



## STAFF REPORT INFORMATION ONLY

### Chief Executive Officer's Report – December 2015 Update

<b>Date:</b>	December 16, 2015
<b>To:</b>	TTC Board
<b>From:</b>	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 Summary

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 – December 2015 Update



TORONTO TRANSIT COMMISSION

CHIEF EXECUTIVE OFFICER'S REPORT

DECEMBER 2015 UPDATE



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# TORONTO TRANSIT COMMISSION – MONTHLY SCORECARD



Key Performance Indicator		Description	Frequency	Latest Measure	Current	Target	Current Status	Trend	Ref. #
<b>CSS</b>		Customer Satisfaction Survey	Quarter	Q3	81%	TBD			2.2
<b>Customer Journeys</b>		Customer Trips	Period	P10	42.918M	44.166M			2.3
<b>Punctuality – Subway</b>									
Line 1 (Yonge-University)	Headway + 3 minutes	Period	P10	95.9%	96.0%			2.4.1	
Line 2 (Bloor-Danforth)	Headway + 3 minutes	Period	P10	97.0%	97.0%			2.4.2	
Line 3 (Scarborough)	Headway + 3 minutes	Period	P10	96.8%	96.0%			2.4.3	
Line 4 (Sheppard)	Headway + 3 minutes	Period	P10	99.4%	98.0%			2.4.4	
<b>Punctuality – Bus, Streetcar, and Wheel-Trans</b>									
Bus	Headway +/- 3 minutes	Period	P10	59.8%	65.0%			2.5.1	
Streetcar	Headway +/- 3 minutes	Period	P10	64.0%	70.0%			2.5.2	
Wheel-Trans	Within 10 minutes of schedule	Period	P10	84.3%	90.0%			2.5.3	
<b>Safety and Security</b>									
Lost Time Injuries	Injuries / 100 Employees	Period	P10	3.72	TBD			2.6.1	
Customer Injuries	Injury incidents / 1M Vehicle Boardings	Period	P10	1.27	NA			2.6.2	
Offences against Customers	Assault, theft, other	Period	P10	27	NA			2.6.3	
Offences against Staff	Assault, threat, other	Period	P10	36	NA			2.6.4	
<b>People</b>									
Attendance	Employee Absence	Period	P10	7.01%	< 6.50%			2.7.1	
Operator Hires	Actual vs. Budget	Period	P10	40	40			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	P10	98.0%	97.0%			2.8.1	
Escalators	% Escalators Available	Period	P10	96.9%	97.0%			2.8.2	
Fare Purchase Opportunity	% TVM's / PVM's Available	Period	P10	96.4%	96.4%			2.8.3	
<b>Mystery Shopping and Audits</b>									
Station Cleanliness	Cleanliness Audit Score	Quarter	Q3	77.0%	75.0%			2.9.1	
Vehicle Cleanliness	Cleanliness Audit Score	Quarter	TBD					2.9.2	
Information MSS	Customer Announcements Score	Quarter	TBD					2.9.3	
Staff Helpfulness MSS	Welcoming Staff Score	Quarter	TBD					2.9.4	
<b>Financials</b>									
TTC Revenue	Actual vs. Budget	Period	P1-10	\$980.0M	\$1001.0M			4.1	
TTC Operating Expenditure	Actual vs. Budget	Period	P1-10	\$1366.9M	\$1394.4M			4.1	
Wheel-Trans Revenue	Actual vs. Budget	Period	P1-10	\$5.4M	\$5.2M			4.2	
W-T Operating Expenditure	Actual vs. Budget	Period	P1-10	\$97.4M	\$96.9M			4.2	
Capital Expenditure – Base	Actual vs. Budget	Period	P1-10	\$609.4M	\$872.3M			4.3	
Capital Expenditure – TYSSE	Actual vs. Budget	Period	P1-10	\$334.1M	\$353.5M			4.3	
Capital Expenditure – SSE	Actual vs. Budget	Period	P1-10	\$8.2M	\$39.4M			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

#### General Overview

This will be the last Chief Executive Officer’s Report in this format.

