

# TORONTO TRANSIT COMMISSION REPORT NO.

**MEETING DATE:** January 28, 2014

**SUBJECT:** Chief Executive Officer's Report – January 2014 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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January 15, 2014

42-81

Attachment: Chief Executive Officer's Report



TORONTO TRANSIT COMMISSION

CHIEF EXECUTIVE OFFICER'S REPORT

JANUARY 2014 UPDATE



## **TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
1. TTC MONTHLY SCORECARD	2
2. COMMENTARY AND CURRENT ISSUES	5
3. CUSTOMER MEASURES AND IMPROVEMENT PROGRAM PROGRESS	18
4. FINANCIAL COMMENTARY	25
5. CRITICAL PROJECTS	28

# 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	Q3	75%	TBD			2.2
<b>Customer Journeys</b>	Customer Trips		Period	P11	43.328M	43.365M			2.3
<b>Punctuality – Subway and Scarborough Rapid Transit (SRT)</b>									
Yonge-University-Spadina	Headway + 3 minutes		Period	P11	93.9%	96.0%			2.4.1
Bloor-Danforth	Headway + 3 minutes		Period	P11	96.3%	97.0%			2.4.1
Sheppard	Headway + 3 minutes		Period	P11	99.5%	98.0%			2.4.1
SRT	Headway + 3 minutes		Period	P11	98.0%	96.0%			2.4.2
<b>Punctuality – Bus, Streetcar, and Wheel-Trans</b>									
Bus	Headway +/- 3 minutes		Period	P11	64.8%	65.0%			2.5.1
Streetcar	Headway +/- 3 minutes		Period	P11	69.3%	70.0%			2.5.2
Wheel-Trans	Within 10 minutes of schedule		Period	P11	85.3%	90.0%			2.5.3
<b>Safety and Security</b>									
Lost Time Injuries	Injuries / 100 Employees		Period	P11	4.52	TBD			2.6.1
Customer Injuries	Injury incidents / 1M Vehicle Boardings		Period	P11	2.29	NA			2.6.2
Behavioural Safety Index	Safety Focused Behaviour		Period	TBD					2.6.3
Offences against Customers	Assault, theft, other		Period	P12	27	NA			2.6.4
Offences against Staff	Assault, threat, other		Period	P12	26	NA			2.6.5
<b>People</b>									
Attendance	Employee Absence		Period	P11	6.82%	< 6.50%			2.7.1
Operator Hires	Actual vs. Budget		Period	P11	34	24			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	P11	98.7%	98.0%			2.8.1	
Escalators	% Escalators Available	Period	P11	97.1%	97.0%			2.8.2	
Fare Purchase Opportunity	% TVM's / PVM's Available	Period	P11	98.0%	96.4%			2.8.3	
<b>Mystery Shopping and Audits</b>									
Station Cleanliness	Cleanliness Audit Score	Quarter	Q4	71.0%	75.0%			2.9.1	
Vehicle Cleanliness	Cleanliness Audit Score	Quarter	Q3	62.4%	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	P1-11	\$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

## 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

In a recent speech to the Toronto Region Board of Trade, I spoke, in part, about how 2014 will be a very big year for the TTC in that we are faced with three defining moments that will determine our future. In the early days of 2014, I believe this is a message worth repeating in this commentary.

The first defining moment is happening right now. The TTC is in the final stages of successfully securing an increase in its budgets – funding that is critical to the delivery of our corporate plan. Our second defining moment comes in the spring when we meet with our unions to agree on new contracts to take us through the next few years. The third defining moment, unlike the other two, is completely outside our control. The municipal – and potentially provincial – elections will have a major impact on our future direction, depending on candidate and party views on the importance of adequate funding for transit. We need visionaries in key offices that recognize the need for long-term, sustained, predictable funding so that transit can be improved and modernized, which enables us to expand our network to meet current and future needs. I am confident that if the TTC receives the proper financial and political support, we will deliver a five-year plan that will transform the transit experience in this city.

To drive our plan forward, we have established a Program Management Office under the direction of my Chief of Staff. This office will provide visibility of progress against our key Corporate Plan projects. In parallel, I am personally leading a series of Employee Town Halls to brief TTC staff on the need for, and content of, this plan.

Customer journeys (ridership) were marginally below target. The 2013 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 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 line decreased for the first time in four periods; however, progress continues to be made in identifying and resolving root causes of delays. Punctuality fell below target on the Bloor-Danforth line and remained above target on the Sheppard line. SRT punctuality continued ahead of target.

Bus punctuality and Wheel-Trans punctuality improved but each remained below target. Streetcar punctuality fell below target.

Employee absence remained above target; however, the long-term trend continues to be encouraging with period results consistently lower than the comparable prior-year period.

Elevator availability, escalator availability, and TVM/PVM availability were each above target.

On the financial side, total year-to-date TTC revenues were below budget, primarily due to two million fewer customer journeys than planned and a lower average fare than budgeted. This was offset by operating under-expenditures. It is currently projected that there will be a subsidy surplus of \$7 million by year-end. Capital expenditures were below budget for a host of reasons (see Section 4.3).

## **2.2 – Customer Satisfaction Survey**

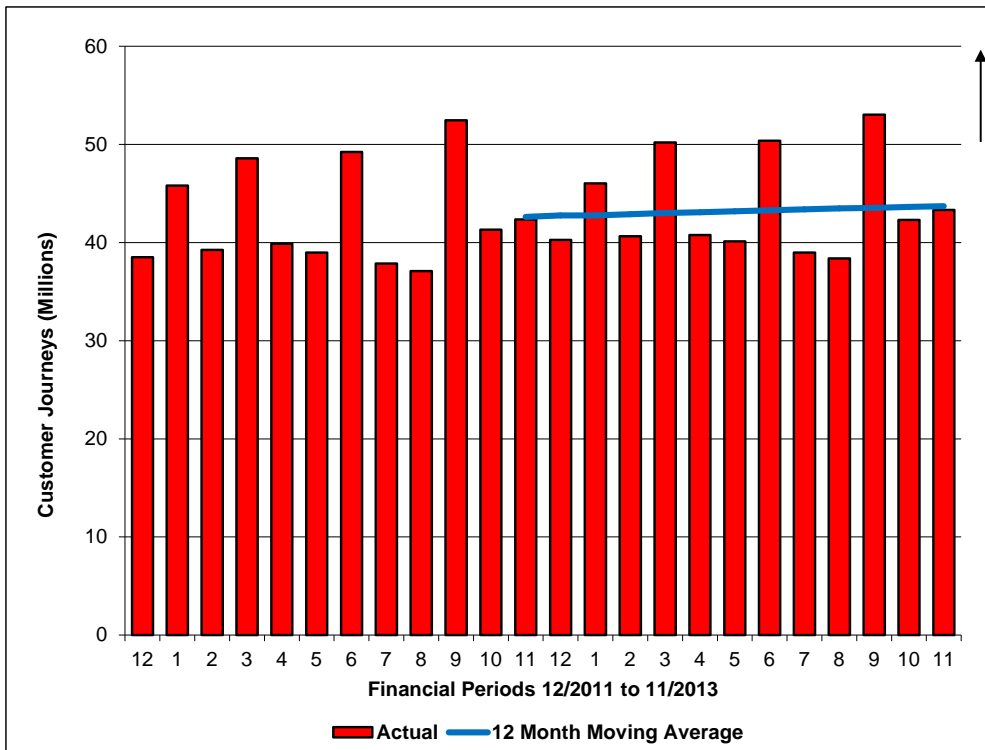
The Q3 2013 Customer Satisfaction Survey demonstrates an overall customer satisfaction rating of 75%. This represents a 4% decline in overall customer satisfaction compared to Q2 2013 (79%), but is slightly higher than the comparable period in 2012 (74%). There may be some seasonality trends evident in the Q3 results, as Q3 and Q4 trends in 2012 also reflected lower customer satisfaction levels than the first half of the year.

Despite the decline in the overall customer satisfaction rating, there were some positive trends with customer satisfaction on specific aspects of TTC service. TTC customers noted improvements for Q3 2013 in the following areas: the smoothness of subway and bus travel, cleanliness of subway trains, the appearance of collector's booths, and the level of crowding inside buses.

The results for Q4 2013 are expected to be available for the CEO Report in February 2014.

