



STAFF REPORT INFORMATION ONLY

Chief Executive Officer's Report – April 2015 Update

Date:	April 29, 2015
To:	TTC Board
From:	Chief Executive Officer

Summary

The Chief Executive Officer's Report is submitted each month to the TTC Board, for information. Copies of the report are also forwarded to each City of Toronto Councillor, the City Deputy Manager, and the City Chief Financial Officer, for information. The report is also available on the TTC's website.

Financial Impact

There are no financial impacts associated with this report.

Accessibility/Equity Matters

There are no accessibility or equity issues associated with this report.

Decision History

The Chief Executive Officer's Report was created in 2012 to better reflect the CEO's goal to modernize the look and feel of the TTC in a transparent manner. The new report replaced the previous Chief General Manager's Report, which did not provide a corporate-level focus on the organization's key performance indicators (KPIs) and was not available on the TTC's website in an easy-to-read format.

Issue Background

The Chief Executive Officer's Report presents the organization's KPIs in a performance "dashboard" format that enables the reader to view periodic performance in each area 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 as well as other corporate initiatives.

Contact

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Attachment

Chief Executive Officer's Report – April 2015 Update



TORONTO TRANSIT COMMISSION

CHIEF EXECUTIVE OFFICER'S REPORT

APRIL 2015 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	72%	TBD			2.2
Customer Journeys		Customer Trips	Period	P2	41.682M	41.535M			2.3
Punctuality – Subway									
Line 1 (Yonge-University)	Headway + 3 minutes	P2	93.1%	96.0%	P2			2.4.1	
Line 2 (Bloor-Danforth)	Headway + 3 minutes	P2	96.1%	97.0%	P2			2.4.1	
Line 3 (Scarborough)	Headway + 3 minutes	P2	94.6%	96.0%	P2			2.4.1	
Line 4 (Sheppard)	Headway + 3 minutes	P2	99.5%	98.0%	P2			2.4.2	
Punctuality – Bus, Streetcar, and Wheel-Trans									
Bus	Headway +/- 3 minutes	Period	P2	62.3%	65.0%			2.5.1	
Streetcar	Headway +/- 3 minutes	Period	P2	61.5%	70.0%			2.5.2	
Wheel-Trans	Within 10 minutes of schedule	Period	P2	82.8%	90.0%			2.5.3	
Safety and Security									
Lost Time Injuries	Injuries / 100 Employees	Period	P2	3.16	TBD			2.6.1	
Customer Injuries	Injury incidents / 1M Vehicle Boardings	Period	P2	1.15	NA			2.6.2	
Behavioural Safety Index	Safety Focused Behaviour	Period	TBD					2.6.3	
Offences against Customers	Assault, theft, other	Period	P2	38	NA			2.6.4	
Offences against Staff	Assault, threat, other	Period	P2	32	NA			2.6.5	
People									
Attendance	Employee Absence	Period	P2	7.21%	< 6.50%			2.7.1	
Operator Hires	Actual vs. Budget	Period	P2	76	76			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	P2	98.6%	98.0%			2.8.1	
Escalators	% Escalators Available	Period	P2	96.7%	97.0%			2.8.2	
Fare Purchase Opportunity	% TVM's / PVM's Available	Period	P2	96.0%	96.4%			2.8.3	
Mystery Shopping and Audits									
Station Cleanliness	Cleanliness Audit Score	Quarter	Q4	73.1%	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	P1-2	\$189.1M	\$192.9M		n/a	4.1	
TTC Operating Expenditure	Actual vs. Budget	Period	P1-2	\$262.9M	\$262.3M		n/a	4.1	
Wheel-Trans Revenue	Actual vs. Budget	Period	P1-2	\$1.0M	\$1.0M		n/a	4.2	
W-T Operating Expenditure	Actual vs. Budget	Period	P1-2	\$17.6M	\$18.3M		n/a	4.2	
Capital Expenditure – Base	Actual vs. Budget	Period	P1-2	\$52.3M	\$126.2M		n/a	4.3	
Capital Expenditure – TYSSE	Actual vs. Budget	Period	P1-2	\$30.9M	\$84.0M		n/a	4.3	
Capital Expenditure – SSE	Actual vs. Budget	Period	P1-2	\$0.3M	\$3.8M		n/a	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

A challenging element of our mission to modernize the TTC is to deliver projects for which critical decisions were made some years ago, but that now require us to make difficult choices. The problems facing the subway extension of Line 1 to York University and up into York Region have been well documented in recent weeks. The TTC faced criticism when it had to announce a further delay to the opening date and a request for increased funding. Such criticism is justified, of course, as we are rightly expected to deliver projects on time and on budget. Our Five-Year Corporate Plan references the need to deliver on our promises and to hold ourselves publicly accountable when we don’t.

There are many reasons why this project is facing the challenges it is. Eighteen months was lost due to difficulties in finalizing funding; that time was not added to the construction schedule. Other contributory factors include a fatal accident at the future York University Station site, problems with utility relocation, strained contractor relationships, and two very harsh winters that led to significant slowdowns at some construction sites. My management team and I are accountable for this project and, while lessons must be learned, it is down to us to finish the job.

Another challenging TTC project relates to the ongoing signal replacement of Line 1 and the introduction of Automatic Train Control. ATC will increase line capacity by allowing us to run more trains with shorter spacing between them, which will mean less waiting and less crowding for customers. When this project was initiated seven years ago, it was structured around a series of highly complex contractual and technical interfaces – not an industry best practice. We have since simplified this project and how it is to be delivered, while maintaining the benefits of ATC and keeping the project on time and within budget.

Going forward, my view is that the TTC should increasingly focus on its core job of moving people from A to B. That is what we do best and our five-year plan will get our service quality back to what it once was – the jewel in the crown of North American transit.

Another important milestone in our efforts to modernize the TTC has been reached with the completion of installation of free Wi-Fi service at all Line 1 subway stations in the downtown "U" - from Bloor to Union to St. George - and on Line 2 at Bay and Spadina Stations. The service, branded as TCONNECT, allows access to the internet, including email, social media, and real-time transit updates. The network is available in all public areas of stations, including platforms, mezzanines, walkways, and stairwells. It is anticipated that free Wi-Fi will be activated at all remaining stations over the next two years.

In previous commentaries, I have pointed out that to foster the required culture change at the TTC, we must create a work environment that is supportive, fair, and in which good people feel engaged and able to achieve their full potential. To facilitate this, we conducted the inaugural TTC Employment Engagement Survey in October 2014. The results of this survey are now available and while the overall satisfaction rating of the TTC as an employer is high, a number of areas for improvement across the organization were identified. I promised our employees that we would act on the results. To this end, my entire Leadership Group has been tasked with exploring the underlying reasons for the issues that have been highlighted in the results and developing action plans to address them.

Subway punctuality on Line 1 (Yonge-University), Line 2 (Bloor-Danforth), and Line 3 (Scarborough) was below target with much of the decreased performance for each line being attributable to the impact of severe cold temperatures and snow/ice. Punctuality remained above target on Line 4 (Sheppard).

Bus punctuality decreased to below target. Streetcar and Wheel-Trans punctuality each remained below target.

Employee absence increased and continues to be above target (unfavourable). Achieving sustained improvements in employee attendance continues to be a high priority of my management team. Attendance rates are closely linked to the level of engagement of our staff and, as noted above, we are now acting on the results of the first TTC Employee Engagement Survey that just concluded.

Elevator availability continued to be above target. Escalator and TVM/PVM availability were each below target for the first time in six periods.

On the financial side, customer journeys (ridership) for January and February were 1 million (1.1%) below budget and passenger revenue was \$3.7 million below budget. Much of this variance was due to the negative impact of continued severe cold temperatures and snow. Since the fare increase on March 1, ridership has continued to be lower than budget, such that by the end of March, the ridership variance had grown to about 1.9 million below budget. It is too soon to determine whether this is simply an initial reaction to the fare increase or indicative of a more lasting trend. Staff will continue to closely monitor ridership results throughout the year. Operating expenses were marginally above budget. Capital expenditures were below budget due to typically lower project activity early in the year.

2.2 – Customer Satisfaction Survey

The overall satisfaction in Q4 2014 was consistent with the previous quarter and the overall trend (72%). Customers who used streetcar only were less satisfied with the service, compared to subway only and bus only riders.

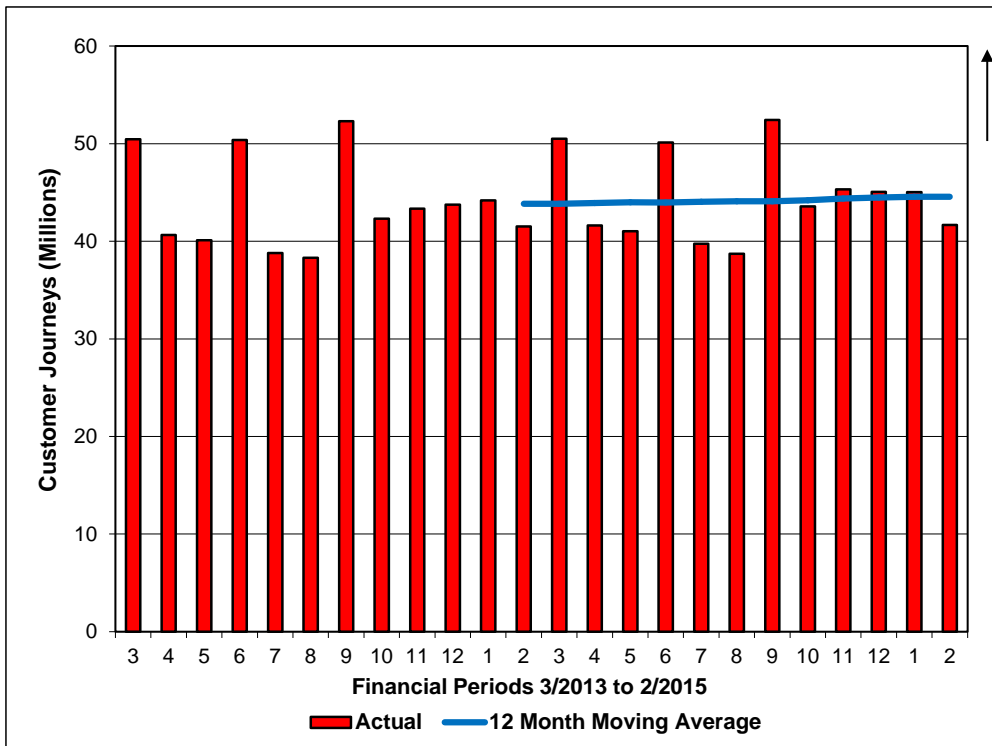
Areas of highest customer satisfaction (+80%) included: personal safety while travelling on subway, bus and streetcar; ease of getting to train platform; the quality of announcements of each subway stop; and maps and information inside the subway train.