Consistent with our philosophy of continuous improvement, we will move to a revamped format from January 2016 to provide more meaningful key performance indicators (KPIs), more detail about critical projects, and to respond to specific requests from Board members for additional information. Specifically:

- The scorecard and subsequent graphs in the performance section will reflect new and improved measures that more accurately reflect the service that we provided to our customers.
- The projects section will be completely revamped to provide far greater detail on our many critical projects, including analysis of the level of business risk and cost/schedule updates.
- More detail will be provided in the financial section to break down income and costs for the period and year to date.

These improvements are made possible by continued migration to adoption of a Journey Time Metric to reflect the customer experience, and by the increasing sophistication of our enterprise risk and program/portfolio management initiatives. These are key elements of TTC modernization that are beginning to add real value.

#### Delivery of Major Projects

- TYSSE (see page 31)

Good physical progress continues. It was good to host the Mayor and Board members at Downsview Park Station so that key stakeholders could see firsthand the world class facilities that are being constructed.

Consistent with direction from the Executive Task Force and with the agreement of the TTC Board, financial scenarios for the final cost of this project will now be presented at the January 21, 2016, Board meeting, to be closely followed by the February 2, 2016, meeting of City Council.

- PRESTO (see page 30)

The go-live date for PRESTO implementation across the TTC streetcar network is tentatively set for December 17, 2015.

Very good progress is being made on all other aspects of the project, including procurement of modern, paddle style gates, preparations for fitment of readers on the bus and Wheel Trans fleets, and conversion of remaining subway stations.

- Automatic Train Control (see page 30)

The Mayor and Board members visited our Wilson complex where they were able to witness a train moving under automatic operation. This was a key milestone in the project which remains on schedule and on budget.

- New Streetcar Introduction (see page 28)

A 12th car is now in service. With only a few weeks remaining until the end of the year, it remains to be seen if Bombardier will meet their much revised commitment of 16 cars in service by year end. I continue to apply pressure at CEO level to achieve this modest goal.

On a much more positive note, scheduled service is now operating from our new state-of-the-art car house, the Leslie Barns. The first service ran in the early hours of Sunday, November 22, thereby reaching another milestone in the modernization of the TTC. I would like to record my thanks and congratulations to teams from virtually every TTC department in making this happen.

- Culture Change

Recruitment of the change team is going well under the leadership of our new Director, Change Management.

We are beginning to roll out specific improvements to staff accommodation and to processes as a direct response to the recent Employee Engagement Survey.

- Accessibility Matters

Work is progressing well on our current Easier Access projects.

### Safety Performance

Safety indicators remain within control limits and continue to receive scrutiny via the four weekly Safety Executive meeting.

Recent events in Paris, the US and London clearly demonstrate the need for continued security vigilance. On my instruction, access identification controls had been tightened the day before the Paris attacks and further action was taken the next day. The TTC is in regular contact with security agencies both here in Canada and in the US to make sure we are aware of, and following, up-to-date intelligence-led advice.

### Operational Performance

Subway performance remained strong, although Line 2 experienced a run of unrelated infrastructure incidents.

At the December 2015 Board meeting, the Chief Service Officer will update the Board on actions being taken to drive up performance on our surface networks.

### Financial Commentary

On the financial side, customer journeys (ridership) to the end of October were 8 million (1.8%) below budget and passenger revenue was \$24 million below budget. Much of this variance was due to the negative impacts of severe cold temperatures and snow throughout the first quarter and the fare increase on March 1. As with all fare increases, some volatility in ridership results can subsequently occur. Ridership was 1.7% below budget in March and April. The results rebounded for May (-0.2%) but dipped again from June to October (-2.4%); November is anticipated to be at least 2% below budget. Given the results of the last six months, at this point, it is estimated that 2015 year-end



ridership will be approximately 535 million, which is 10 million (about 1.8%) below the budget of 545 million. This year-end projection excludes any allowance for free rides associated with the Pan Am and Parapan Am Games.