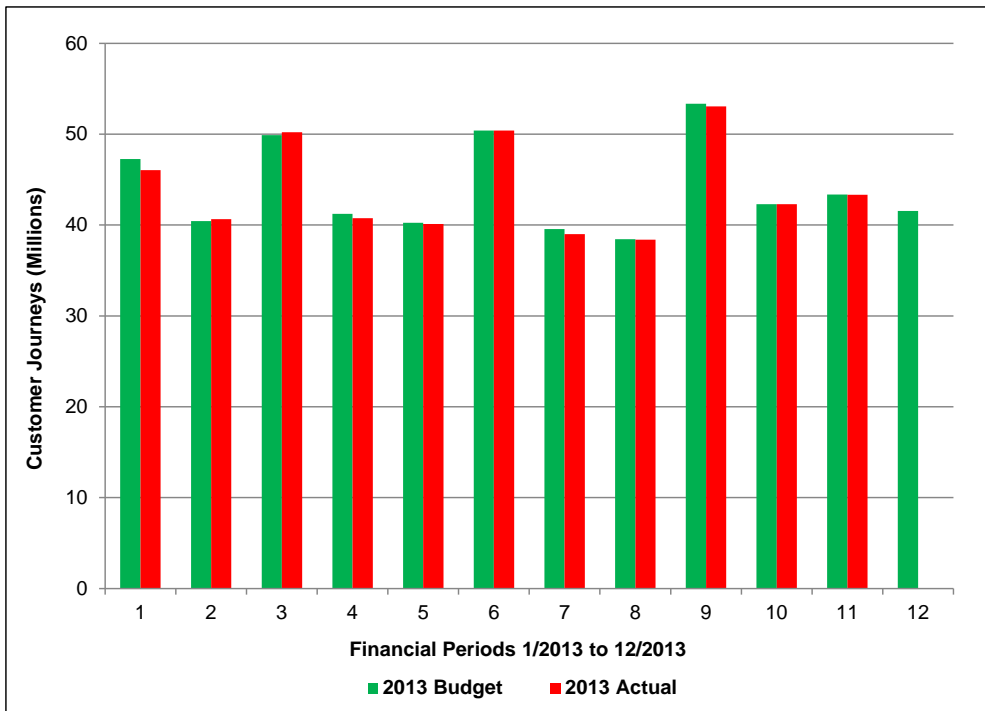


### 2.3 – Customer Journeys



There were 43.328M customer journeys (ridership) taken during Period 11 2013, which was 0.970M (+2.3%) more than the 42.358M journeys taken during Period 11 2012.

The annual number of customer journeys to the end of Period 11 2013 was 524.517M, which was 13.156M (+2.6%) more than the 511.361M annual journeys taken to the end of Period 11 2012.



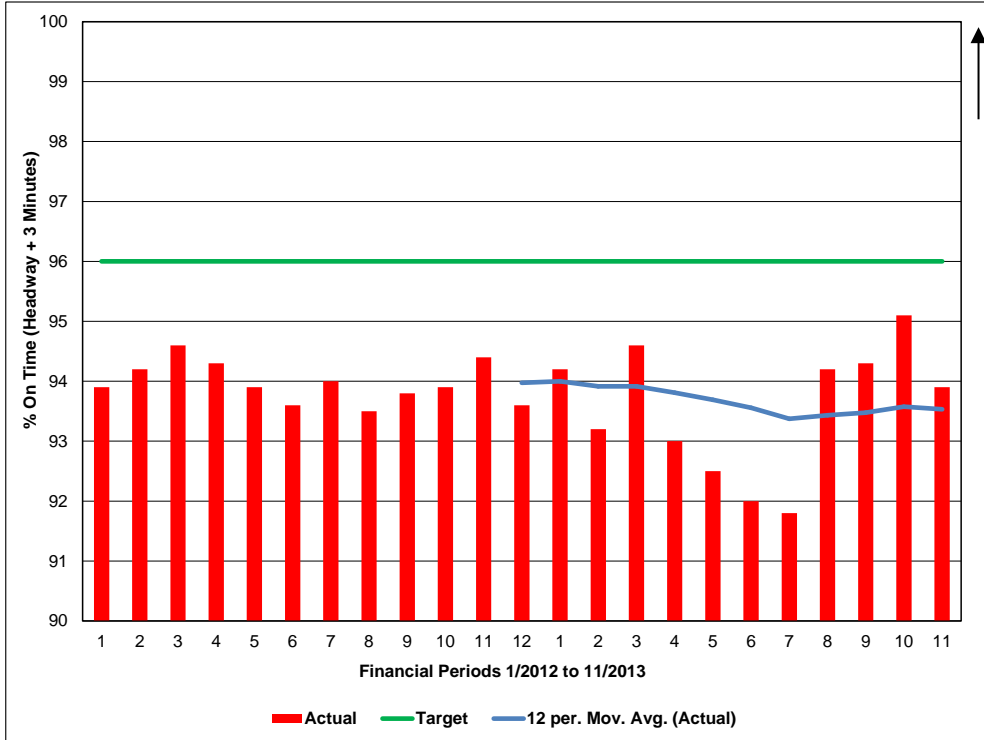
There were 43.328M customer journeys taken during Period 11 2013, which was 0.037M (-0.1%) less than the budget of 43.365M journeys.

The number of customer journeys taken year-to-date to the end of Period 11 2013 was 484.237M, which was 2.218M (-0.5%) less than the budget of 486.455M journeys.

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

### 2.4.1 – Subway

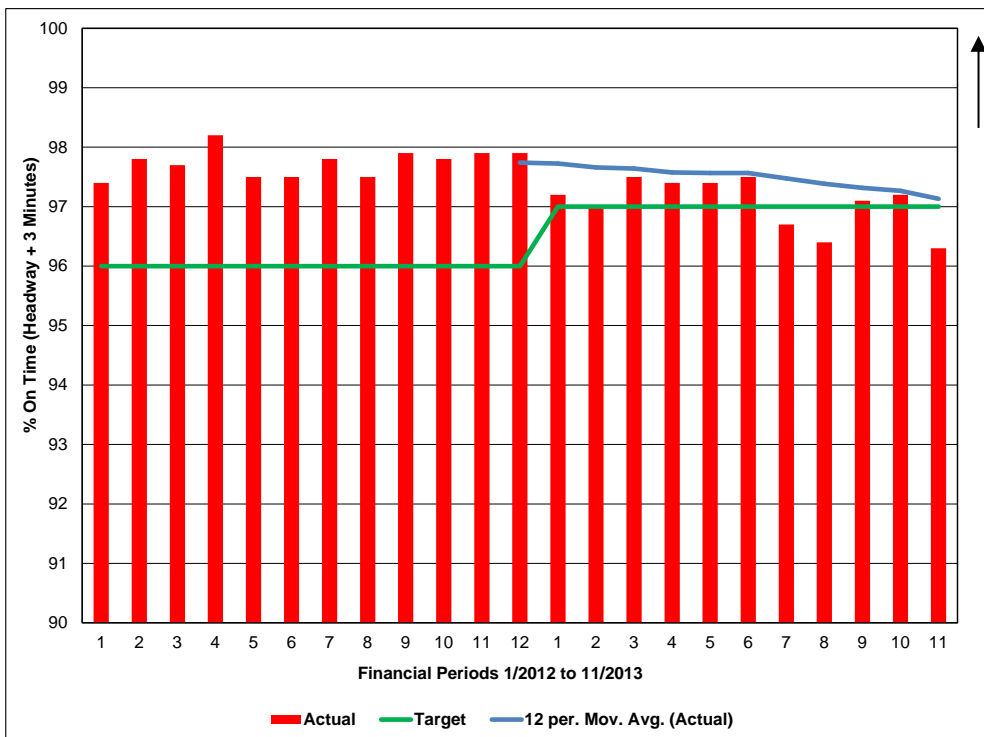
#### Yonge-University-Spadina Line



Performance in Period 11 decreased for the first time in four periods.

Subway Transportation is continuing to drive delay mitigation through several initiatives, most notably changing the Emergency Medical Services (EMS) program to address where and when PAAs are occurring most.

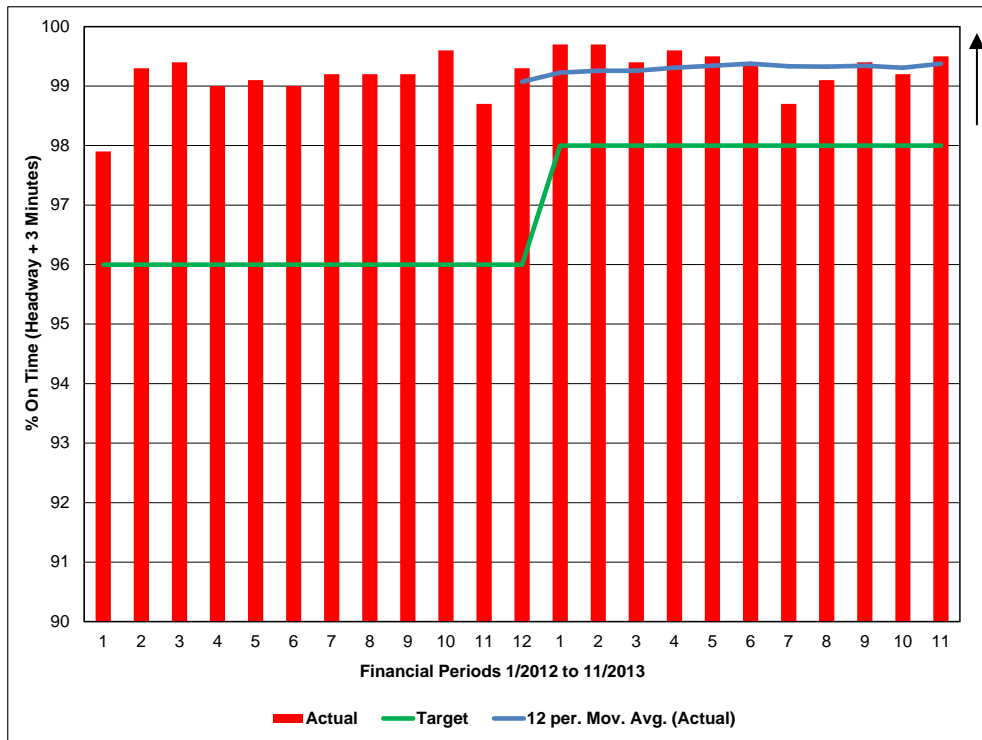
#### Bloor-Danforth Line



Performance in Period 11 fell below target for the first time in three periods; this was mainly attributable to increases in security-related delays and customer illness PAA activations.

