhibited a negative trend in Period 12.

The customer per compliment value has still not returned to the more positive levels achieved earlier in 2013.

3.3 – Top Ten Complaints



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

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

3.4 – Commentary on Customer Satisfaction Improvement

The TTC achieved 12 of 13 Customer Charter commitments for Q4 2013. The thirteen initiatives included: having two subway stations as Wi-Fi and cellular capable as prototype stations, developing a new system map that is easier to read, conducting maintenance blitzes at selected stations, receiving five new Toronto Rocket trains, and installing another 33 station information screens.

The 2014 Customer Charter has been developed and includes 39 initiatives that will move us closer to achieving our vision for the TTC – "a transit system that makes Toronto proud". The TTC will continue to track progress for these initiatives throughout 2014 and report quarterly on the status of achieving these customer improvements. A complete listing of the 2014 Customer Charter commitments is available on the TTC's website.

Effective January 1, 2014, a new TTC Support Person Assistance Card is available which permits one support person to travel with a fare-paying customer with a disability on a single fare. The TTC will be holding several photo ID sessions at selected subway stations over the coming weeks where eligible customers can submit their application and have their photo taken for a Support Person Assistance Card. Full details on the program are provided on the TTC's website.

As noted above, the TTC has undertaken a system map redesign to make it easier for customers to read. This includes identifying different services more readily, showing bus and streetcar routes more clearly, and reducing clutter. Design improvements include enlarged map scale, reorganized and new line types for surface routes, and a simplified background. TTC customers are encouraged to provide feedback via the TTC's website.

3.5 – Current Major Closures and Diversions

North Yonge Subway Line

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

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

Yorkdale Commuter Parking Lot

The TTC commuter parking lot located at Yorkdale Shopping Centre is being demolished for redevelopment. As a result, TTC commuter parking at Yorkdale will be unavailable for approximately 18 months beginning in January 2014. The TTC commuter lots at Wilson, Downsview, and Finch Stations are alternatives during construction. The new TTC commuter parking lot at Yorkdale is expected to open in the fall of 2015.

Streetcar and Subway

Mode	Area Affected	Dates	Reason
Streetcar	Queens Quay Union Stn to Spadina	Jul 29/12 – Aug 30/14	Waterfront Toronto Queens Quay Reconstruction
Streetcar	Spadina Ave. and Queens Quay including Loop	May 13/13 – Aug 30/14	Platform Upgrades & Track Replacement
Subway	St. Andrew Stn to Union Stn	Feb 22/14 – Feb 23/14	Union Station Platform Work

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

Part 4 – Financial Commentary

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

Unaudited results reflecting year-end 2013 will not be available until the next Chief Executive Officer's Report is released. As a result, the information in Sections 4.1, 4.2, and 4.3 below remains unchanged from the previous Chief Executive Officer's Report and reflects results to the end of Period 11, 2013.

4.1 – TTC Operating Budget

2013 Year-to-Date Results

To the end of Period 11 (November 30), total revenues were $7.5 million (0.7%) below budget, primarily due to 2.2 million (0.5%) fewer customer journeys than planned and a slightly lower average fare (1.09¢ or 0.5%) stemming from marginally higher (about 1.1%) monthly pass sales. Over the same time period, expenses were $32.1 million (2.3%) below target, largely due to savings on diesel prices and utilities, workforce gapping, other employee costs, and the timing of certain non-labour expenses.

2013 Year-End projections

(millions)	Projection	Budget	Variance
2013 TTC Operating Budget			
Customer Journeys (Ridership)	525	528	(3)
Revenue	$1,120.5	$1,130.0	($9.5)
Expenses	$1,524.2	$1,541.0	($16.8)
Subsidy Required	$403.7	$411.0	($7.3)
Subsidy Available	$411.0	$411.0	-
Surplus/(Shortfall)	$7.3	-	$7.3

The currently projected year-end subsidy surplus of $7.3 million reflects the following significant projected revenue and expense variances:

Passenger Revenues: $11.2 million decrease
The number of customer journeys for the year is expected to be marginally (about 3 million) below target after incorporating the estimated impact of the ice storm in late December. 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 $11.2 million below budget by the end of the year.