Operating expenses were marginally below budget. Capital expenditures were below budget due to typically lower project activity early in the year.



Andy Byford  
Chief Executive Officer  
Toronto Transit Commission

## **2.2 – Customer Satisfaction Survey**

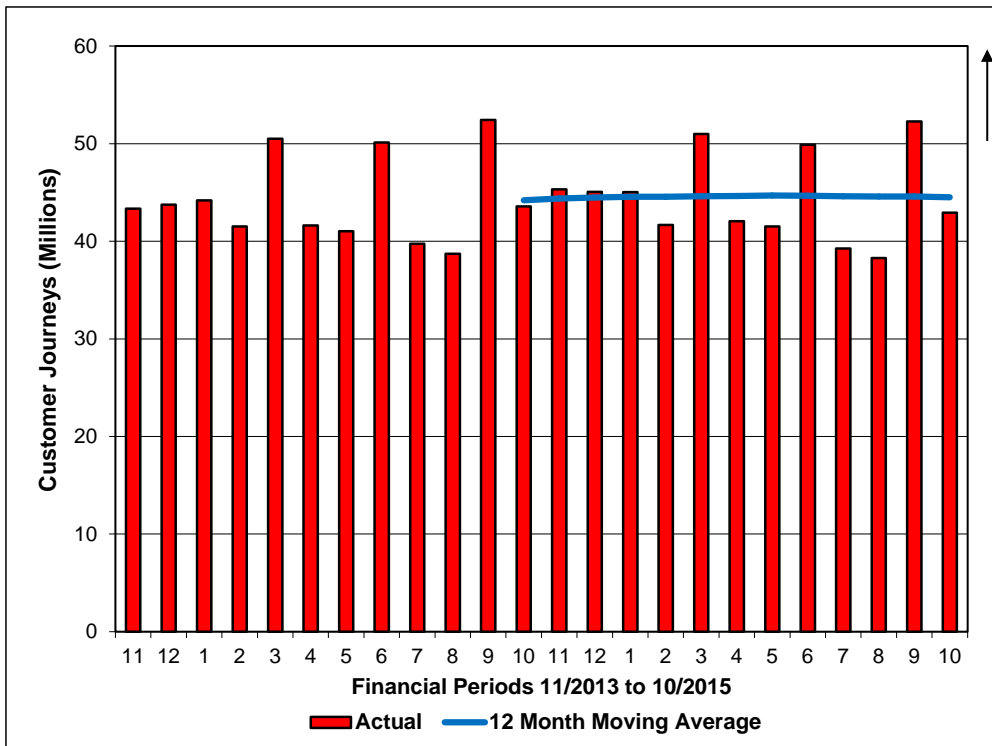
Overall customer satisfaction in Q3 2015 remained high (81%). This positive score is driven by improvements in customer perceptions of wait time (for all three modes), trip duration (bus and streetcar), and trip smoothness (streetcar). These service attributes are also strong key drivers of customer satisfaction; therefore, improvements in those areas had a positive impact on the overall score. In addition, satisfaction of frequent TTC users has improved significantly (80% in Q3 2015 versus 71% in Q3 2014), which also contributed to a higher overall score. In particular, the perceptions of frequent TTC customers have improved for the following subway service attributes: trip duration, wait time, vehicle crowding, station staff available for help, frequency of announcements about delays, and cleanliness of subway station.