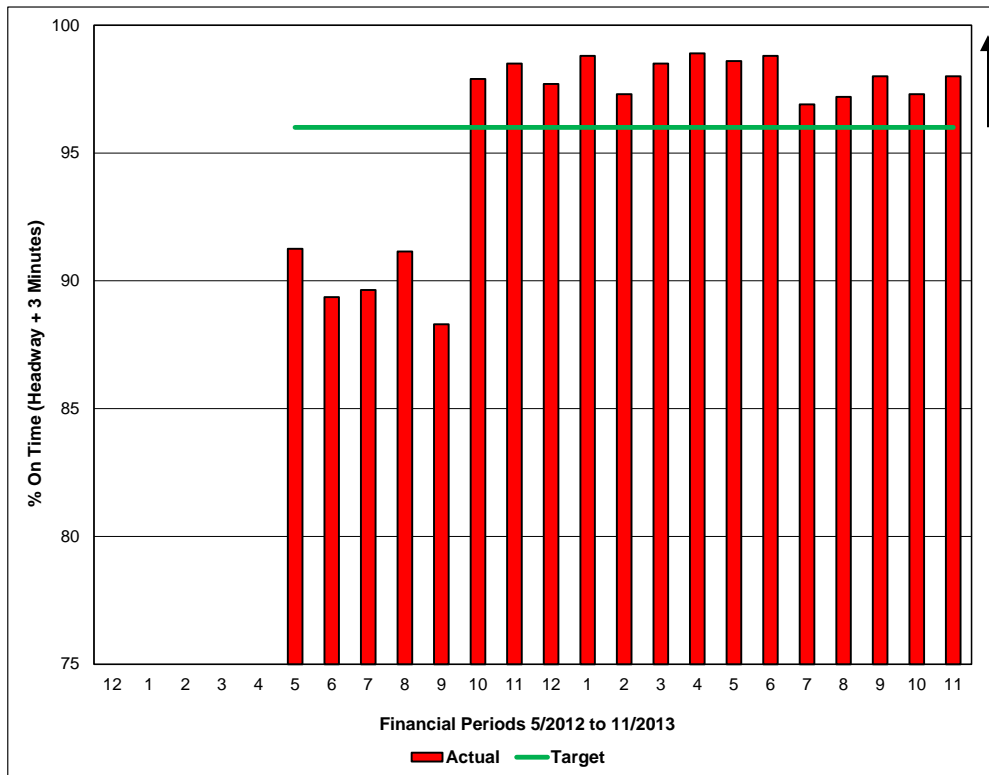
The TTC is working jointly with Toronto Police to target enforcement by identifying where and when security incidents are occurring. The TTC is also aiming to reduce PAA activations by increasing customer awareness of the issue and by reallocating EMS staff in 2014 in order to lower the impact of customer illness and injury incidents on subway performance.

## Sheppard Line



Performance continued well above target in Period 11.

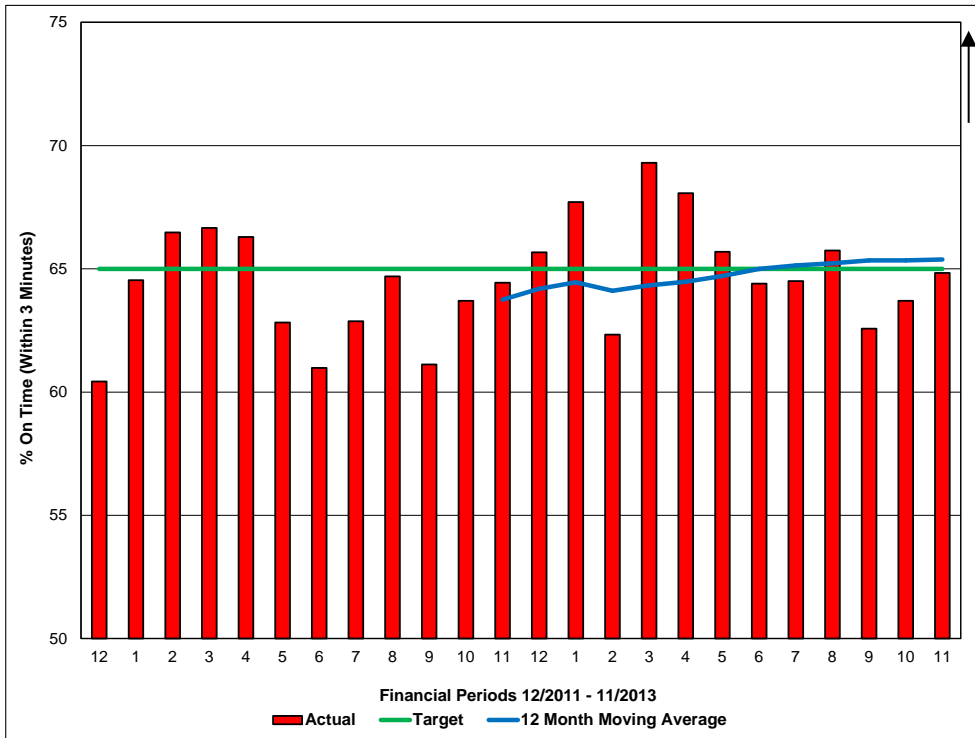
## 2.4.2 – SRT



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

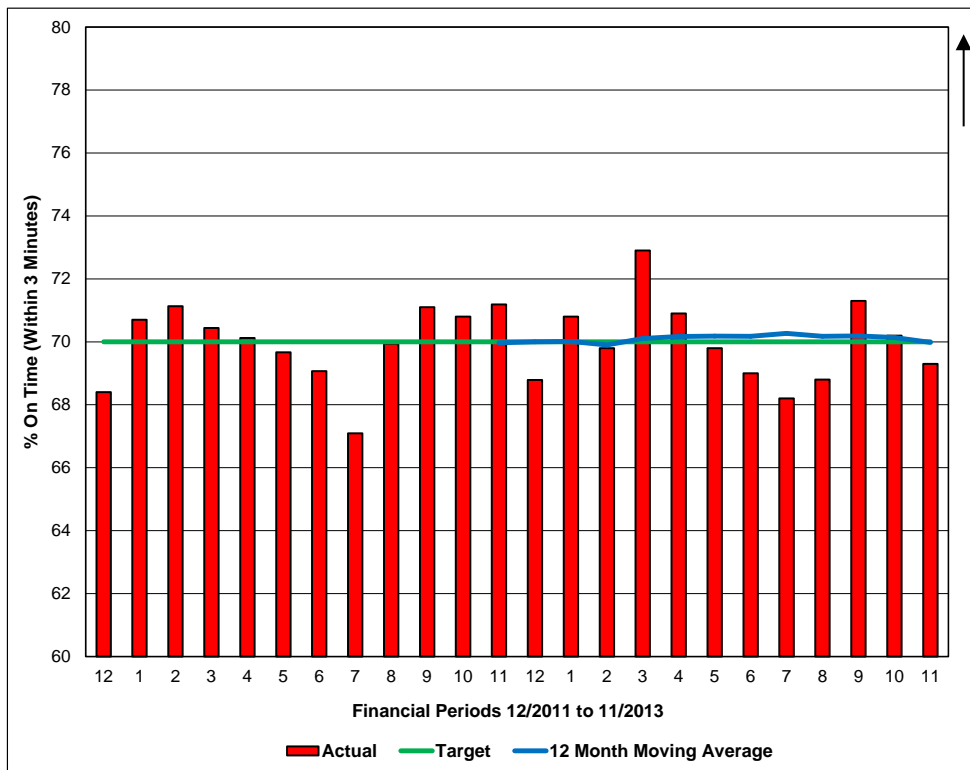


Performance increased in Period 11 for the second consecutive period, falling just below target.

Recovery from the seasonal low in Period 9 continues. Intensified efforts to reduce short turns and hold buses to schedule produced notable improvements this period.

Long-term construction projects involving the Spadina Subway Extension and the Eglinton Crosstown continue to cause major disruptions to a number of large west end routes.