Other Revenues: $1.7 million increase
The sale of retired subway cars primarily accounts for this positive revenue variance.

Non-labour expenses: $9.3 million decrease
Largely due to reduced maintenance requirements particularly for the bus and streetcar fleets, rail infrastructure and general facilities. In addition, there will be reduced expenses for the maintenance of IT systems, and externally-sourced services for the legal, human resources and property development functions.

Workforce Gapping: $8.6 million increase
Delays in filling budgeted positions are expected to generate these savings which are net of any additional overtime requirements necessitated by these vacancies.

Diesel Fuel: $6.5 million decrease
To date, the price paid for diesel has generally been lower than budgeted.

Other Employee Costs: $5 million decrease
Both health and dental care costs have been lower than budget so far this year.

Utilities: $1.0 million decrease
On a year-to-date basis, natural gas rates have been lower than budgeted.

Accident Claims settlements: $13.6 million increase
Several large claims were settled earlier this year; staff is 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 11 (November 30), total revenues were slightly ($120K or 2.4%) above budget, primarily due to 33K (1.2%) additional customer journeys made. Over the same time period, expenses were below target by $549K (0.6%), primarily due to savings on diesel (lower prices and bus service operated) and workforce gapping.

2013 Year-End Projections

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

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

4.3 - Capital Program

2013 Year-to-Date Results

Capital expenditures to Period 11 (November 30) include significant project work activity through the peak construction season and reflect continued progress on construction, vehicle, and other supply contracts already in

place. While there is still expectation of further progress and recognition of incurred expenditures to be picked up in the 2013 year-end financial results, under-spending on vehicle delivery milestones and on delayed facility contract work are the most significant variances in the current period results.

2013 Year-End Projections

(millions)	Projection	Budget	Variance
2013 Capital Program Budget			
Base Program Total Costs	$658.7	$878.8	($220.1)
TYSSE Project	$379.4	$660.5	($281.1)

Base Capital Expenditures: $220.1 million under
The current projected spending on the base capital program reflects expectations of being under budget $186.2 million (before the application of the carry forward) involving a number of major program variances as outlined below:

Surface Track: $12.9 million under
Track replacement work deferred to 2014 as well as cost savings.

YUS ATC Resignalling: $27.9 million under
Slippage of ATC and Computer Based Interlocking Contracts and contingency.

Leslie Barns Maintenance & Storage Facility: $43.0 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: $10.3 million under
The schedule has slipped due to delay in design refinement.

Purchase of Buses: $14.7 million under
Slippage of 16 articulated buses into 2014 due to change in the delivery schedule by the manufacturer.

Legacy LRVs: $45.2 million under
Slippage of 2013 project milestones due to changes in delivery schedule and transfer of contract change allowance and contingency to 2014.

PRESTO / TTC Farecard Project: $10.3 million under
Various factors have delayed project start up in 2013, therefore reducing resource requirements and slippage of costs to 2014.

TYSSE Project Expenditures: $281.1 million under
The project schedule has been negatively impacted by less than expected contractor performance and other earlier issues. Schedule concerns remain on all major facilities contracts. Staff continues its efforts to minimize the impact of potential schedule delays and to improve overall contractor performance.

Part 5 - Critical Projects

5.1 Toronto Rockets and Rail Yard Accommodation

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

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

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

The established delivery schedule calls for commissioning two trainsets per month. Due to technical issues in manufacturing and poor, albeit improving, reliability of trains in service, a delivery gap exists and the 2013 year-end quantity target 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. The retrofit work on all TR trains will be completed in early 2014 and all TR trains on property will be ATO-ready.

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

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

5.2 Streetcar Program and Maintenance & Storage Facility

Streetcar Procurement and Implementation

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

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

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

Based on the test results operational experience, and defined design improvements, a production vehicle configuration is being established and production manufacturing of the vehicles is beginning. Vehicle deliveries to Toronto and associated commissioning activities for the new streetcars will commence in Q2 this year. Program efforts now increase in ensuring a smooth launch and transition to the new fleet for our customers and internally.