Areas of highest customer satisfaction (80%+) included: personal safety for subway/bus/streetcar, wait time for subway train, duration of subway and bus trip, ease of getting to the train platform, maps and information inside the subway train, quality of announcements at subway stops, cleanliness of the subway station, ease of buying tokens/tickets, cleanliness in the subway vehicle, helpfulness of maps and signs at subway station, appearance and helpfulness of bus and streetcar Operators, helpfulness of announcements on buses and streetcars, and ease of hearing the announcements on buses and streetcars.

For the first time in three years, the perceptions of value for money have significantly increased, with 95% of TTC customers providing 'average', 'good', and 'excellent' ratings.

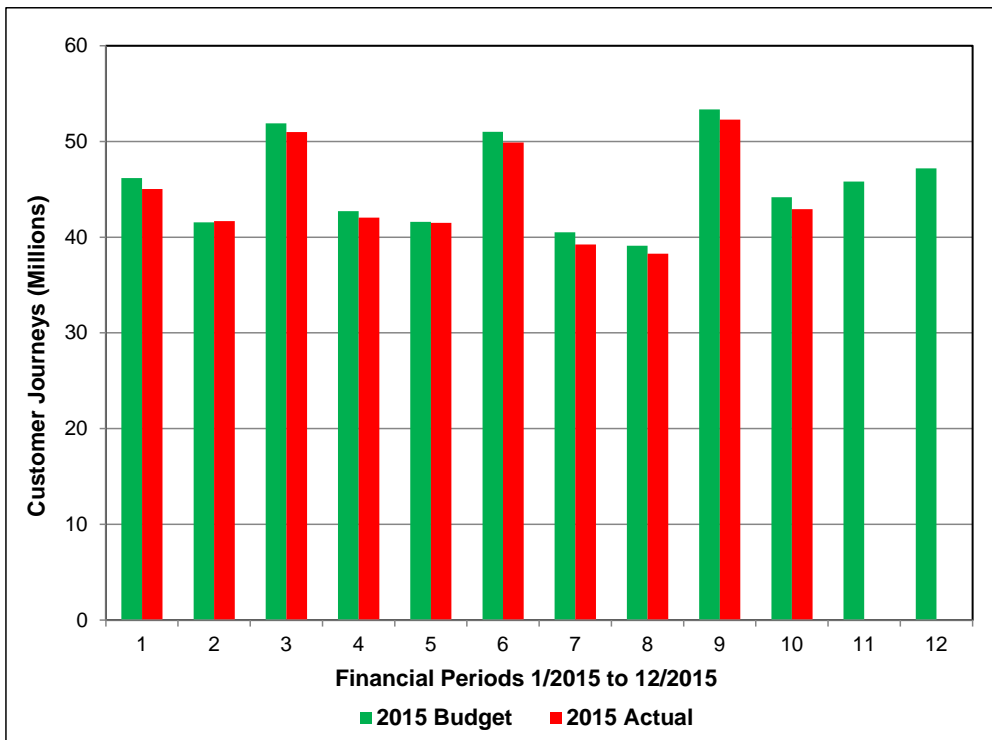
Pride in the TTC and what it means to Toronto continues to rebound and is now at 75%, significantly higher than last quarter. This positive score is largely driven by the increased Pride in the TTC among frequent customers.

### 2.3 – Customer Journeys



There were 42.918M customer journeys (ridership) taken during Period 10 2015, which was 0.662M (1.5%) less than the 43.580M journeys taken during the comparable period in 2014.

The annual number of customer journeys taken to the end of Period 10 2015 was 534.221M, which was 3.698M (0.7%) more than the 530.523M annual journeys taken to the end of the comparable period in 2014.