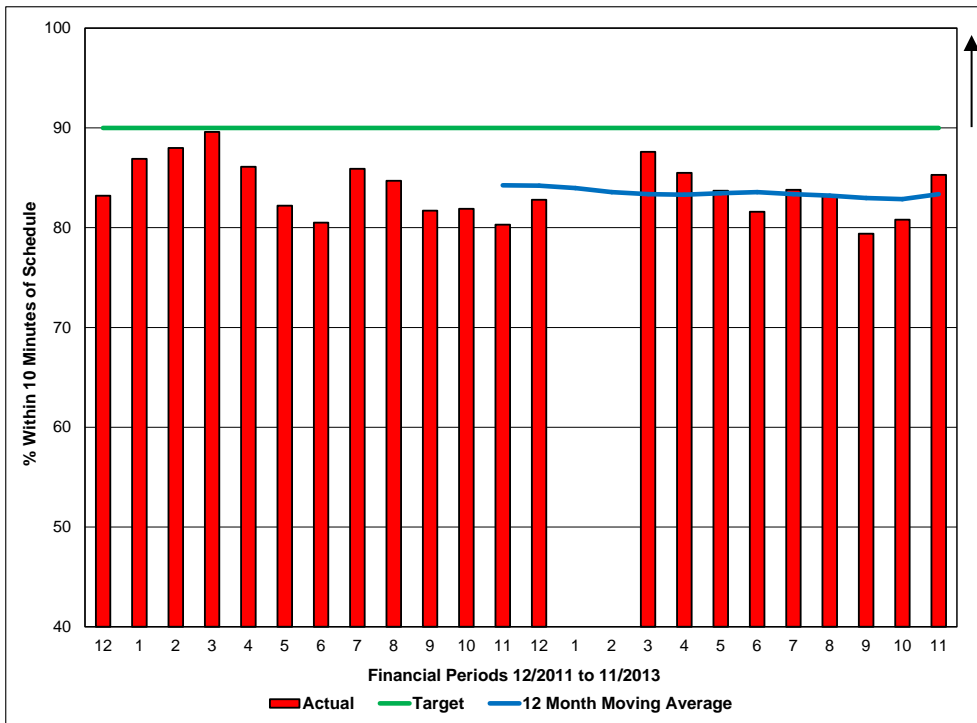
### 2.5.2 – Streetcar



Performance decreased in Period 11 for the second consecutive period.

Major construction projects on Bathurst Street and the Sterling Bridge resulted in service disruptions and limited the track availability to correct delays to service.

### 2.5.3 – Wheel-Trans

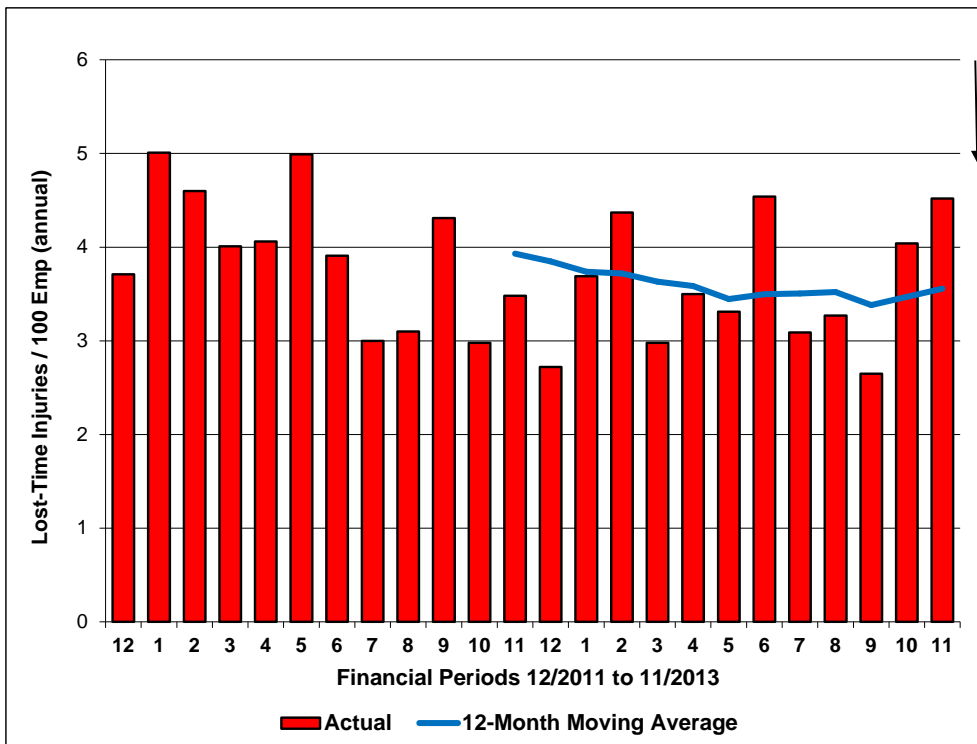


Performance increased in Period 11 for the second consecutive period and improved significantly over the corresponding period in 2012.

The daily review of service issues by senior staff and the focus of resources on improvements are beginning to yield results.

### 2.6 – Safety and Security

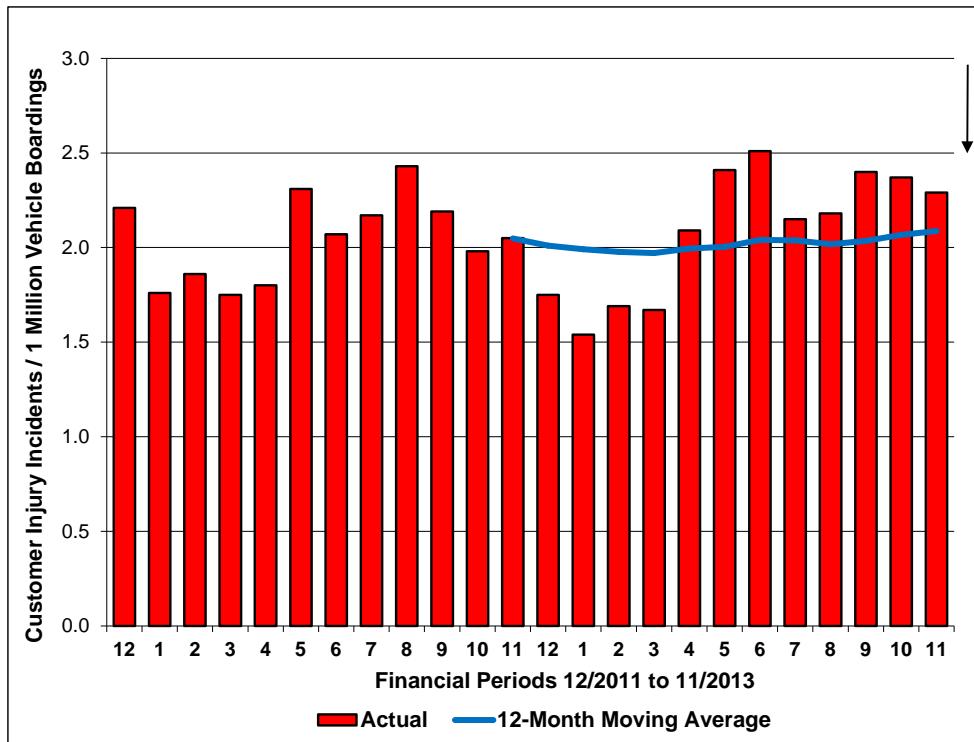
#### 2.6.1 – Lost-Time Injuries (Annual Injuries / 100 Employees)



The annualized lost-time injury rate (LTIR) for Period 11 2013 was 4.52 lost-time injuries per 100 employees, which was 30% higher than the LTIR of 3.48 for Period 11 2012.

The moving annual LTIR to the end of Period 11 2013 was 3.56, which was 9% lower than the corresponding rate of 3.93 to the end of Period 11 2012.

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



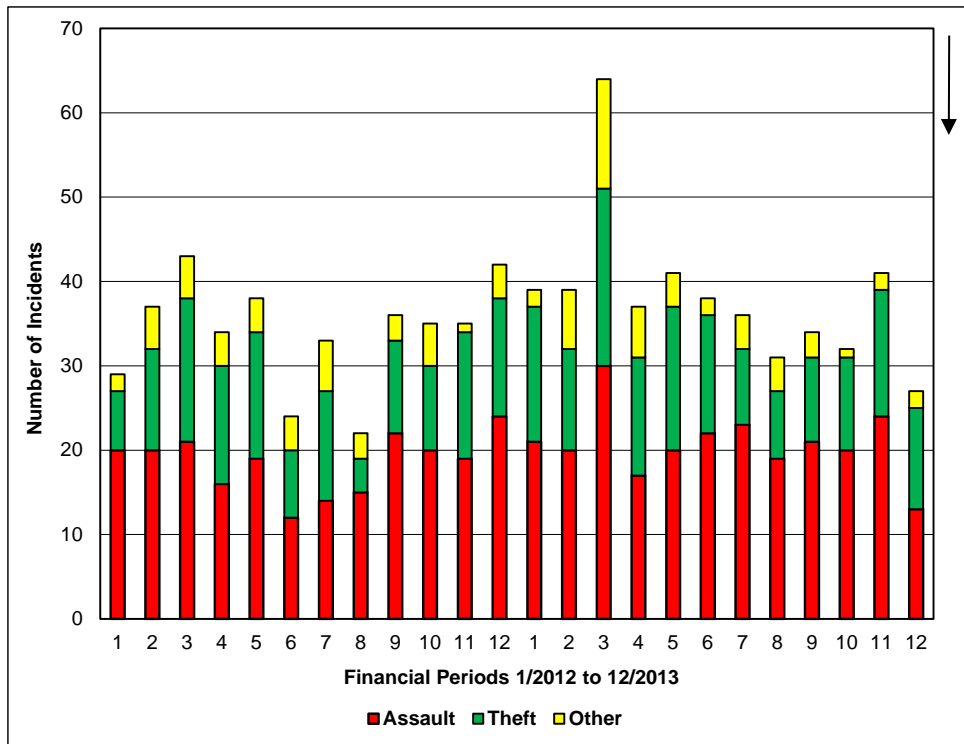
The customer injury incident rate for Period 11 2013 was 2.29 injury incidents per 1 million vehicle boardings, which was 12% higher than the corresponding rate of 2.05 for Period 11 2012.