Perceived value for money was comparable to previous quarters, with 89% of TTC riders providing 'average', 'good' or 'excellent' ratings. The main suggestion to improve value for money was to increase frequency of service and reduce overcrowding in vehicles.

Pride in the TTC and what it means to Toronto has declined (66%), compared to Q3 2014 (71%) and the same time period last year (73%). Specifically, pride in the TTC declined for subway riders, frequent TTC users, those who use TTC for leisure, and customers who use tokens as a method of fare payment.

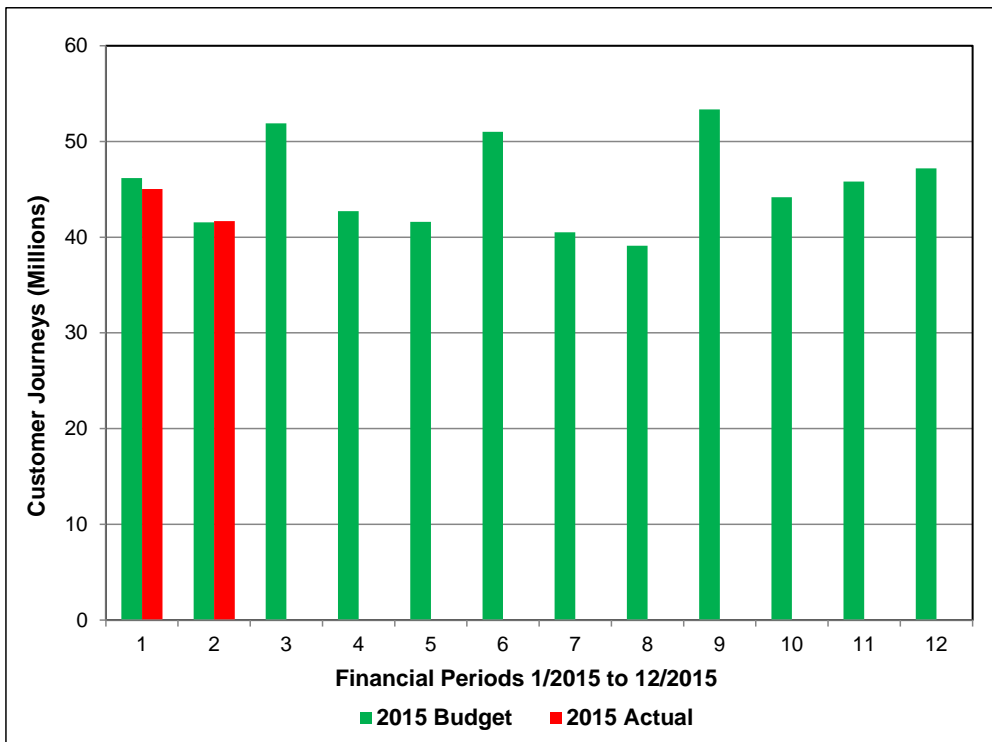
I am very confident that customer satisfaction will rise once we achieve greater reliability of service. The new subway timetable and the ongoing work to improve surface transit reliability will deliver this improvement.

2.3 – Customer Journeys



There were 41.682M customer journeys (ridership) taken during Period 2 2015, which was 0.156M (0.4%) more than the 41.526M journeys taken during the comparable period in 2014.

The annual number of customer journeys taken to the end of Period 2 2015 was 534.819M, which was 8.762M (1.7%) more than the 526.057M annual journeys taken to the end of the comparable period in 2014.

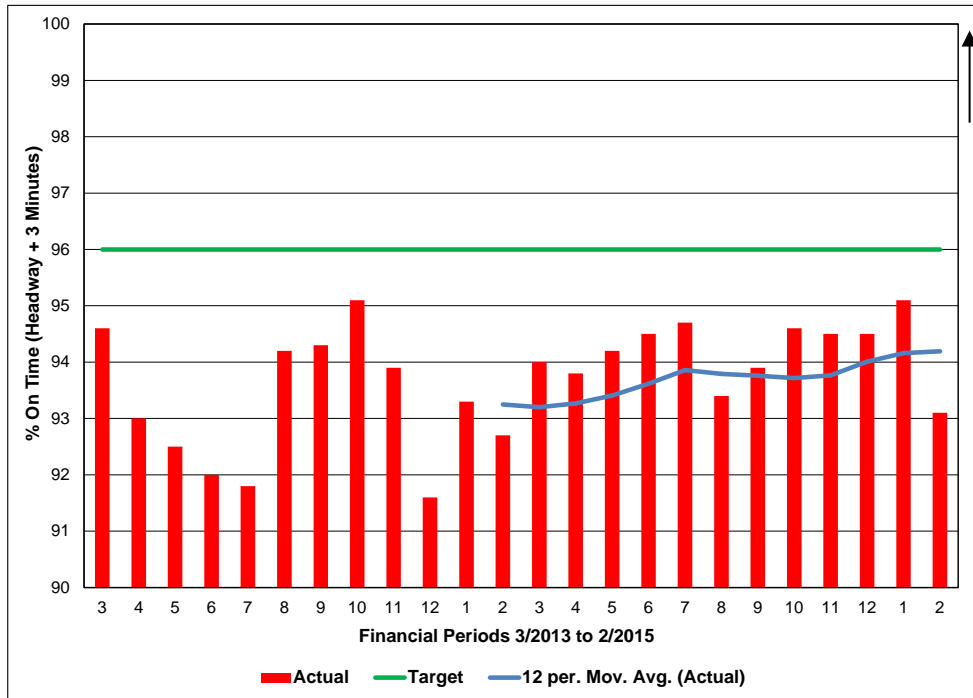


There were 41.682M customer journeys taken during Period 2 2015, which was 0.147M (0.4%) more than the budget of 41.535M journeys.

The number of customer journeys taken year-to-date to the end of Period 2 2015 was 86.709M, which was 0.991M (1.1%) less than the budget of 87.700M journeys.

2.4 – Punctuality – Subway

Line 1 (Yonge-University)

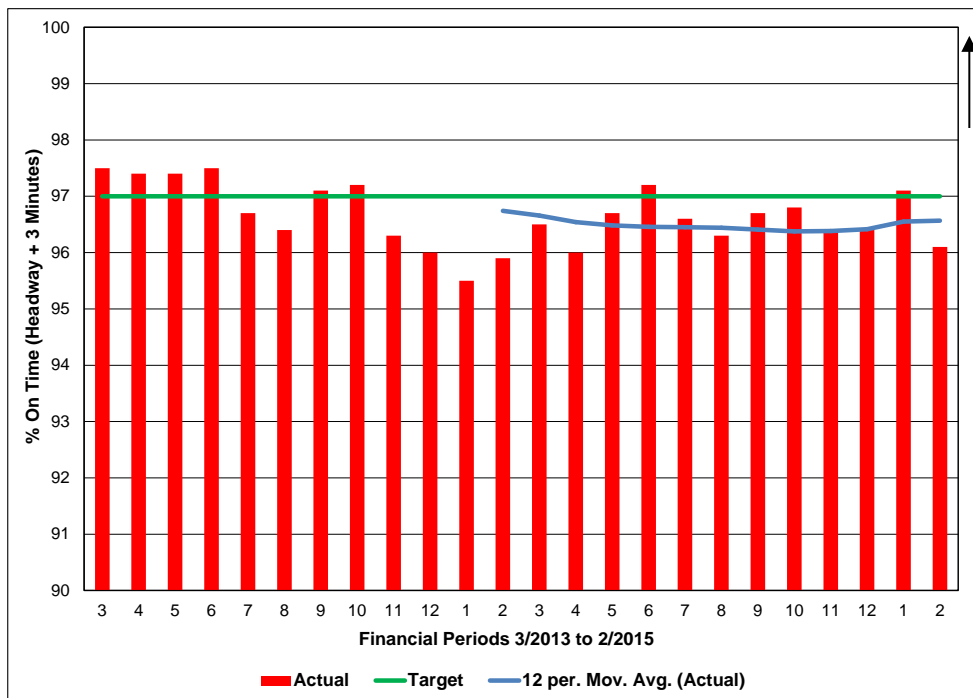


Performance in Period 2 decreased to its lowest level in the past 12 periods.

The decrease in performance was attributable to increases in signal system failures, signal equipment maintenance calls, and Plan B (fire/smoke) incidents resulting from large accumulations of ice and snow.

Pending schedule changes should result in significant on-time improvements.

Line 2 (Bloor-Danforth)

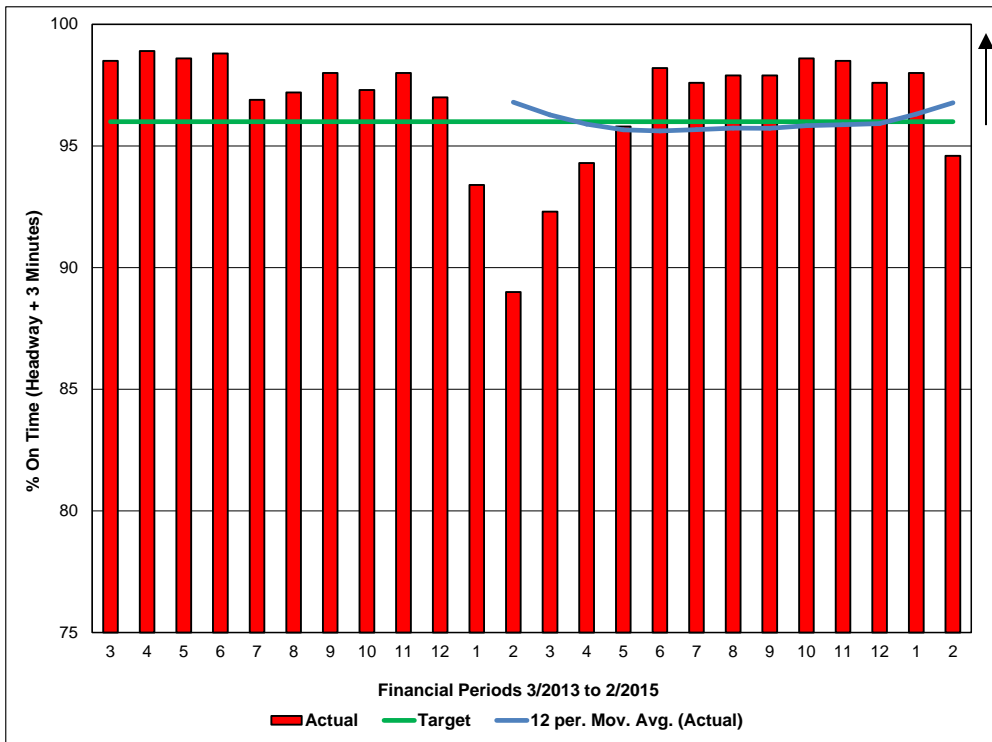


Performance in Period 2 decreased to its lowest level in the past 10 periods.