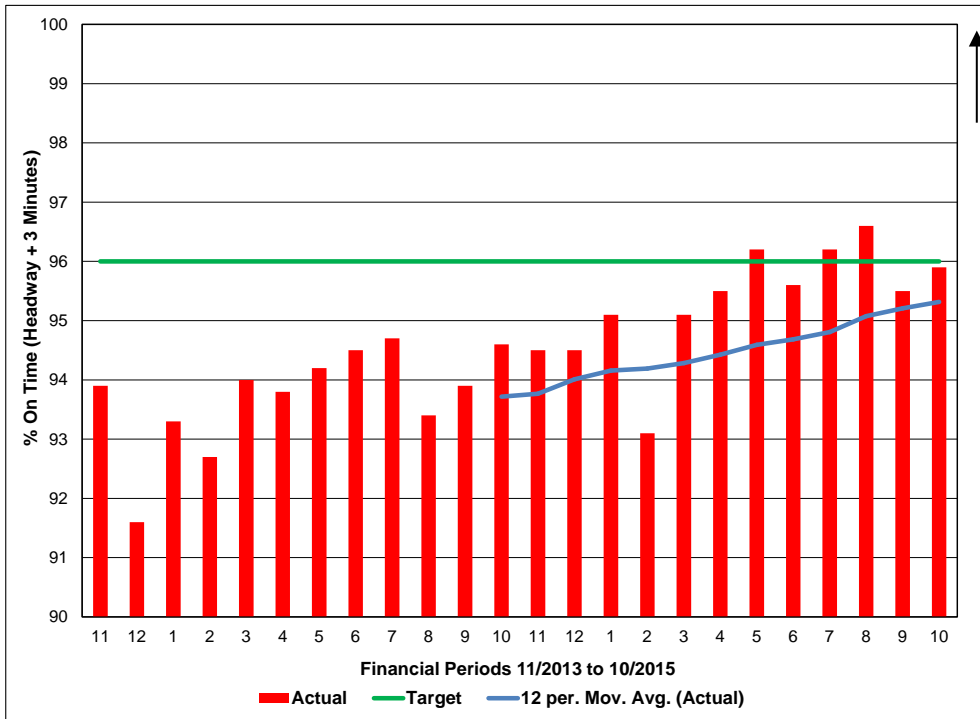


There were 42.918M customer journeys taken during Period 10 2015, which was 1.248M (2.8%) less than the budget of 44.166M journeys.

The number of customer journeys taken year-to-date to the end of Period 10 2015 was 443.839M, which was 8.185M (1.8%) less than the budget of 452.024M journeys.

## 2.4 – Punctuality – Subway

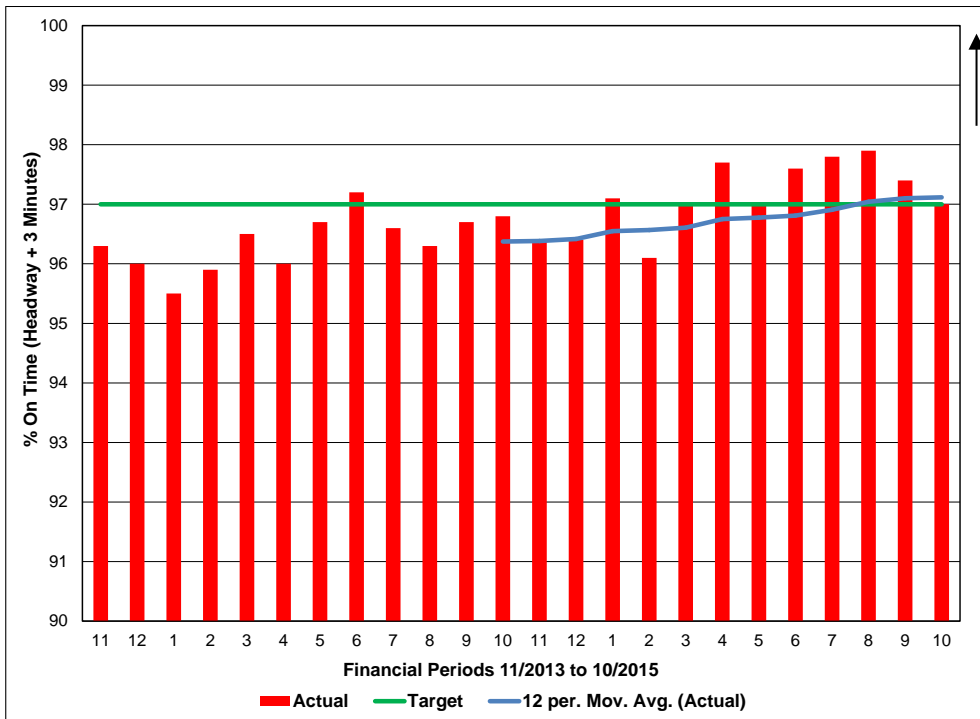
### 2.4.1 – Line 1 (Yonge-University)