The moving annual customer injury incident rate to the end of Period 11 2013 was 2.09, which was 2% higher than the corresponding rate of 2.05 to the end of Period 11 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.

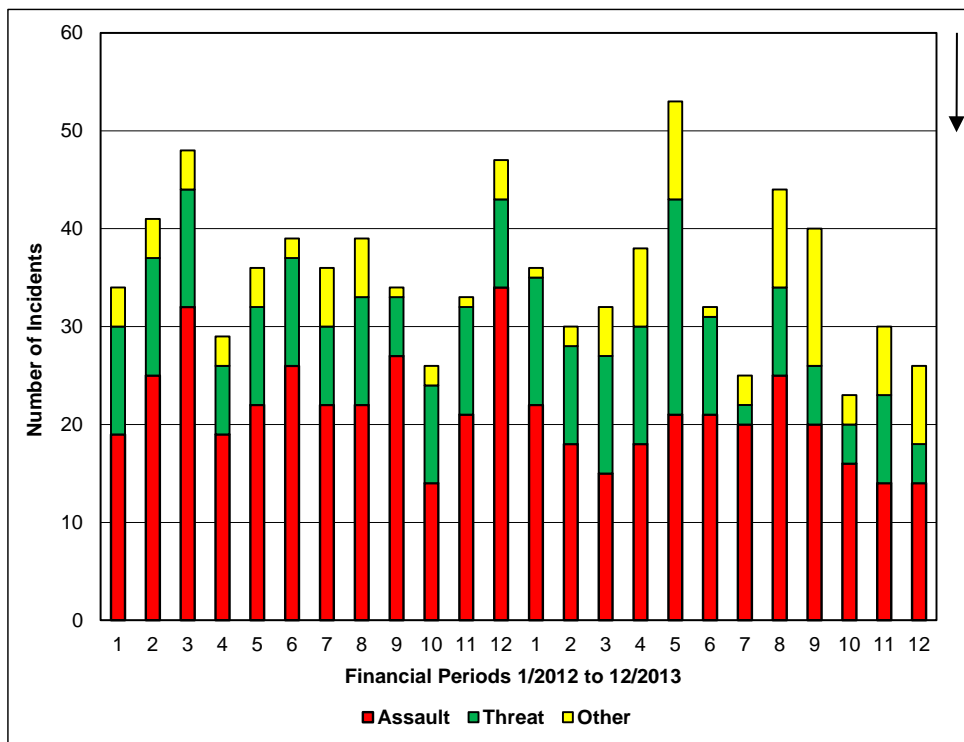
### 2.6.4 – Offences Against Customers



Total offences against customers decreased in Period 12.

In 2013, there were 51 more offences (459 vs. 408) compared with 2012. This includes 28 more assaults (250 vs. 222), 19 more thefts and robberies (159 vs. 140), and four more 'other' offences (50 vs. 46).

### 2.6.5 – Offences Against Staff

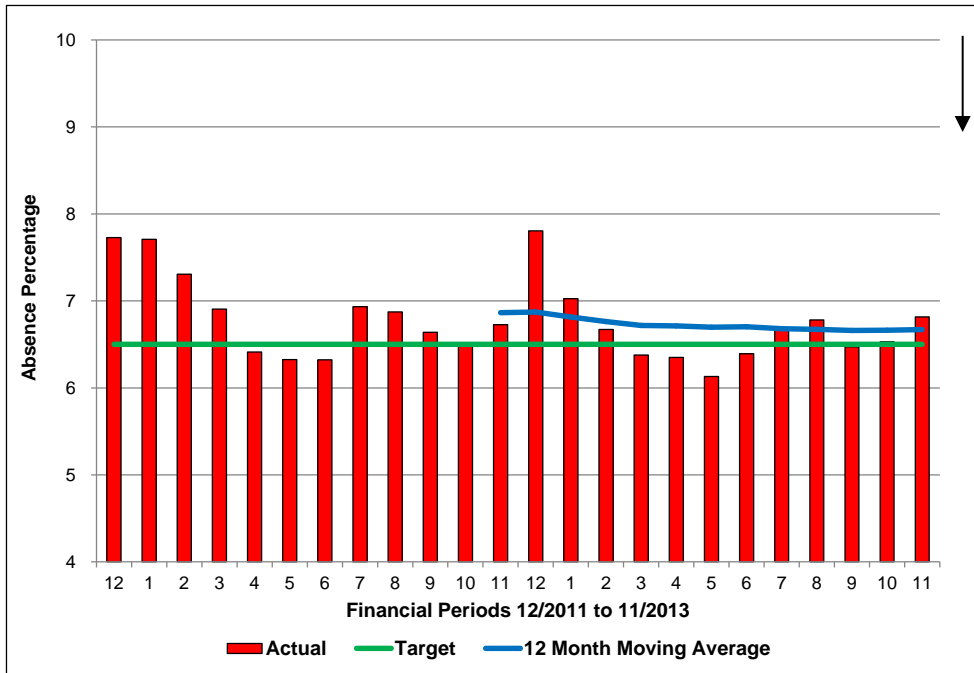


Total offences against staff decreased in Period 12.

In 2013, there were 33 fewer offences (409 vs. 442) compared with 2012. This includes 59 fewer assaults (224 vs. 283), five fewer threats (113 vs. 118), and 31 more 'other' offences (72 vs. 41).

## 2.7 – People

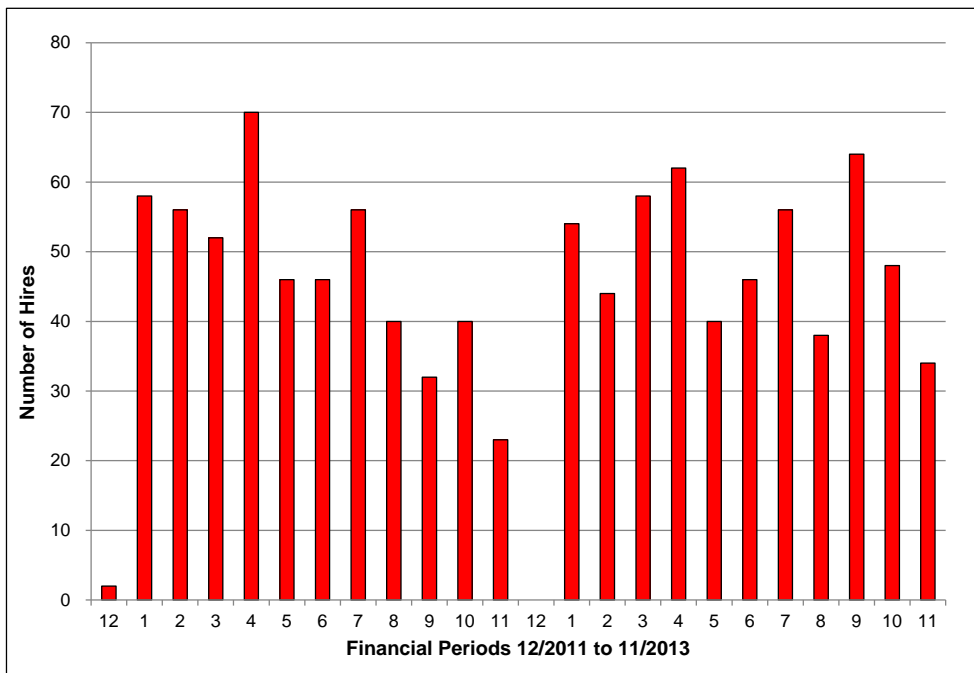
### 2.7.1 – Attendance



The absence rate for Period 11 increased to 6.82%, remaining above target for the second consecutive period.

The long-term absence trend is encouraging: for 20 of the past 24 periods, the results have been lower than the prior-year comparable period. Over the same timeframe, the moving annual rate has decreased 10% from 7.41 to 6.67.