The decrease in performance was attributable to increases in signal system failures, signal equipment maintenance calls, and Plan B incidents resulting from large accumulations of ice and snow.

Continued focus is being placed on improving off-peak service via better scheduling.

Line 3 (Scarborough)

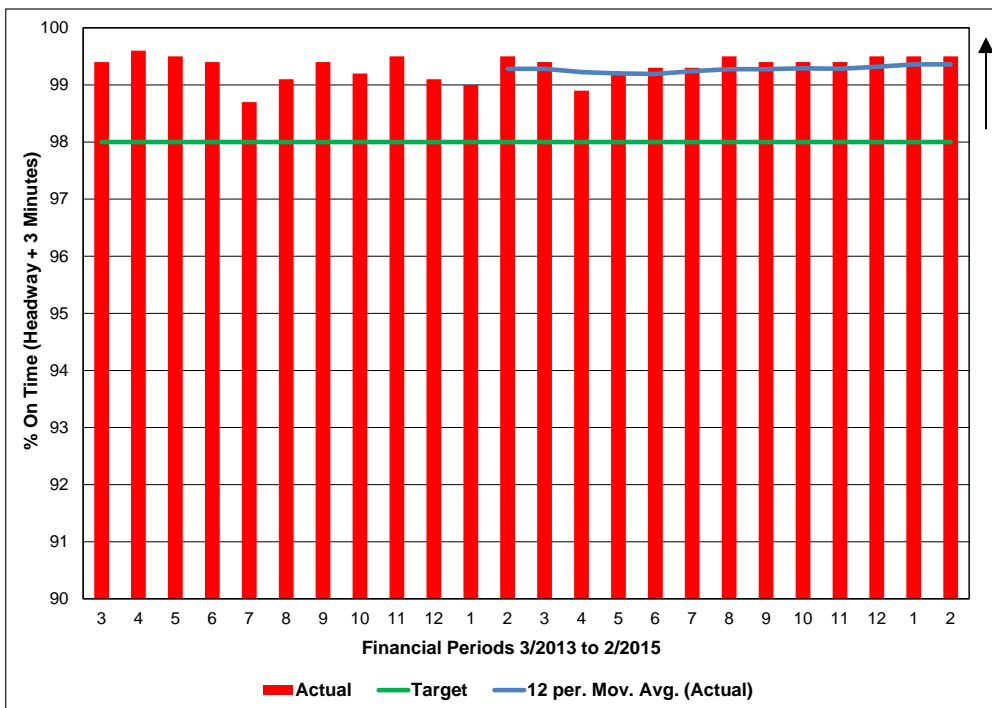


Performance in Period 2 decreased to below target for the first time in nine periods.

The decrease in performance was mainly attributable to the impact of continuing severe cold temperatures and inclement weather.

In addition, trains on Line 3 have been reduced to 50 km/h maximum speeds due to a variety of line equipment and operational issues. Until remedial solutions are implemented, this degraded performance will result in increased round trip times and slightly extended headways.

Line 4 (Sheppard)

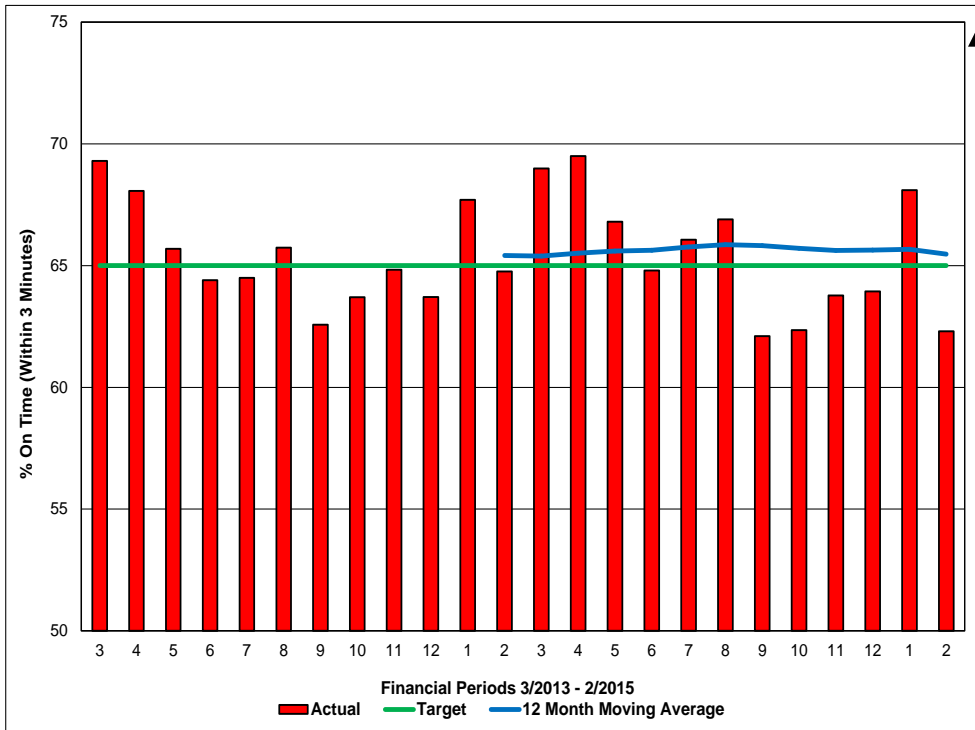


Performance in Period 2 remained well above target.

The relatively low volume of delay incidents and a high level of resilience in the ability to maintain headway performance when incidents occur are factors that contribute to consistently good performance on this line.

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

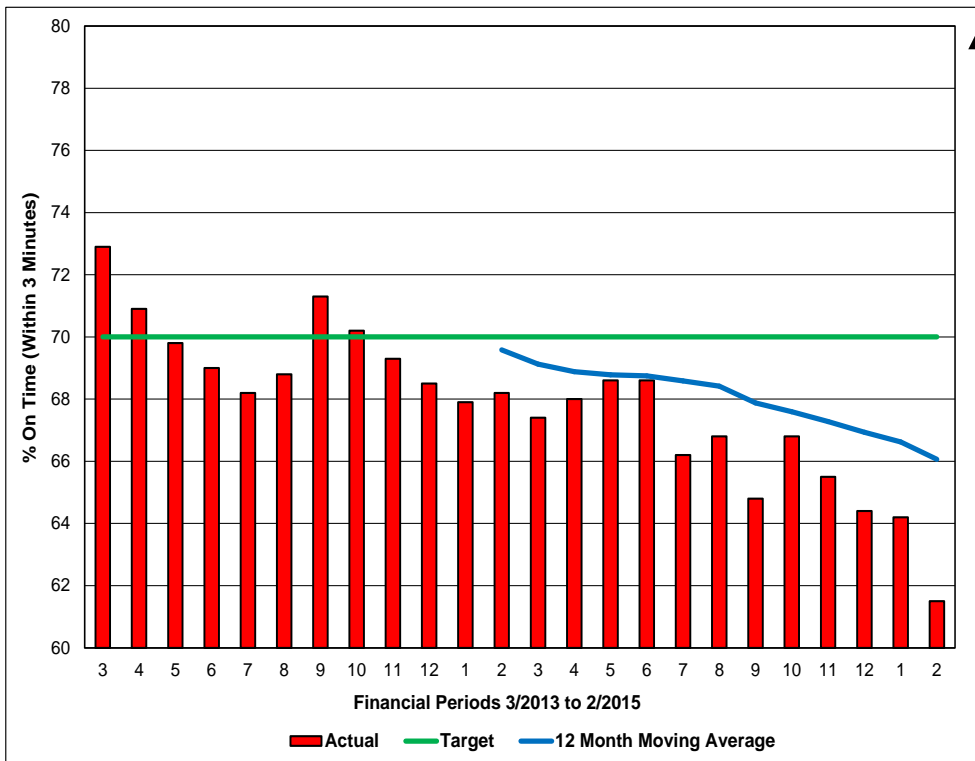
2.5.1 – Bus



Performance decreased to below target in Period 2.

Weather conditions continue to hamper service. Performance is expected to improve in Period 3.

2.5.2 – Streetcar

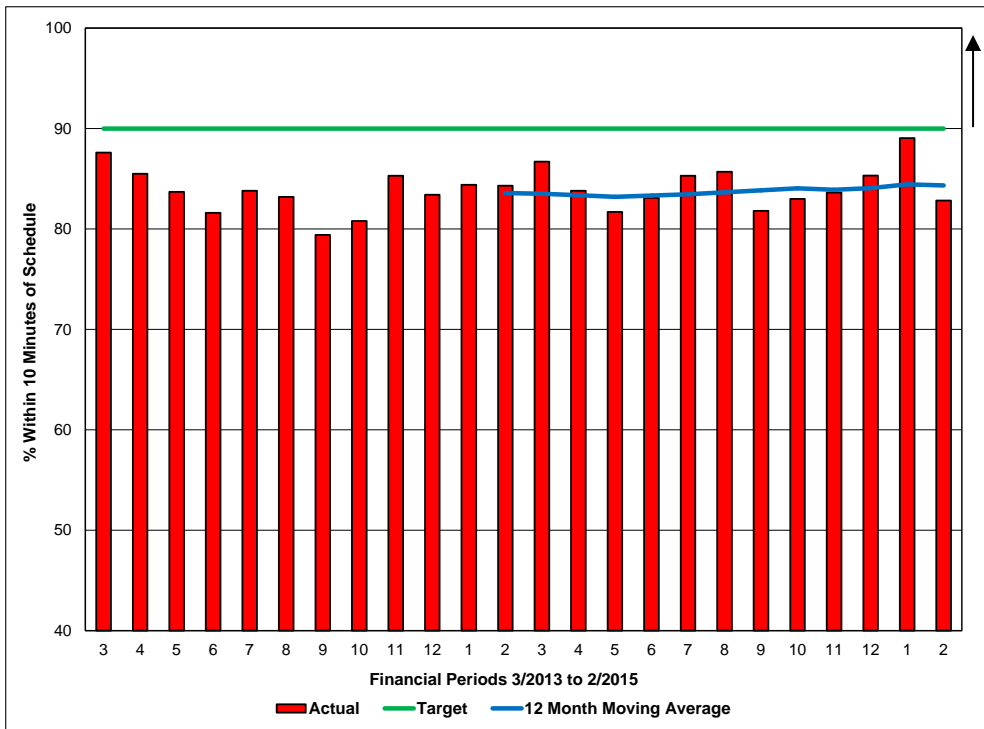


Performance decreased in Period 2 to its lowest level in the past two years and continued to remain well below target.

Extreme cold weather affected the provision of a full complement of streetcars for the 502 Downtowner and 503 Kingston Rd. routes for the entire financial period. In addition, there was an increase in the number of switch incidents resulting from accumulation of snow and debris in switches.

This adverse trend is receiving attention at the highest level and will see improvement in coming periods.