Performance in Period 10 increased but remained below target for the second consecutive period.

With overall reductions in delay incidents in Period 10, headway performance regained ground lost in Period 9. The most notable improvement was in Fire/Smoke Plan B incidents, with only one incident in Period 10, down from seven incidents in Period 9. As TTC's Plan B Task Force continues its work on eliminating the sources of incidents, the TTC and Toronto Fire are working to improve response procedures to clear incidents more quickly when they do occur.

### 2.4.2 – Line 2 (Bloor-Danforth)

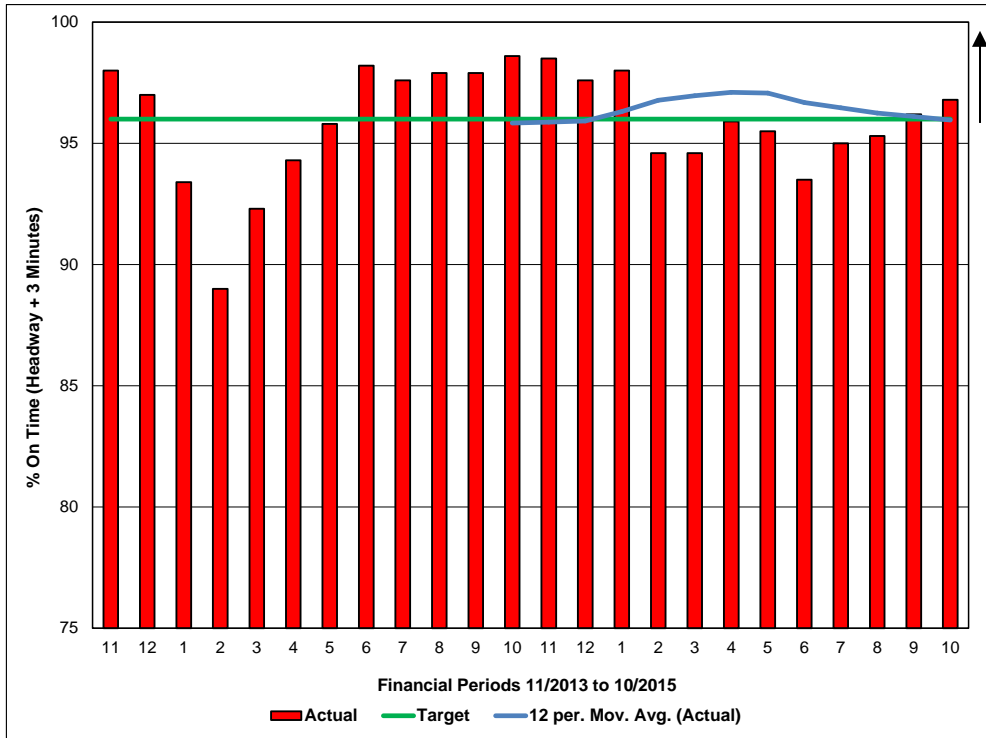


Performance in Period 10 decreased but achieved target for the eighth consecutive period.

Delay incidents caused by door failures were down 80% from Period 9, marking one of the best ever period results for door issues. This was attributable to an accelerated door overhaul program on T-1 trains. These gains were offset by signalling-related delays.