Revenue service of the new streetcars is scheduled to begin on August 31, 2014 on the 510 Spadina route. Deployment will then carry on incrementally to the other streetcar routes in the following order: 511 Bathurst, 509 Harbourfront, 505 Dundas, 501 Queen & 508 Lakeshore, 504 King, 512 St Clair, 502 Downtowner, 503 Kingston Rd, and 506 Carlton as more new streetcars are delivered and as the planned network upgrades are completed. Completion of the 204 vehicle order from Bombardier and the eventual conversion of the entire streetcar fleet will be in 2019.

Leslie Barns Streetcar Maintenance & Storage Facility Project

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

1. Soil Removal and Capping

The site preparation contract was completed in January 2012.

2. Hydro One Cable Relocation

The contract was completed in July 2013.

3. Leslie Barns Maintenance and Storage Facility

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

4. Leslie Street Connection Track

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

The Leslie Street Connection Track budget is trending towards a budget shortfall of $60M mostly due to extensive utility work including: relining or replacing existing storm and sanitary sewers and replacing an existing

watermain; and enhanced streetscape and landscape work. City Finance is aware of the increase and the shortfall has been addressed in the TTC's 2014-2023 capital budget.

Landscape Enhancements - Lake Shore Boulevard to the Leslie Street Spit

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

Decorative Hydro and Street Lighting Poles

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

Communications Strategy

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

The Construction Liaison Group (CLG), comprised of local businesses and residents, school representatives, Councillor McMahon and Councillor Fletcher, is continuing to meet on a monthly basis. The CLG acts as a key communication link between the local community and the TTC construction team. The next meeting is scheduled for January 30, 2014.

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

5.3 Station Enhancements

Union Station
The new concourse was partially opened to the public in May 2013 and the excavation completed in October 2013. The east portion of the second platform structure has commenced. The project is on schedule for completion in early 2015.

Dufferin Station
The second exits on Russett Avenue were opened on August 28, 2013. The newly enlarged west entrance was opened on December 23, 2013. The project is expected to be completed by summer 2014.

Pape Station
Station was closed for 12 days from August 19, 2013 to August 30, 2013 to advance construction. The station reopened on schedule with a positive reaction from customers. Elevators to make the station accessible were put into service October 31, 2013. The second exit opened to the public December 24, 2013.

5.4 Easier Access

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

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

5.5 Toronto-York Spadina Subway Extension Project

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

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

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

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

The design of the various Systems components is complete or well underway. Delivery of some Systems equipment to site has started.

5.6 PRESTO / TTC Farecard Project

The legal agreement for implementing PRESTO at the TTC has been completed. The agreement includes a commitment to develop a detailed project schedule for the overall project through to final implementation and operation and will consist of two major phases: Wave 1 and Wave 2.

A schedule for the Wave 1 release of PRESTO has been developed. This initial release of PRESTO at the TTC will support the rollout of the new streetcars starting in the fall of 2014. The Wave 1 scope includes fare payment functionality on-board the first 50 new streetcars and off-board at select streetcar transit stops for the 510 Spadina, 511 Bathurst, 505 Dundas, and 509 Harbourfront routes. The Wave 1 release will also replace obsolete

PRESTO equipment at 14 stations currently equipped with PRESTO fare payment equipment while adding PRESTO equipment at nine additional subway stations.

TTC staff is working with Metrolinx to confirm the system design details, operational impacts, and implementation plan for the back-office software and PRESTO equipment that will be rolled out for Wave 1. The majority of the equipment is based on the hardware platforms of equipment previously deployed at other PRESTO enabled transit agencies. However, the two types of vending machines for 1) accepting non-PRESTO card fare payment (coin, token, etc.) on and off-board streetcars, and 2) for adding value to the PRESTO card within subway stations, are new devices and are driving the implementation timeline for the Wave 1 release. TTC is currently developing options in the event that the vending machines cannot be manufactured in time for the launch of the new streetcars.