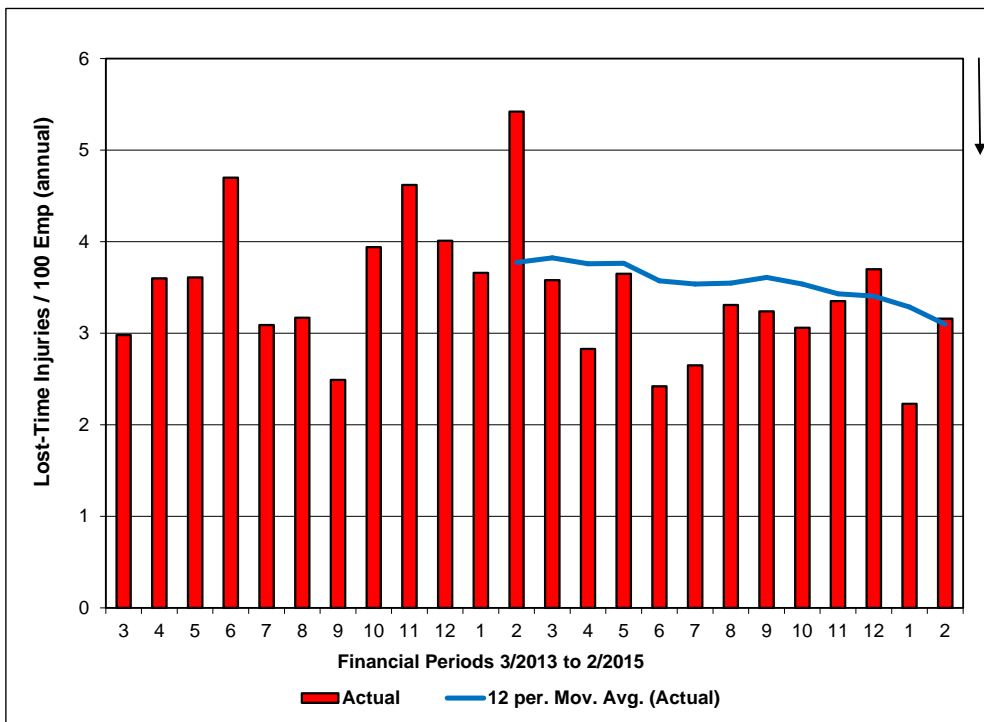
2.5.3 – Wheel-Trans



Performance decreased in Period 2 and continued to remain below target.

2.6 – Safety and Security

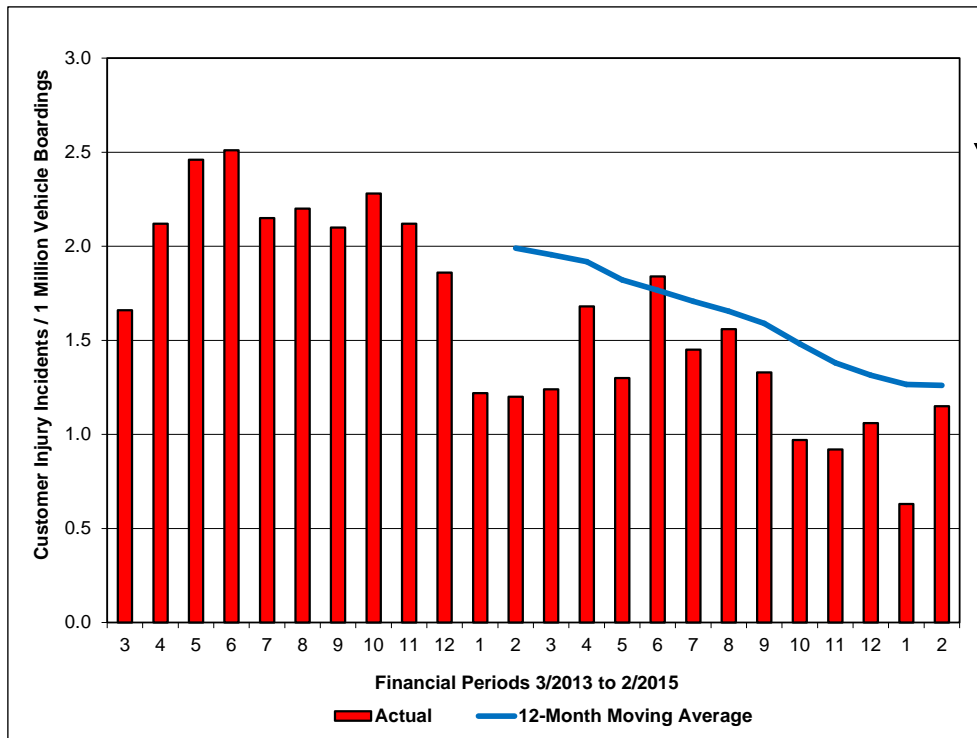
2.6.1 – Lost-Time Injuries (Annual Injuries / 100 Employees)



The annualized lost-time injury rate (LTIR) for Period 2 2015 was 3.16 lost-time injuries per 100 employees, which was 42% lower than the corresponding rate of 5.42 for Period 2 2014.

The moving annual LTIR to the end of Period 2 2015 was 3.10, which was 18% lower than the corresponding rate of 3.77 to the end of Period 2 2014.

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



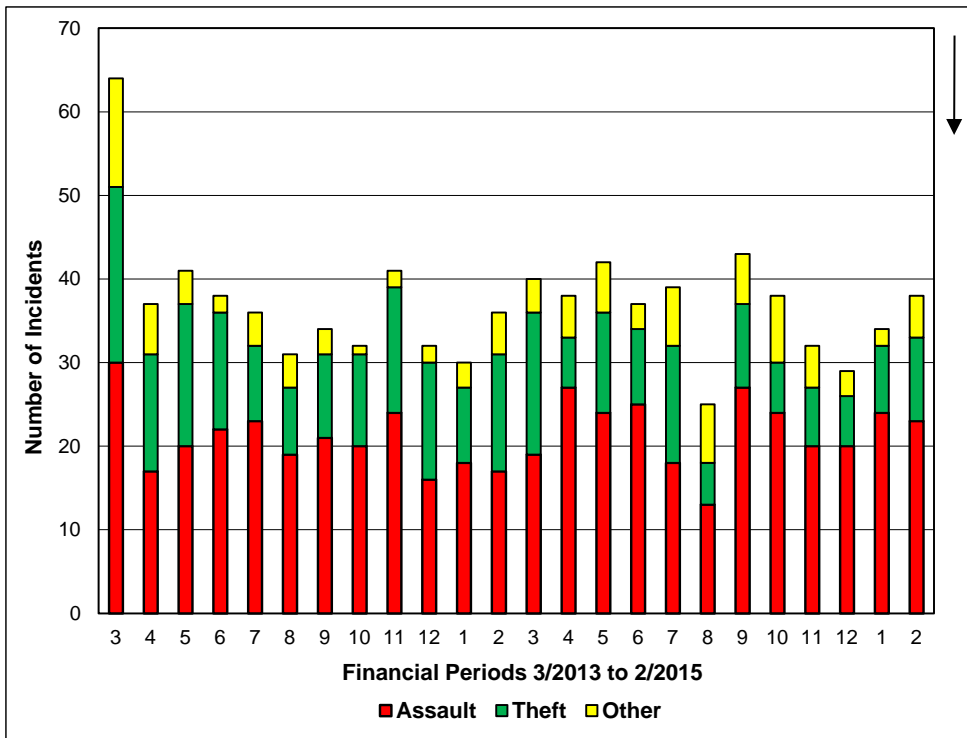
The customer injury incident rate for Period 2 2015 was 1.15 injury incidents per 1 million vehicle boardings, which was 4% lower than the corresponding rate of 1.20 for Period 2 2014.

The moving annual customer injury incident rate to the end of Period 2 2015 was 1.26, which was 37% lower than the corresponding rate of 1.99 to the end of Period 2 2014.

2.6.3 – Behavioural Safety Index

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

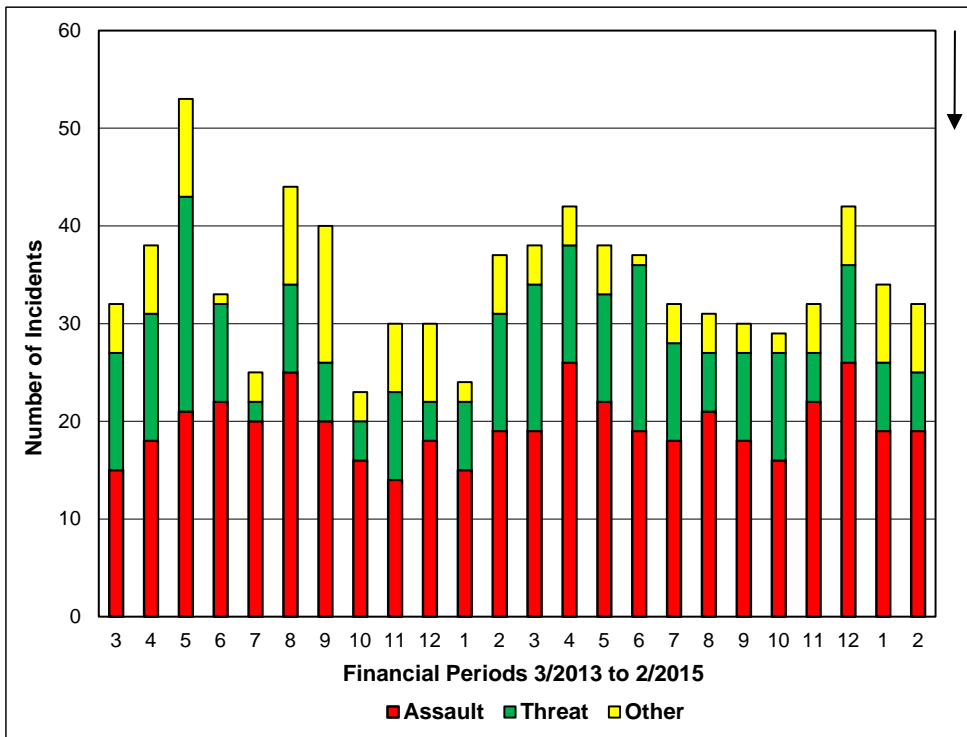
2.6.4 – Offences Against Customers



Total offences against customers increased in Period 2.

Year-to-date to Period 2, there were six more offences (72 vs. 66) compared with the corresponding period in 2014. This includes 12 more assaults (47 vs. 35), 5 fewer thefts/robberies (18 vs. 23), and 1 fewer 'other' offence (7 vs. 8).