Structural changes are in progress regarding the current approach to signals maintenance and this is expected to reduce the frequency of signal failure incidents in 2016.

### 2.4.3 – Line 3 (Scarborough)

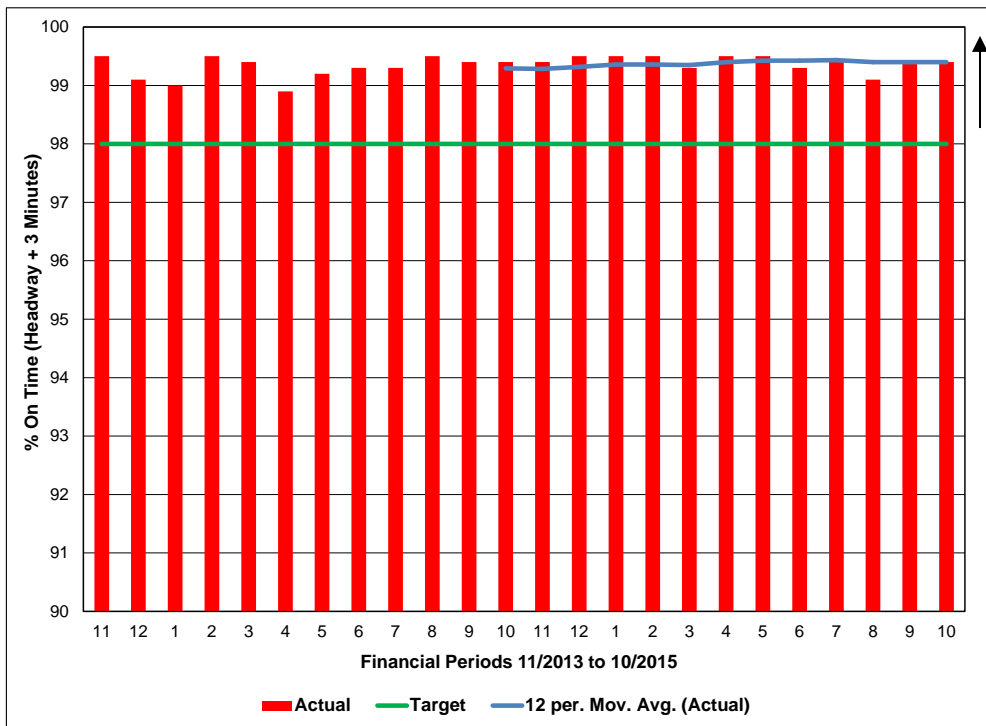


Performance in Period 10 was above target for the second consecutive period and has increased for four consecutive periods.

With high ambient summer temperatures no longer a factor, the SRT is operating at regular speed and braking profiles and headway adherence continues to trend upward as a result.

The SRT revitalization program is resulting in reduced levels of rolling stock delays, which were down from 13 to nine incidents, along with VOBC time-outs, which decreased from six to one incident.