### 2.7.2 – Operator Hires

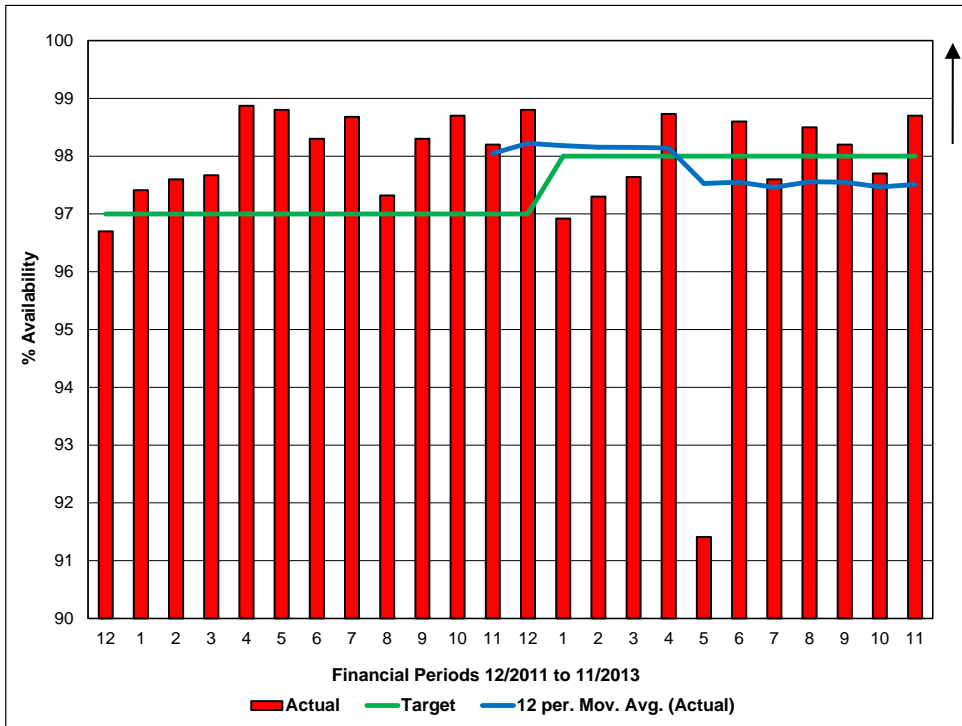


In Period 11, 34 Operators were hired and began training.



## 2.8 – Device Availability

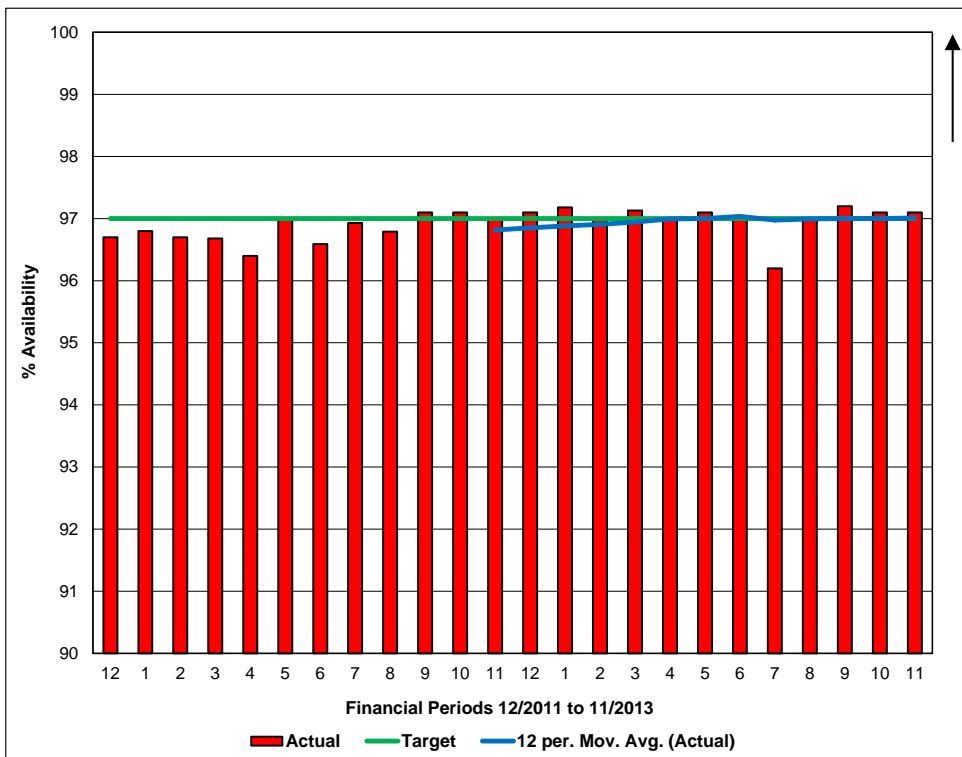
### 2.8.1 – Elevator Availability



Performance in Period 11 increased to above target.

Although the total number of uncontrollable stoppages caused by power outages, fire alarm activations, and flooding has increased, the maintenance contractor has consistently responded within the appropriate timelines, which has facilitated achievement of targets.

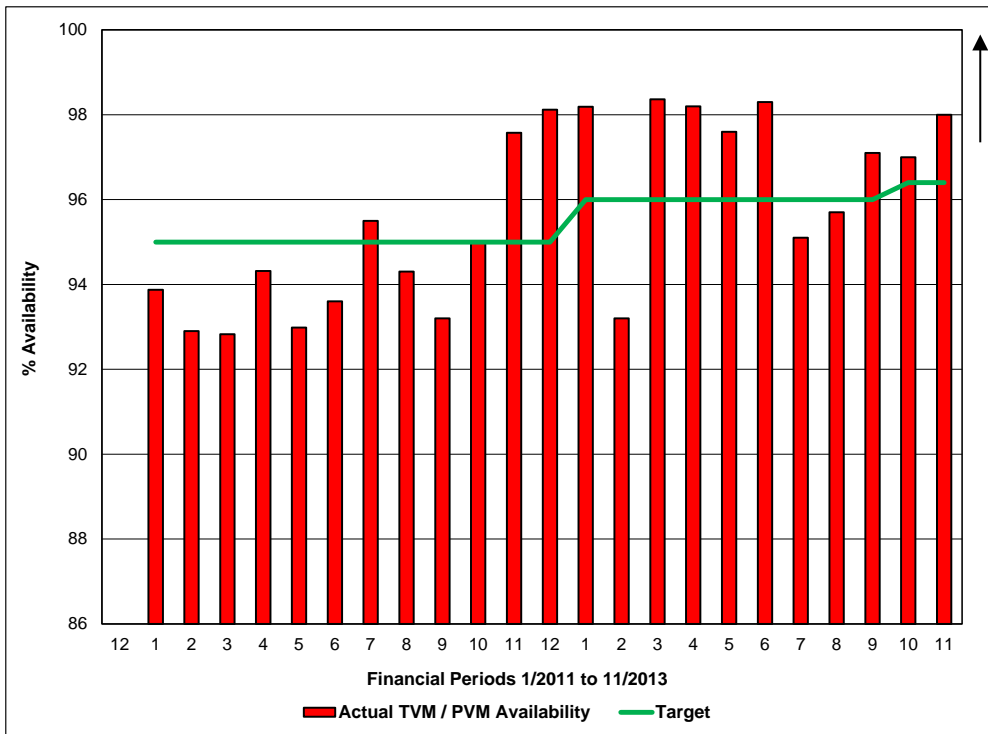
### 2.8.2 – Escalator Availability



Performance in Period 11 remained on target for the fourth 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



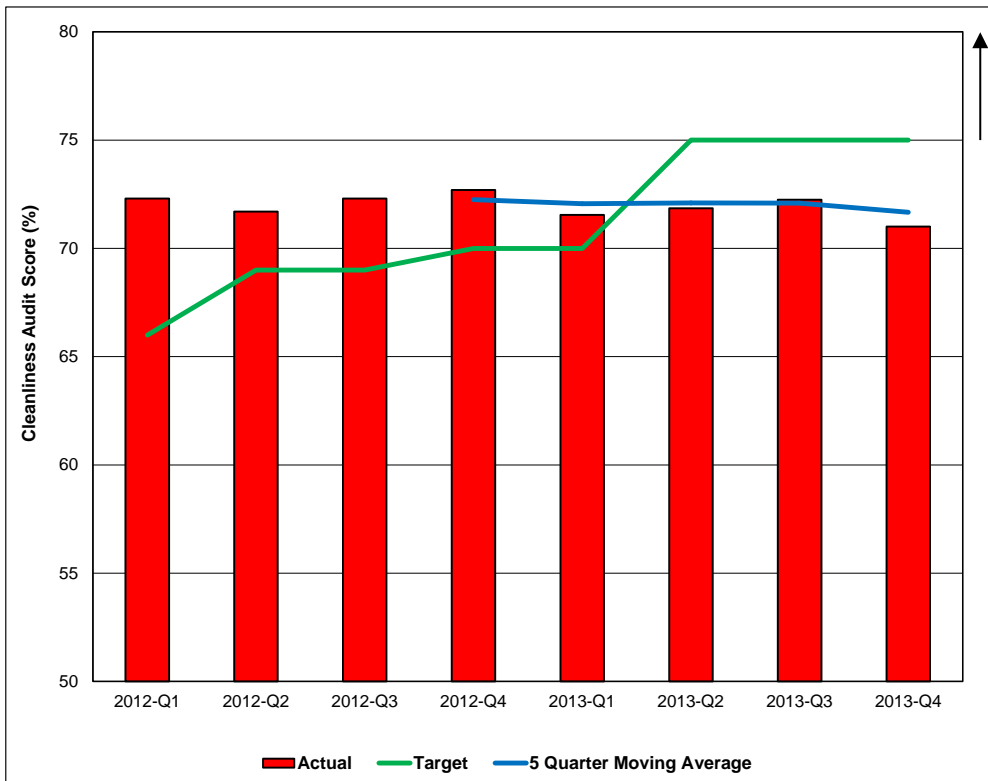
Performance in Period 11 remained above target for the third consecutive period.