2.6.5 – Offences Against Staff

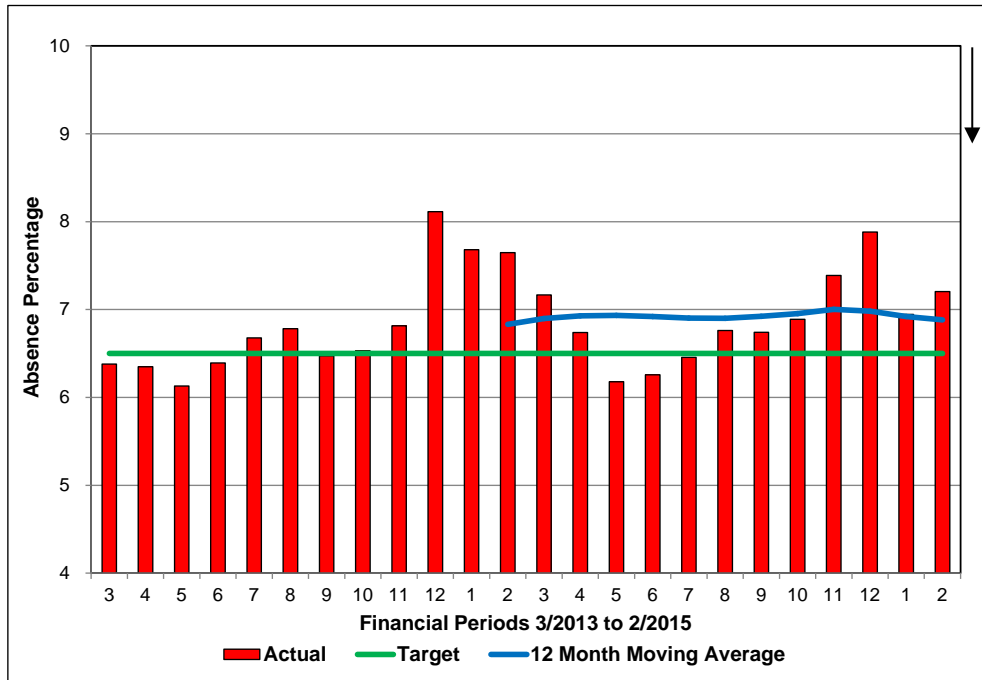


Total offences against staff decreased in Period 2.

Year-to-date to Period 2, there were five more offences (66 vs. 61) compared with the corresponding period in 2014. This includes four more assaults (38 vs. 34), six fewer threats (13 vs. 19), and seven more 'other' offences (15 vs. 8).

2.7 – People

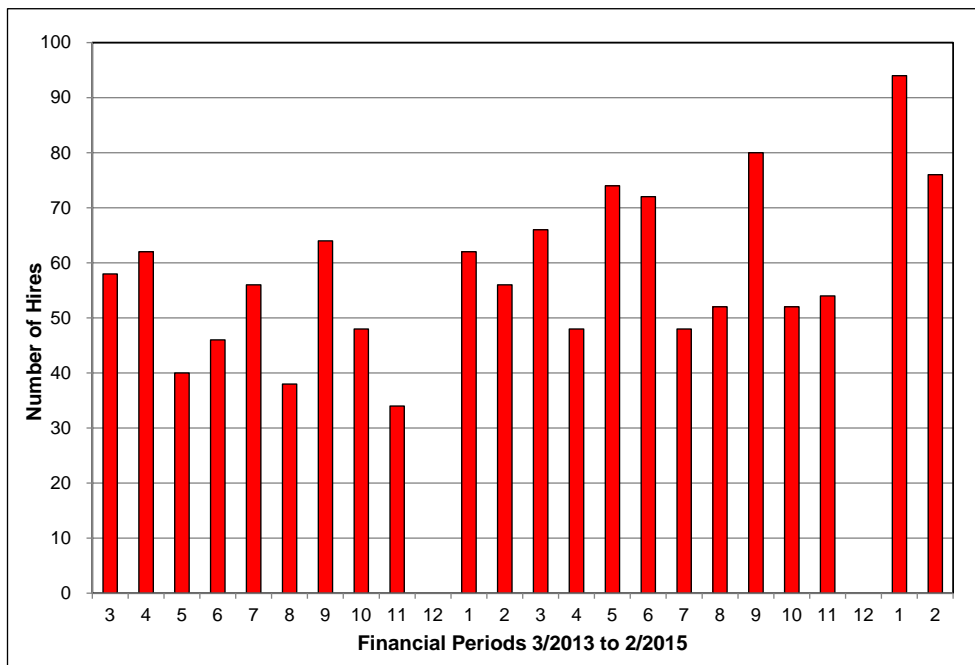
2.7.1 – Attendance



The absence rate increased in Period 2 and remained above target (unfavourable) for the seventh consecutive period.

Focus continues to be placed on actively and systematically managing employees with problematic attendance records.

2.7.2 – Operator Hires

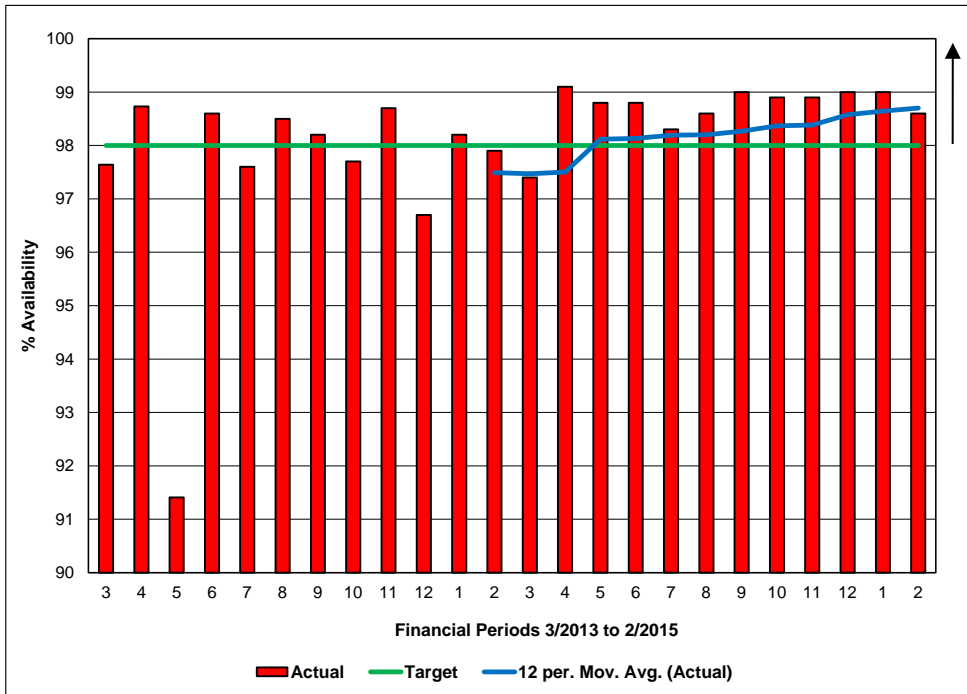


In Period 2, 76 Operators were hired and began training.

There is a 5-6 month lead time to operator hires and it is important that hiring be ramped up now to accommodate new service in Spring and predicted retirements.

2.8 – Device Availability

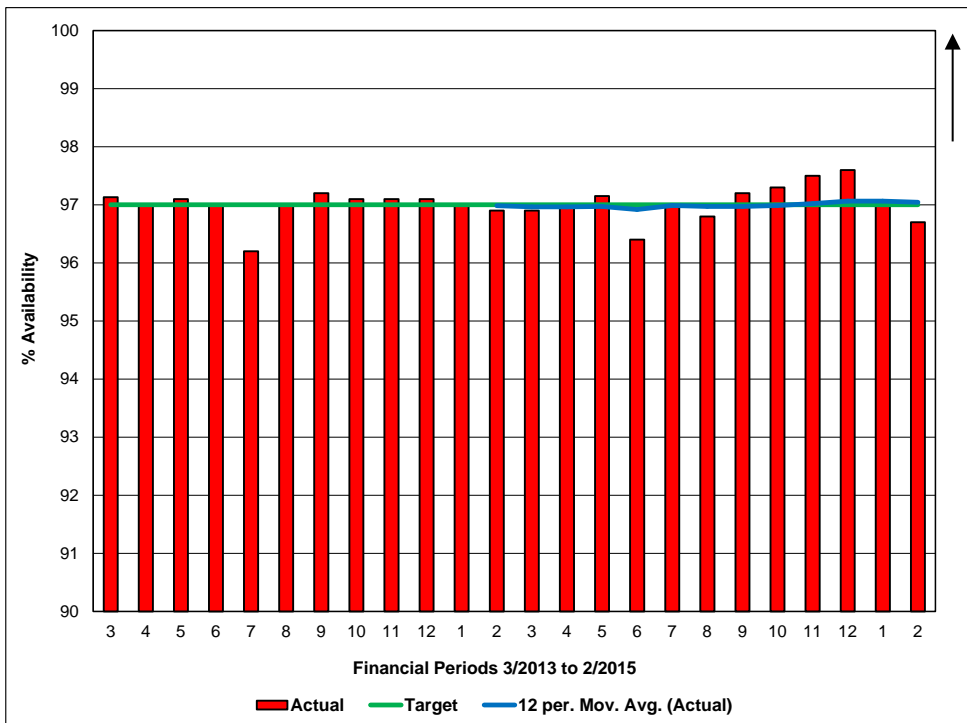
2.8.1 – Elevator Availability



Performance in Period 2 remained well above target.

Elevator maintenance was completed as planned and scheduled and overall downtime was reduced due to the absence of any major elevator overhaul activity.

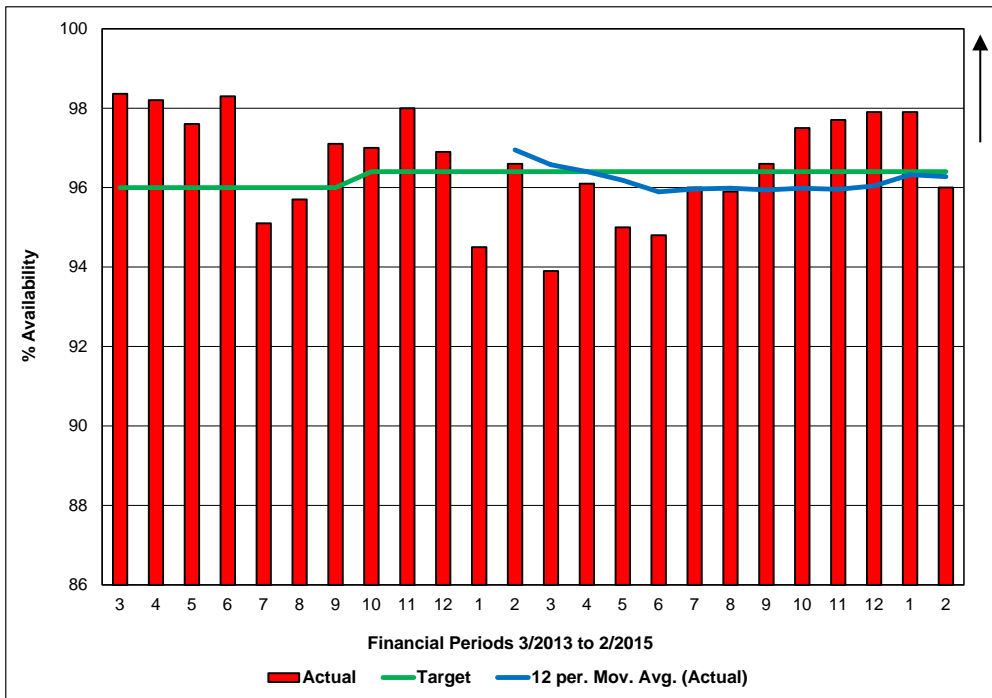
2.8.2 – Escalator Availability



Performance in Period 2 decreased to slightly below target for the first time in six periods.