Discussions between Metrolinx and TTC continue towards developing an overall schedule for the full implementation of PRESTO at the TTC.

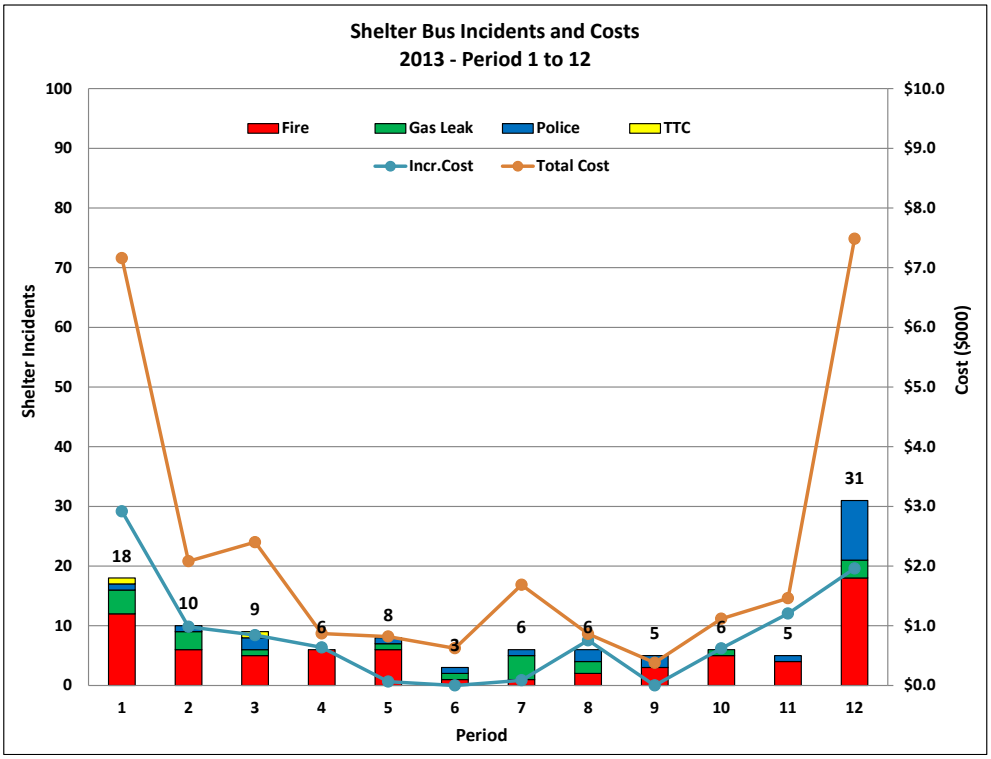
Field studies to determine whether sufficient power is available at TTC subway stations to support PRESTO equipment are now completed. The design of the required electrical upgrades at subway stations has been completed for 17 subway stations and the electrical construction work to upgrade the power configuration has commenced. In addition, Museum Station was selected as the initial test station to validate the timelines and process for installing the PRESTO power and communications infrastructure. This work is now complete for Museum Station.

Part 6 – TTC Board Requests

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

6.1 – Semi-Annual Shelter Bus Report

At its meeting of November 21, 2012, the TTC Board requested that TTC staff provide a semi-annual report of shelter bus incidents. The second semi-annual update, covering Periods 1 to 12, 2013, is provided below.



Incremental cost is calculated by subtracting "out-of-service" minutes from "on-shelter" minutes and applying an operating rate of $90/Hour. Buses diverted from regular service for shelter duty are not replaced; therefore, the in-service cost has already been budgeted.

Total cost is based on "on-shelter" minutes with the operating rate applied and is shown for information. The opportunity cost of removing a bus from service for shelter duty is not known.

Since the need for shelter buses is largely weather dependent, requests are more frequent in the winter months. The large increase in Period 12 was primarily due to the ice storm and subsequent power outages.