TVM performance has improved by decreasing vandalism incidents through increased surveillance and subsequent arrests.

PVM reliability has improved by repairing a software problem involving customer access screens.

### 2.9 – Mystery Shopping and Audits

#### 2.9.1 – Station Cleanliness

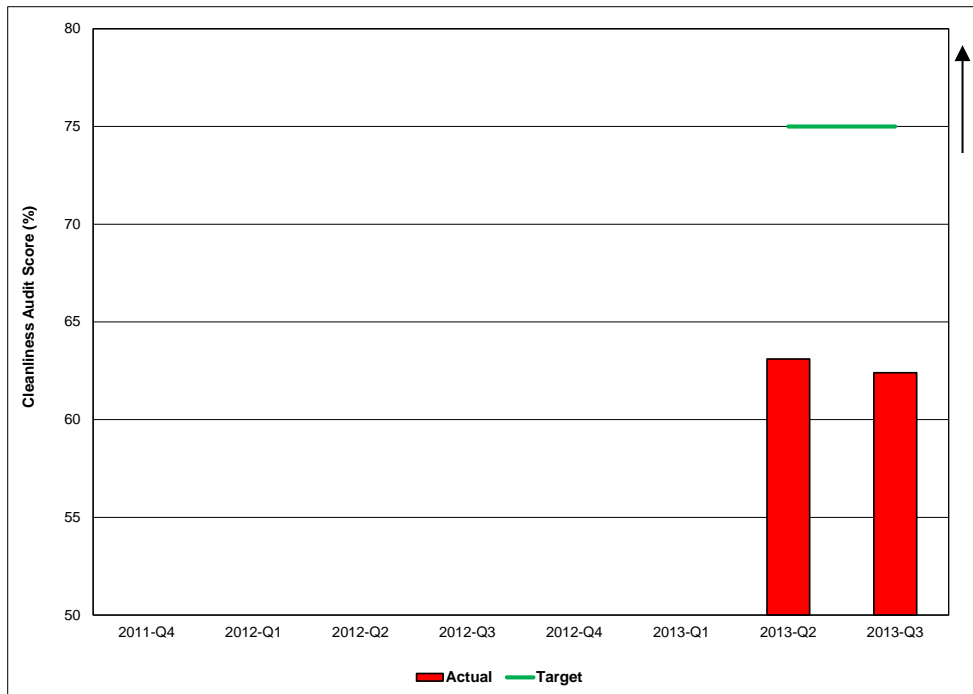


Performance decreased in Q4 and remained below target.

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. 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



Overall performance decreased in Q3.

Subway/SRT cleanliness improved slightly, new cleaning initiatives and audit controls are expected to achieve sustained improvements. Streetcar cleaning efforts have been enhanced but the Q3 audit results are inconsistent with observed improvements by staff. Similar lower-than-expected results were also observed in Subway/SRT. Management is following-up with the Auditor to determine if the results are being skewed by vehicle-age appearance rather than by cleanliness.

Q3 results for Buses slightly declined. The quality of vehicle cleanliness remained high at facilities where the service line is contracted out. Slight declines were experienced at all other facilities, all of which are scheduled to be contracted out effective in late November 2013.

## 2.9.3 – Information MSS

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

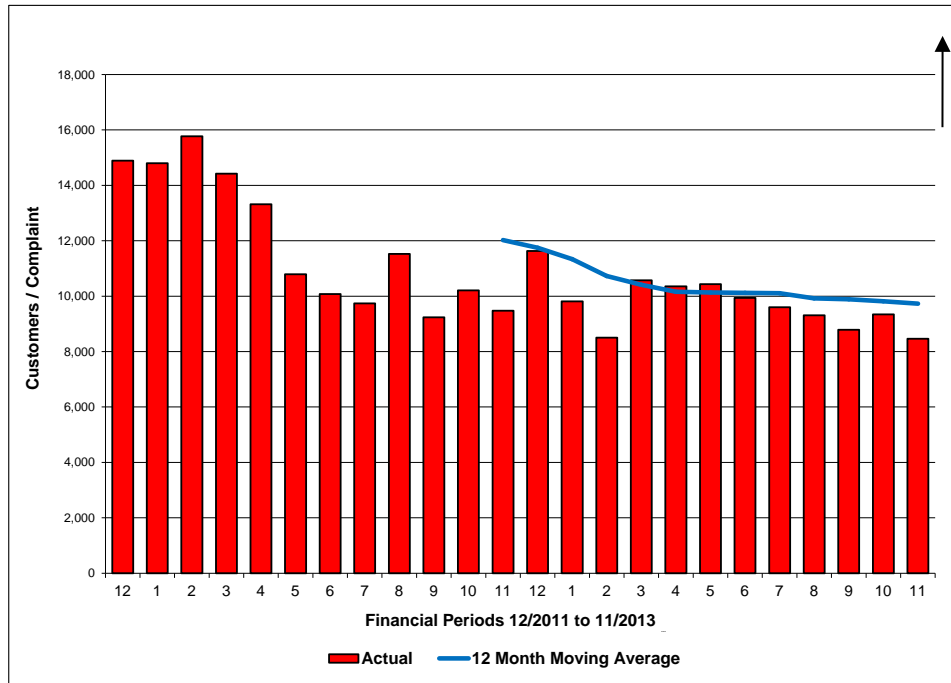
## 2.9.4 – Staff Helpfulness MSS

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

## Part 3 – Customer Measures and Improvement Program Progress

This section provides 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.

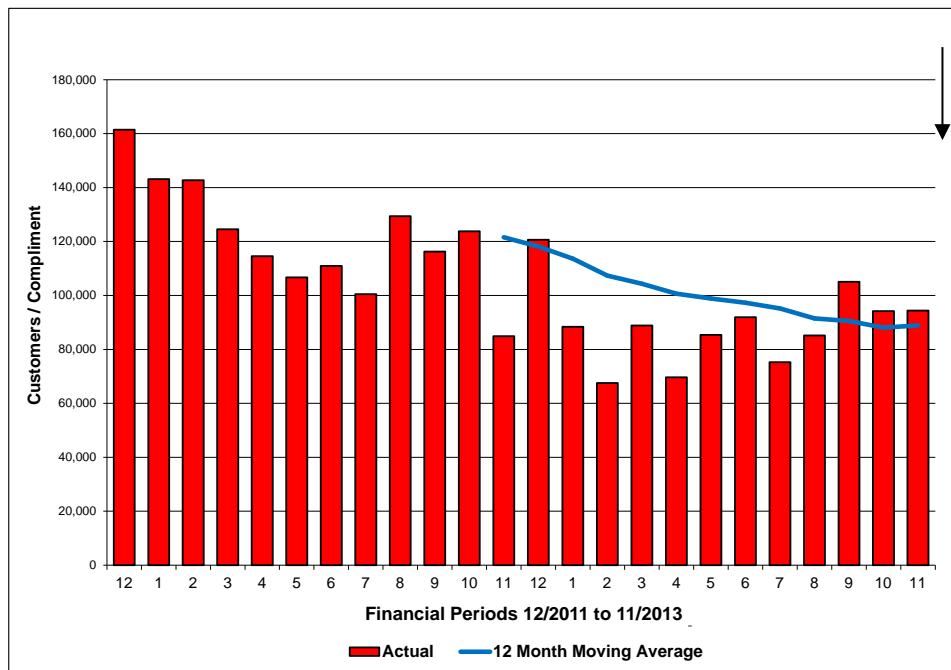
### 3.1 – Customer Complaints



Customers per complaint declined slightly in Period 11, continuing a trend that began in Period 5.

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.

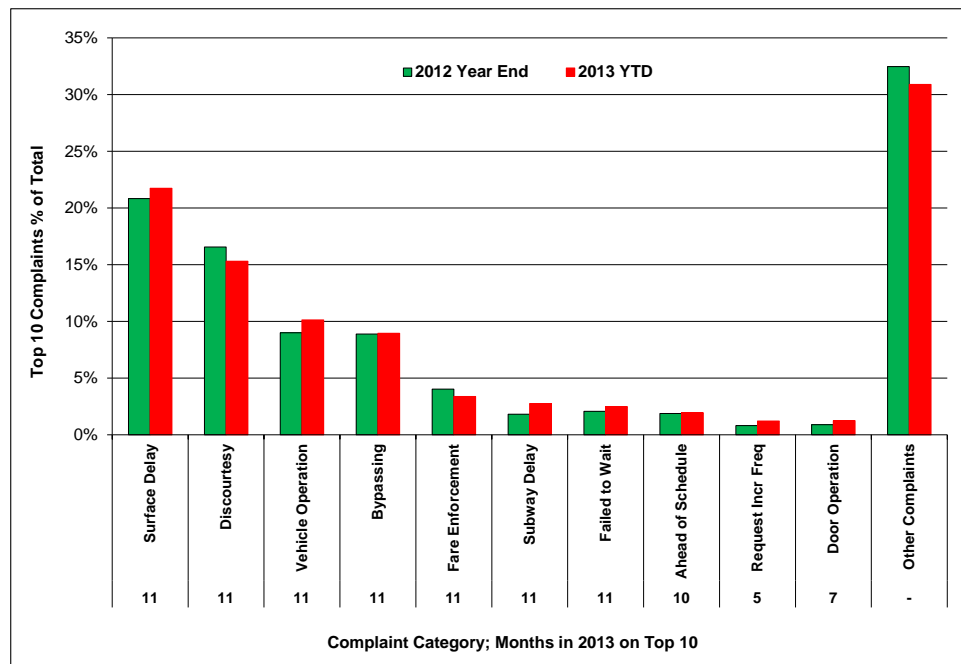
### 3.2 – Customer Compliments



Customers per compliment remained unchanged in Period 11.