Performance remains high and this is attributable to maintenance programs being completed as planned and scheduled, which is contributing to keeping trouble calls to a minimum.

2.8.3 – Fare Purchase Opportunity

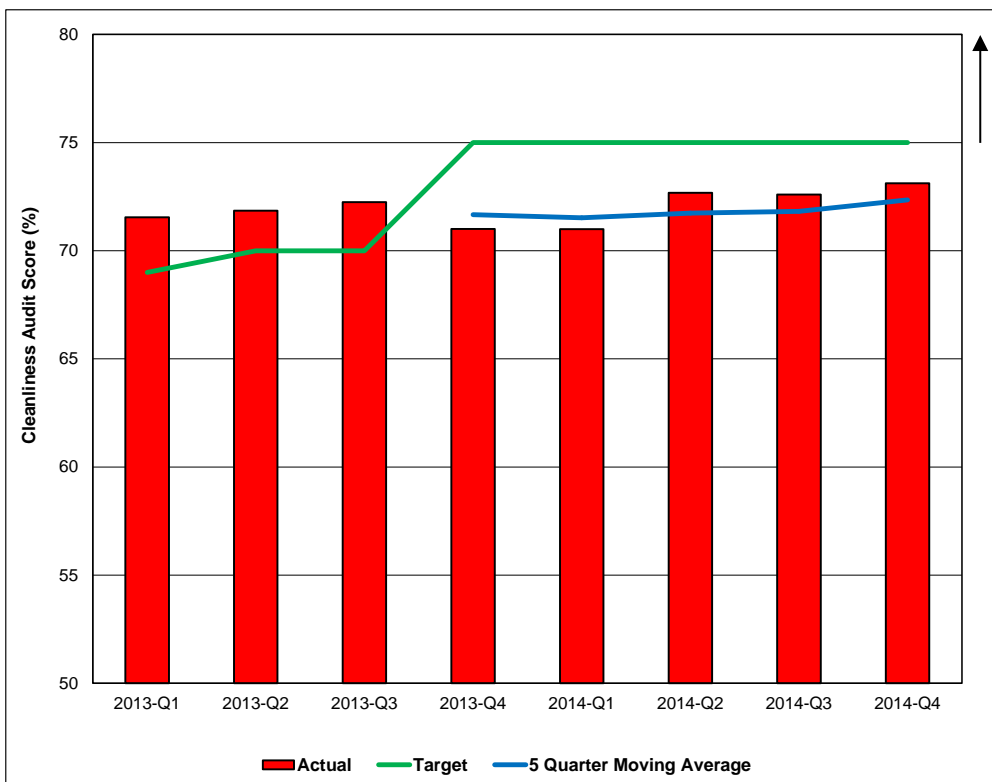


Performance in Period 2 decreased to below target for the first time in six periods.

The decrease in performance was mainly due to electrical power problems encountered during relocation of some Pass Vending Machines (PVM) and vandalism (intentional coin jams) of Token Vending Machines (TVM).

2.9 – Mystery Shopping and Audits

2.9.1 – Station Cleanliness



Performance in Q4 2014 improved slightly from Q3 2014 results.

The improvement in performance was less than expected due in part to workforce shortages which were the result of hiring delays carried over from Q2 and Q3 2014.

In addition, seasonal maintenance issues (e.g. salt film) that existed during the timeframe the audit was conducted brought the scoring on exterior stairs and bus bays down.

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 Q3 2015. A revised performance chart will be provided in this section when the results for Q3 2015 are available.

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.

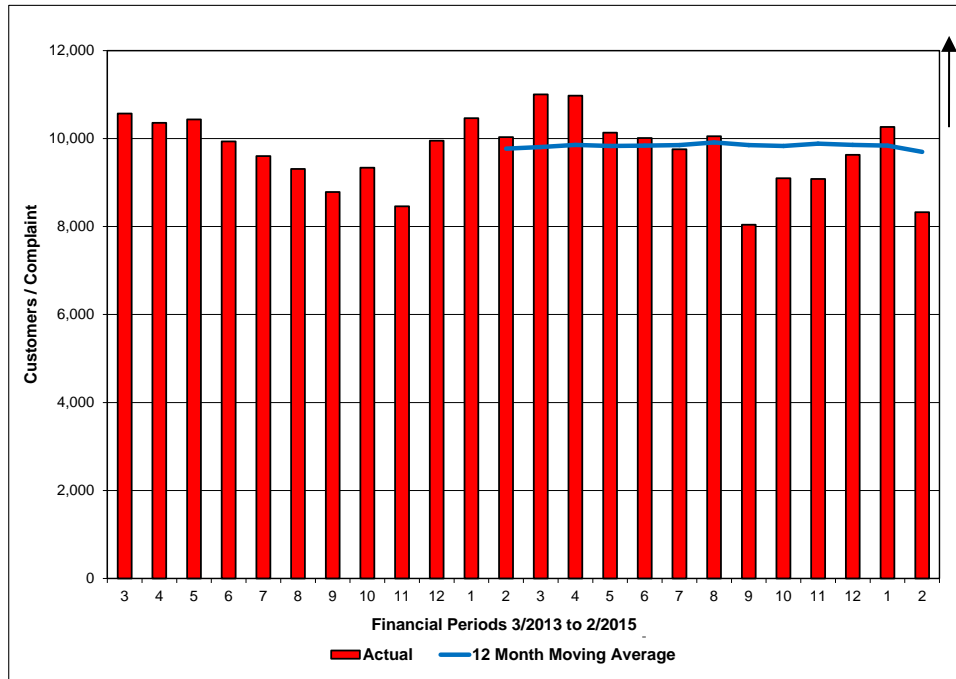
2.9.4 – Staff Helpfulness MSS

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

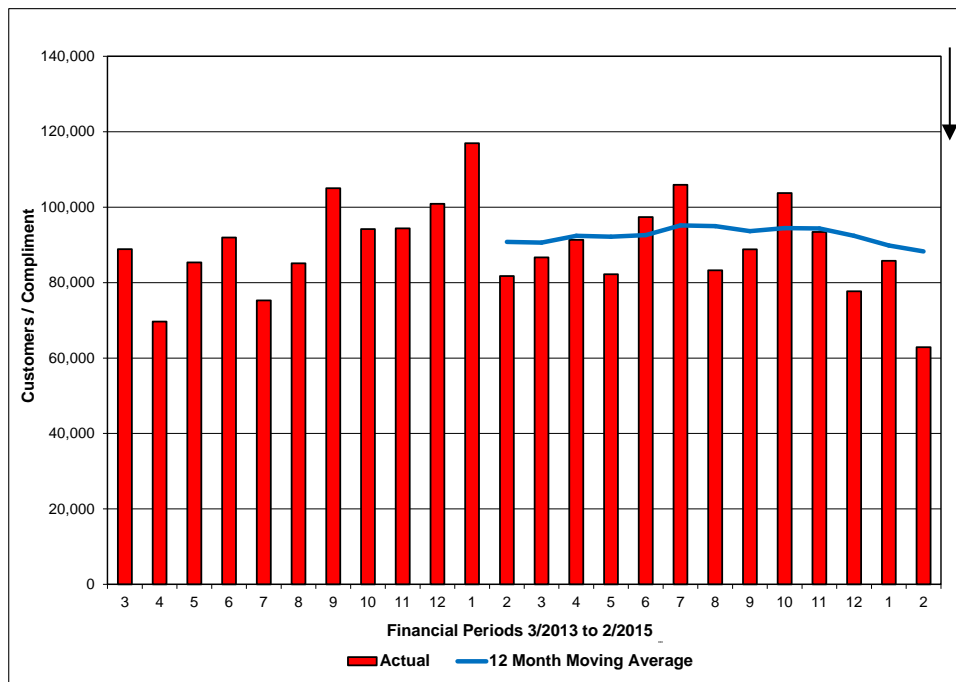
This section provides information on various customer-related issues, including trends for customer complaints and compliments, customer satisfaction improvement initiatives, major closures, and a progress report on the TTC Customer Charter.

3.1 – Customer Complaints



Customers per complaint decreased (unfavourable) in Period 2 after having increased for the previous four periods.

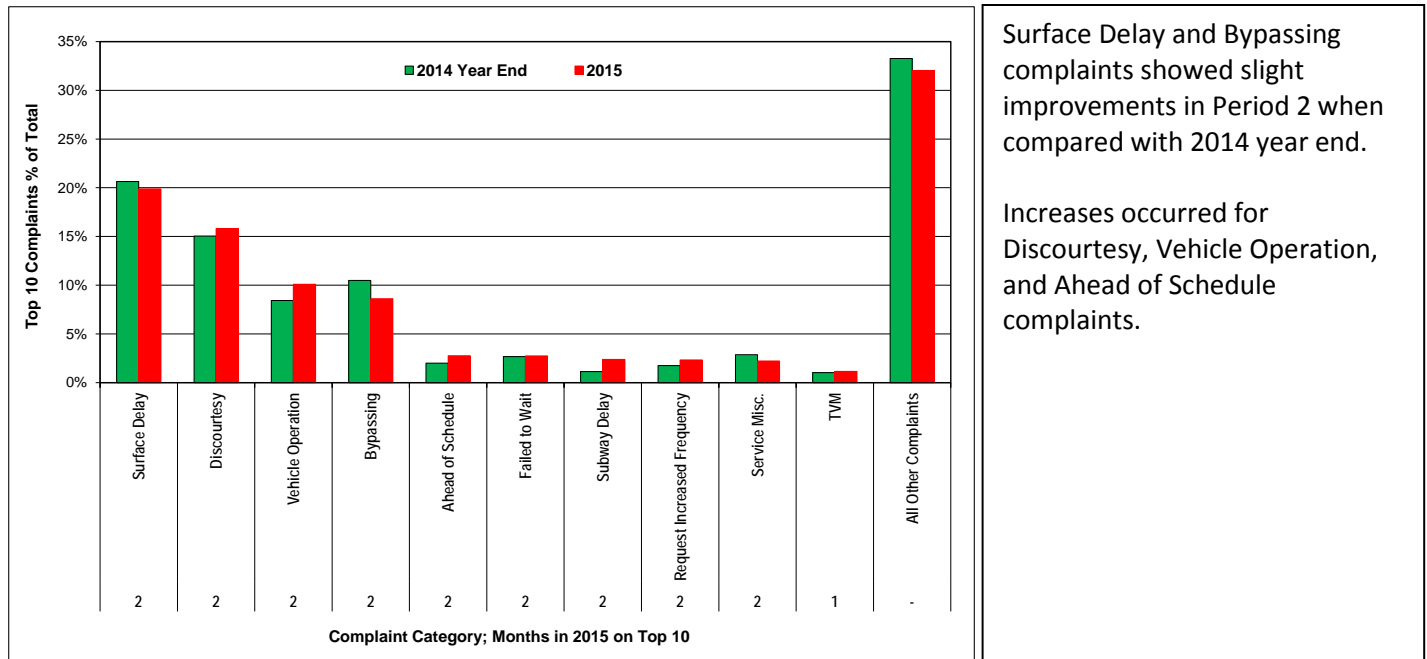
3.2 – Customer Compliments



Customers per compliment decreased (favourable) to the lowest level in the past two years.

The overall trend over the past five periods remained positive.

3.3 – Top Ten Complaints



3.4 – Commentary on Customer Satisfaction Improvement

In January, the 2015 Customer Charter was unveiled with 38 time-bound commitments that include improved service reliability, increased accessibility, cleaner stations, and continued transparency in reporting and explaining delays. The 2015 Customer Charter is the third released by the TTC and is designed to track promises and improvements that benefit customers, while holding TTC’s management to account if promises are not kept. The progress against these commitments is reported to the TTC Board quarterly and posted on the TTC’s website

In Q1 2015, five of six Customer Charter commitments were achieved, including: install the redesigned TTC system maps at all subway stations and transit shelters, next train arrival times available on the TTC website, Line 1 “U” from St. George Station to Bloor-Yonge Station will be Wi-Fi enabled, all-door boarding on the 504 King streetcar route will begin, and the 192 Airport Rocket will be promoted.

One Charter commitment was not achieved - the location of the second exit at Chester Station was unable to be finalized due to a need for additional consultation. The TTC continues to consult with local stakeholders; when this process is complete, a report with the local working group’s recommendation will be submitted to the TTC Board in June 2015.

The TTC continues to conduct Meet the Managers sessions at subway stations. So far in 2015, sessions have been conducted at the following stations: Islington, King, Sheppard, and Yorkdale.

3.5 – Major Closures

Line 1 (Yonge-University) - North Yonge Segment

Throughout 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.

This early closure will conclude at the end of 2015.

Yorkdale Commuter Parking Lot

The TTC commuter parking lot at Yorkdale Shopping Centre is being demolished for redevelopment and is unavailable for use by TTC customers. 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	Spadina / College intersection	Apr 6/15 – Apr 27/15	Track, Road, and Sidewalk Reconstruction
Subway	Line 3 (Scarborough) Kennedy Stn to McCowan Stn	Apr 25/15 – Apr 26/15	Infrastructure Maintenance
Subway	Line 1 (Yonge-University) Union Stn to St. Andrew Stn	May 2/15 – May 3/15	Union Station Platform Upgrades
Subway	Line 1 (Yonge-University) Downsview Stn to St Clair W Stn	May 9/15 – May 10/15	Infrastructure Maintenance
Subway	Line 2 (Bloor-Danforth) St. George Stn to Pape Stn	May 17/15	Infrastructure Maintenance
Subway	Line 1 (Yonge-University) Bloor Stn to Lawrence Stn	May 23/15 – May 24/15	Automatic Train Control (ATC) Project
Subway	Line 1 (Yonge-University) Downsview to Lawrence W Stn	May 30/15 – May 31/15	Infrastructure Maintenance

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

3.6 – TTC Customer Charter Quarterly Progress Report

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

First Financial Quarter – January 1 to April 4, 2015

Key Area	Our First Quarter Commitment in 2015	How We Did
Informative	We will install the redesigned TTC system maps at all subway stations and transit shelters.	✓
Informative	We will make next train arrival times available on our website.	✓
Informative	The Line 1 “U” from St George to Bloor-Yonge will be Wi-Fi enabled.	✓
Renewal	With community group input, we will finalize the location of the second exit at Chester Station.	x
Responsive	All door boarding on 504 King Streetcar will begin.	✓
Responsive	We will promote the 192 Airport Rocket.	✓

Informative

We will provide the clearest, most accurate and up-to-date service information possible to our customers.

✓ ***Our commitment: we will install the redesigned TTC system maps at all subway stations and transit shelters.***

We will install the redesigned TTC system maps at all subway stations and transit shelters. We have redesigned our system map 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.

How we met our commitment:

- New system maps have been posted in all bus shelters, subway stations, and on ttc.ca
- A new accessible system map that highlights accessible features of the subway system is also available at ttc.ca

✓ ***Our commitment: we will make next train arrival times available on our website.***

We will make next train arrival times available on our website to keep you informed and up-to-date about our subway service.

How we met our commitment:

- Next train and bus arrival times are now available on the ttc.ca homepage.

✓ ***Our commitment: the Line 1 “U” from St George Station to Bloor-Yonge Station will be Wi-Fi enabled.***

How we met our commitment:

- Line 1 “U” is now Wi-Fi enabled at Bloor Yonge, Wellesley, College, Dundas, Queen, King, Union, St. Andrew, Osgoode, St. Patrick, Queen’s Park, Museum, St. George, and Bay Stations.
- Spadina Station was also enabled in early April of this year.

Renewal

We will improve our stations and vehicles to ensure a reliable, consistent, and positive customer experience.

✘ Our commitment: with community group input, we will finalize the location of the second exit at Chester Station.

Why we did not meet our commitment:

- This commitment was not achieved due to a need for additional consultation.
- The TTC continues to consult with local stakeholders; when this process is complete, a report with the local working group's recommendation will be submitted to the TTC Board in June 2015.

Responsive

We will flexibly adapt to changing customer needs to provide you with an efficient and pleasant travel experience.

✓ Our commitment: all-door boarding on 504 King Streetcar will begin.

All door boarding on 504 King Streetcar will begin making it easier for you to board the vehicle and speed up your journey time.

How we met our commitment:

- On January 1, proof-of-payment (POP) and all-door boarding on the 504 King streetcar went into effect.
- POP operates on the 504 King Streetcars, Monday to Friday from 7 a.m. to 7 p.m.
- POP on all 11 streetcar routes will be phased in by year end, with additional fare inspectors that will allow for POP all day, every day.

✓ Our commitment: we will promote the 192 Airport Rocket.

We will promote the low cost and convenience of the 192 Airport Rocket with a bus wrap and in-system advertising.

How we met our commitment:

- Six buses were wrapped with the remaining six to be completed by May 2015.
- A full in-system advertising campaign ran throughout Q1 2015 and will be rerun in Q3 2015.

Part 4 – Financial Commentary

This section provides information about the TTC Operating Budget, the Wheel-Trans Operating Budget, and the TTC Capital Program.

4.1 – TTC Operating Budget

2015 Year-to-Date Results

To the end of Period 2 (February 28), total revenues were \$3.8 million (2%) below budget, primarily due to 1 million (1.1%) fewer customer journeys than planned and a lower average fare (1.95¢ or 0.9%) stemming from higher monthly pass sales. Most of this ridership variance was due to the negative impact of continued severe cold temperatures and snow, ongoing planned system closures, and labour disruptions at two universities.

This update covers results to the end of February; however, since the 10-cent fare increase on March 1, ridership has continued to be lower than budget, such that by the end of March, the ridership variance had grown to about 1.9 million below budget. While March and April pass sales are close to budget, regular Adult Metropass sales are running about 5% below budget. There has been a shift to less costly VIP, MDP, and Post-Secondary passes.

Some initial sluggish results from the fare increase are not to be completely unexpected. It is too soon to determine whether this is simply an initial reaction to the fare increase or indicative of a more lasting trend. Staff will continue to closely monitor ridership results and Metropass sales trends throughout the year.

In addition to the above-noted ridership and passenger revenue results, expenses to the end of Period 2 were marginally over budget (\$0.6 million or 0.2%), largely due to the impact of the harsher winter weather and the current oversupply of Operators, which is being addressed.

2015 Year-End Projections

(millions)	Projection	Budget	Variance
2015 TTC Operating Budget			
Customer Journeys (Ridership)	545	545	-
Revenue	\$1,206.7	\$1,206.7	-
Expenses	\$1,689.4	\$1,689.4	-
Subsidy Required	\$482.7	\$482.7	-
Subsidy Available*	\$482.7	\$482.7	-
Surplus/(Shortfall)	-	-	-

*Includes a \$9 million draw from the TTC Stabilization Reserve held by the City of Toronto

Currently, there is no projected year-end subsidy variance.

4.2 - Wheel-Trans Operating Budget

2015 Year-to-Date Results

To the end of Period 2 (February 28), total revenues were marginally above target (\$1K or 0.1%). This reflects slightly higher revenues from 15K (3%) more customer journeys partially offset by a lower average fare (\$0.05 or 2.9%). Over the same period, expenses were \$0.7 million (3.7%) below budget primarily due to a shift of customer journeys from buses to less-expensive contracted taxis and workforce gapping savings.

2015 Year-End Projections

(millions)	Projection	Budget	Variance
2015 Wheel-Trans Operating Budget			
Customer Journeys (Ridership)	3.246	3.246	-
Revenue	\$6.2	\$6.2	-
Expenses	\$115.3	\$115.3	-
Subsidy Required	\$109.1	\$109.1	-
Subsidy Available*	\$109.1	\$109.1	-
Surplus/(Shortfall)	-	-	-

*Includes a \$0.3 million draw from the TTC Stabilization Reserve held by the City of Toronto

Currently, there is no projected year-end subsidy variance.

4.3 - Capital Program

2015 Year-to-Date Results

Capital expenditures to Period 2 typically reflect lower project activity as early efforts are focussed on setting up schedules and tendering work. Other current period activity includes settlement of 2014 accrued contract payments and continued progress on vehicle and construction contracts already in place.

2015 Year-End Projections

(millions)	Projected	Budget*	Variance
2015 Capital Program Budget			
Base Program	\$1,136.3	\$1,075.1	\$61.2
Toronto-York Spadina Subway Extension (TYSSE)	\$372.7	\$444.2	(\$71.5)
Scarborough Subway Extension (SSE)	\$50.3	\$50.3	(\$0.0)

*Excludes additional carry forward spending on Base Program (\$145.8M), YYSSE (\$98.8M) and SSE (\$0.2M)

Base Capital Program Expenditures: \$61.2 million over

The budget of \$1,075.1M approved by Council in March 2015 excludes additional carry forward of \$145.8M that will be considered by City Council on May 6, 2015. There is typically significant variability in the early estimates of various programs which, if continued, will result in staff requesting budget re-allocation from programs with under-spending to those with higher needs. Significant projected year-end program variances are outlined below:

ATC Resignalling: \$39.9 million under

Cancellation of two Computer Based Interlocking contracts will result in a significant reduction in payments in 2015. Additionally, while the transition from two to one signal supplier is underway, TTC forces have been redirected to non- ATC SOGR work and non-ATC closures which account for a \$39.9 million under-spend for 2015.