While the current value is similar to the corresponding period in 2012, 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. Furthermore, the Pape Station Modernization Project was completed in the fourth quarter. Significant progress was made on the development of a new measure to more accurately reflect the experience of customers and the reliability of service. However, there is still some work necessary to implement this new measure, so this commitment has been identified as “not complete” for the Q4 Customer Charter report. Details of the results for Q4 Charter commitments are provided in Section 3.6 of this report.

The TTC continues to seek public input into its activities. Over the last few weeks, this has included a public meeting on a new planning and consultation process for evaluating location options for second exits at subway stations and two public sessions to enable the public to learn about and provide feedback regarding changes to the TTC’s use of video recordings on Wheel-Trans vehicles.

The first of the TTC’s new accessible articulated buses was introduced into service on December 20 on the 7 Bathurst route. The TTC has ordered 153 new vehicles which will enter service on the TTC’s busiest routes by the end of 2014.

On New Year’s Eve, the TTC offered free extended service from 7pm on December 31 to 7am on January 1 thanks to a new, three-year partnership with Corby Spirit and Wine. Late night service was also extended on most routes.

### 3.5 – Major Closures and Diversions

#### North Yonge Subway Line Early Closure

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.

Mode	Area Affected	Dates	Reason
Streetcar	Queens Quay Union Stn to Spadina	Jul 29/12 – Jun 22/14	Waterfront Toronto Queens Quay Reconstruction
Streetcar	Spadina Ave. and Queens Quay including Loop	May 13/13 – Jun 22/14	Platform Upgrades & Track Replacement

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.

#### Fourth Quarter – October 6 to December 31, 2013

Key Area	Our Fourth Quarter Commitment in 2013	How We Did
Informative	Design and implement a new TTC system map	✓
Informative	Two subway stations will be Wi-Fi and cellular capable	✓
Informative	Install another 21 next vehicle screens	✓
Informative	Install another 33 station information screens	✓
Responsive	Introduce a new and more accurate way to reflect the experience of our customers and the reliability of service	✗
Responsive	List performance of individual bus and streetcar routes on TTC website	✓
Responsive	Conduct five Meet the Manager sessions; Conduct four Town Hall meetings by year-end	✓
Renewal	Accept delivery of five new Toronto Rocket trains	✓
Accessible	The Pape Station Modernization Project is scheduled for completion	✓
Accessible	The Dufferin Station Modernization Project will have made noticeable improvements	✓
Clean	Maintenance Blitz	✓
Clean	A third of our stations will have had the terrazzo floor reconditioned to a like-new finish	✓
Clean	Wash light fixtures and replace lights (as necessary) at 18 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: design and implement a new TTC system map***

In the fourth quarter, we will design and implement a new TTC system map that will be easier to read and provide better and clearer information.

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

- New design is currently included on the TTC's website and will be incorporated into updates for existing TTC information pieces that include the system map (i.e. Ride Guides, transit shelter maps and in subway stations).
- The new map includes the following changes that make the map easier to read and provides clearer information:
  - Map scale - enlarged so that City of Toronto fills the page.
  - New look surface routes - service routes are now represented by one of five line types – express, frequent, regular, limited, and community bus.
  - Background map – cluttered road network has been reduced to display street names relevant to surface routes.
- Customers will be encouraged to provide feedback on the new design and further changes may be incorporated in the future based on this input.

#### ***Our commitment: two subway stations will be Wi-Fi and cellular capable***

In the fourth quarter, two subway stations will be Wi-Fi and cellular capable as prototype locations.

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

- On December 10, 2013, the TTC successfully launched Wi-Fi and cellular service at both Yonge / Bloor and St. George stations as prototype locations.

***Our commitment: install another 21 next vehicle screens***

By year-end, we will have installed another 21 next vehicle screens, bringing the total to 43 in 22 stations.

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

- By year-end, we installed 17 next vehicle screens, bringing the total to 37 in 20 stations.
- Another four next vehicle displays were installed at subway stations and used as station information and platform video screens.
- In addition, we installed 52 more next vehicle displays within the shelters and two more displays at the station bays in Bathurst Station for a total of 71 new next vehicle displays were installed in 2013.

***Our commitment: install another 33 station information screens***

By year-end, we will have installed another 33 station information screens, bringing the total to 42 in 30 stations.

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

- By year-end, we have installed another 35 station information screens, bringing the total to 44 in 35 stations, two displays more than scheduled.

**Responsive**

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

***Our commitment: introduce a new and more accurate way to reflect the experience of our customers and the reliability of service***

In the fourth quarter, we will introduce a new and more accurate way to reflect the experience of our customers and the reliability of service, and we will continue to report on performance against our 25 Key Performance Indicators outlined in the monthly CEO Report.

***Why we did not meet our commitment:***

- Significant progress achieved regarding data requirements and processing, analytical framework, and broad-based implementation approach for Customer Journey Time Metric (CJT).
- Key performance indicators have been developed for CJT including headway regularity, average waiting time and passenger delay.
- Prototype of CJT model has been developed and tested for one route on each mode (bus; streetcar; subway). After further refinement, results will be available in the first quarter of 2014.
- In 2014, the CJT will proceed to detailed design and full system development for use to review schedules and provide more reliable and consistent service delivery.

***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:***

- Six “Meet the Managers” sessions were conducted during Q4 at the following stations: Islington, St. George, Bathurst, Yonge/Bloor, Don Mills and Victoria Park. Feedback was received from customers on a variety of issues, both positive and negative.
- A fourth Town Hall was conducted on November 21 at Toronto City Hall.

**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.

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

- Five train sets were received in the fourth quarter.

**Accessible and Modern**

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

***Our commitment: the Pape Station Modernization Project is scheduled for completion***

In the fourth quarter, the Pape Station Modernization Project is scheduled for completion. The station will be fully accessible with new elevators, sliding doors, tactile surfaces and granite-edged stairs. It will also have second exits from the station platforms to street level, an expanded enclosed bus waiting area, new lighting, improved station identification and wayfinding signs, new wall finishes, bicycle parking, public art integrated into finishes and improved streetscaping and landscaping.

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

- Pape Station Modernization is substantially complete.
- The restoration of the parking lot and some minor streetscaping and landscaping elements will be completed in the spring.

***Our commitment: the Dufferin Station Modernization Project will have made noticeable improvements***

By the fourth quarter, the Dufferin Station Modernization Project will have made noticeable improvements, including new second exits from the eastbound and westbound platform levels at Russett Avenue, new wall finishes on both eastbound and westbound platforms, progressive improvements to station finishes at concourse level, installation of one of two new fare lines and collector booths and the re-opening of the west southbound traffic lane at Russett

Avenue and Bloor Street. The completion of the project is scheduled for 2014.

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

- The second exits for Dufferin Station are complete.
- Platform level wall finishes are complete except where construction is still pending.
- The new fare lines and new Collector booths have been installed.
- The west southbound traffic lane at Russett Avenue has been re-opened.
- This project will be substantially completed in 2014.

**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:***

- Maintenance blitzes have been completed at all stations.
- 18 stations were completed in the fourth quarter.

***Our commitment: a third of our stations will have had the terrazzo floor reconditioned to a like-new finish***

By the fourth quarter, a third of our stations will have had the terrazzo floor reconditioned to a like-new finish. We will be using a more advanced process to recondition the floors, which will result in the floors shining for a longer period of time.

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

- The Floor Reconditioning crew completed 15 stations that have terrazzo flooring.

***Our commitment: wash light fixtures and replace lights (as necessary) at twenty two stations.***

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

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

- All lights across the system were washed and replaced in all levels of the stations and stairwells as required.
- In the fourth quarter, work was completed at 18 stations.

## 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.

### 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
<b>2013 TTC Operating Budget</b>			
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**

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 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
<b>2013 Wheel-Trans Operating Budget</b>			
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
<b>2013 Capital Program Budget</b>			
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-six trainsets have been accepted for revenue service to date. This marks the acceptance of the seventh 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 the early portion of next 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 Road, 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 reviewed and construction is proceeding. An updated recovery schedule was requested to address changes in the work sequence. The facility is expected to be ready for use 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 and had its fifth meeting on December 10, 2013. The CLG acts as a key communication link between the local community and the TTC construction team. The next meeting is scheduled for mid-January 2014. The third cyclist safety walk was held on December 18, 2013.

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 newly enlarged west entrance was opened to the public 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 23, 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 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.

Tunnelling 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.

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 subway stations currently equipped with PRESTO fare payment equipment while installing 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 toward 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.