Bridges and Tunnels: \$16.5million over

- **Bridges/Structures Maintenance: 5.5 million over**

Union Station slippage from prior year (+\$0.8M) and estimated cost increases (+\$1.3M) based on actual experience now that Union is near completion with no impact to the 2015 budget; and Lawrence Bus Loop acceleration of funds from 2016 (+\$1.6M) as work is anticipated to be undertaken during the 2015 construction season and scope increase (+\$0.7M) for added waterproofing system with no impact to the 2015 budget.

- **Maintenance of Joint Bridges: 5.6 million over**

Slippage for the work that is determined by the City.

Purchase of Buses: \$10.4 million over

Slippage in bus delivery schedule from 2014. As a result, \$10.5M additional carry forward has been reported to City as part of the 2014 additional carry forward request.

Purchase of Subway Cars: \$26.1 million over

Updated contract schedule and cash flow to reflect the impact of the Unifor labour strike in 2014, following execution of the contract amendment in February 2015 with the Carbuilder. As a result, \$15.4M additional carry forward has been reported to the City as part of the 2014 additional carry forward request and the remaining balance is a transfer of contingency allowance to 2015.

TYSSE Program Expenditures: \$71.5 million under

The variance reflects less-than-anticipated (-\$121M) stations and systems contracts activity due to severe winter weather, which is offset by slippage of Rail Vehicle and Property related payments from 2014 to 2015 (+\$49M).

Part 5 - Critical Projects

This section provides information about selected capital projects.

5.1 Toronto Rockets and Rail Yard Accommodation

The TR/T1 Rail Yard Accommodation project includes major expansions that will address the storage and maintenance facility requirements of the complete subway fleet, including the Toronto Rocket fleet on Line 1 (YUS) and the T1 fleet on Lines 2 and 4 (BD/Sheppard). The current work includes:

- Wilson Yard:
 - Carhouse expansion
 - Track additions (storage tracks, ladder tracks and run-around tracks)
 - Signal system upgrades
 - Substation addition
 - Track & Structure building renovation
- Davisville Yard:
 - Carhouse expansion
 - Consolidation of Track & Structure facility
- Vincent (Keele) Yard:
 - Facility rehabilitation for storage of T1 trains
- Kipling Station:
 - Additional storage track
- Greenwood Yard:
 - Conversion of CN delivery track to storage
 - Track & Structure building renovation

The Wilson yard construction of the Carhouse expansion and new Substation building is ongoing and Track additions have commenced for the storage tracks. The tandem wheel lathe work in the Carhouse has been completed. The signal system and traction power contracts have been awarded.

The construction contract for the Greenwood yard CN track conversion has been awarded.

The Toronto Rocket fleet will consist of 80 trainsets (TS). To date, 62 Toronto Rocket trainsets have been accepted for revenue service, as follows:

Base order – H4/H5 Replacement (39 total): TS-1 through TS-39 (completed on August 6, 2013)

Option 1(B) – H6 Replacement (21 total): TS-40 through TS-60 (completed on January 21, 2015)

Option 1(A) – TYSSE Support (10 total) : TS-61 through TS-70 (to be completed around mid-2015)

Option 1(C) – Support for ATC/Forecast Growth (10 total): TS-71 through TS-80 (to be completed by end-2015)

A reliability improvement plan comprising of component and system testing is largely completed. Retrofit work has been progressing well. An attainable schedule to install low ceiling handholds, exterior door chimes, an additional bungee cord for the inter-car barrier and the blue priority seating has been established. Production prototypes have been completed. Key train performance indicators and reliability are improving.

5.2 Streetcar Program and Maintenance & Storage Facility

Streetcar Procurement and Implementation

There are currently five TTC owned revenue service LFLRVs operating well on the 510 Spadina line.

Transfer of technology and manufacturing from Europe to North America, including Mexico, has led to quality, design and process issues that have caused significant delays in new car shipments from the Carbuilder.

TTC continue to work with Bombardier to expedite deliveries while ensuring that all quality and safety objectives are met. The most recent car (4406) began revenue service on April 1, 2015. Production in Thunder Bay continues to be impacted beyond car 4406 due to the supply chain and production issues. Shipment of the next vehicle is anticipated for mid-April, 2015.

TTC has received a proposed recovery schedule from Bombardier on February 19, 2015. Bombardier has committed to completing the delivery of 30 cars by year-end 2015, and completion of the 204 vehicles of the base LFLRV contract order by 2019.

The accelerated schedule is being reviewed for acceptability along with Bombardier's recovery plan. Bombardier's recovery plan outlines the carbuilder's effort to increase production capacity and improve on build quality in its Thunder Bay and Mexican plants, and product quality and support from its supply chain. A new Baseline Delivery Schedule will be considered upon completion of technical assessment and negotiation of pertinent commercial terms in accordance with the Contract.

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. The contract was initially expected to be completed in June 2014; however, construction delays have resulted in expected completion in 2015. TTC will have staged occupancy of the facility in June 2015 and completion of the work is expected by Q4 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 towards completion and the connection track will be ready for use in spring 2015.

The landscape enhancements will be completed by the end of 2015 as part of the Leslie Street Connection Track Contract.

The City of Toronto's Notice of Approval Conditions (NOAC) requires decorative hydro transmission poles and compatible decorative street light poles that integrate with the streetscape design. The design details are being finalized with the City of Toronto.

The Construction Liaison Group (CLG), comprised of local businesses and residents, school representatives and local councilors, meets on a monthly basis to address construction issues for residents and businesses. The last meeting was held on February 12, 2015 and the next is scheduled for April 23, 2015. Safety walks to identify specific concerns to cyclists and pedestrians are planned after every new construction stage and as required. The latest safety walk was held on January 19, 2015 and the next walk will be arranged for early Spring 2015.

The Community Liaisons have continued their outreach efforts by continuing to hold one-on-one meetings with local businesses and residents and responding to emails, phone calls and walk-in questions and concerns from the community. The latest issue of the project e-newsletter was posted in March 2015.

5.3 **Station Enhancements**

Union Station

Following the successful opening of the new second platform, south concourse fareline/collectors booths, and moat doors on August 18, 2014, the existing centre platform and concourse above is now undergoing a full structural rehabilitation and finishing to match the new platform. Monthly stakeholder meetings are held to keep adjacent businesses and agencies informed. The project remains on schedule for opening in advance of the Pan Am/ParaPan Am games.

Easier Access

Work to make stations accessible is on-going at Woodbine, St. Clair West, Ossington, and Coxwell Stations. The Contract to make Royal York station accessible is currently out for bid and is expected to be awarded by Q3 2015. Design is currently ongoing and on track to commence the construction phase in Q4 2015 to make Dupont station accessible.

Work to overhaul elevators at Dundas West and Finch Stations is on schedule to be completed by Q3 and Q4 2015 respectively.

5.4 Automatic Train Control (ATC)

To achieve capacity increases, Line 1 requires modernization. This will happen with the introduction of ATC. A limited conventional signalling system (CBI) will be provided to allow mixed mode operation and as a back-up to the ATC system. Life expired signalling equipment and updating of the current communications network must also be addressed. Project scope also includes provision of ATC equipment on the new Toronto Rockets.

ATC on TYSSE is now part of the Line 1 ATC Project scope and will be implemented as a separate phase.

Communication Based Train Control system (CBTC) for Line 1 and TYSSE is scheduled to be in revenue service across the entire line by 2020.

TTC is currently in the process of switching signalling suppliers in order to streamline the implementation and subsequent operation of ATC. In the meantime, the existing resources have been redirected to non-ATC related SOGR work on the Yonge line, targeting signaling infrastructure that is beginning to impact subway system reliability.

The associated reductions in these CBI activities will result in a significant underspend for 2015. Staff is currently booking to non-ATC SOGR work and non-ATC closures which will account for a \$40M underspend for 2015. The previous forecast was set in 2014 before any of this was visible.

5.5 Toronto-York Spadina Subway Extension (TYSSE)

The TYSSE project is now targeted for opening by the end of 2017 and the project budget has been increased by \$150M.

To guide the project towards this goal, a third party project management firm, Bechtel, has been retained to implement a comprehensive project reset, including incentivizing contractors and obtaining agreement for an end of 2017 opening date, developing a process and timeline to resolve outstanding claims, and establishing a collaborative environment to develop a common goal and improve project relationships. Mobilization of Bechtel personnel has already commenced and they will be taking an active role in managing the project. It is also expected that a detailed assessment of claims will be reported back to the Board by the end of 2015.

5.6 PRESTO / TTC Farecard

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: Phase 1 and Phase 2. Discussions between Metrolinx and TTC continue towards developing an overall schedule for Phase 2 and the full implementation of PRESTO at the TTC.

The overall Phase 1 scope includes fare payment functionality on-board the first 50 LFLRV streetcars and off-board at select streetcar transit stops for the 510 Spadina, 511 Bathurst, 505 Dundas, and 509 Harbourfront routes. The on-board PRESTO Fare Payment Machines accept tokens and cash and issue POP receipts, while the PRESTO readers at the doors of the new streetcars accept payments with a PRESTO card. Ticket Validator machines process concession tickets on-board and off-board the new streetcars. The Phase 1 scope also includes the replacement of the current PRESTO equipment at 14 subway stations currently equipped with PRESTO fare payment equipment while adding PRESTO equipment to 12 additional subway stations prior to the start of the Pan Am Games in July 2015.

The initial Phase 1 PRESTO devices were launched into service during fall 2014. In October 2014, PRESTO readers were located at Spadina station bringing the total number of stations with PRESTO devices to 15. Work is underway to install PRESTO power and communications infrastructure at Bathurst, Queens Park, Yonge/Bloor, Dundas West, Broadview, St Andrew, Dundas, St Patrick, Osgoode, King, Sheppard, Union, Queen, and Scarborough Centre stations. Presto infrastructure work has been completed for Museum station. The four TTC owned revenue service LFLRV streetcars that have been delivered have been equipped with PRESTO Fare Payment Machines and Ticket Validators. Off-board PRESTO Fare Payment Machines and Ticket Validators have been installed at thirteen stops along the 510-Spadina and two stops along the 510- Harbourfront route(s).

PRESTO devices have also been installed at the TTC's MDP Office located at Yonge and Davisville to enhance the services available to PRESTO customers. As of December 1, 2014 PRESTO customers are able to get assistance with their PRESTO cards from TTC staff in the MDP Office (e.g. purchasing a PRESTO card; loading value onto the PRESTO card).

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 52 subway stations and the electrical construction work to upgrade the power configuration has been completed at 33 stations.