### 2.4.4 – Line 4 (Sheppard)

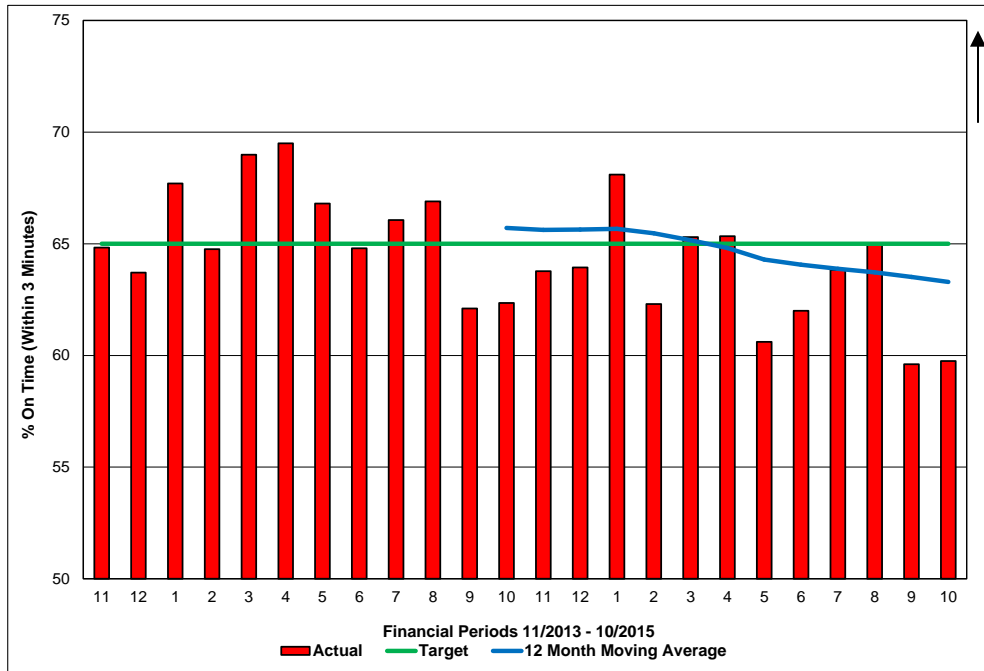


Performance in Period 10 remained well above target.

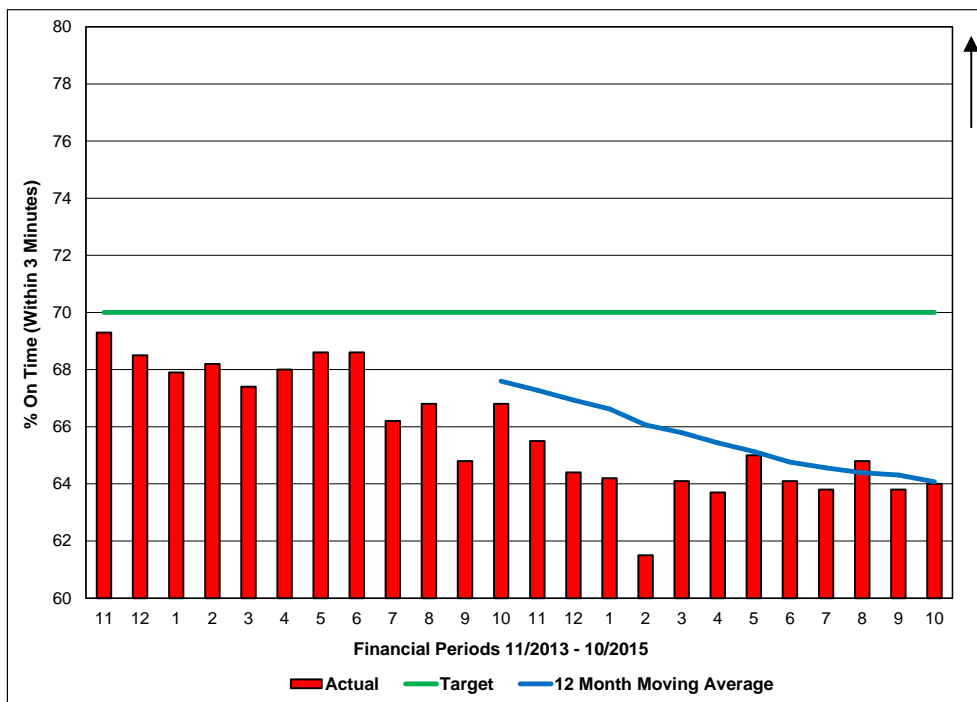
The relatively low volume of delay incidents and a high level of resilience in the ability to maintain headway performance when incidents occur are factors that contribute to consistently good performance on this line.

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

### 2.5.1 – Bus



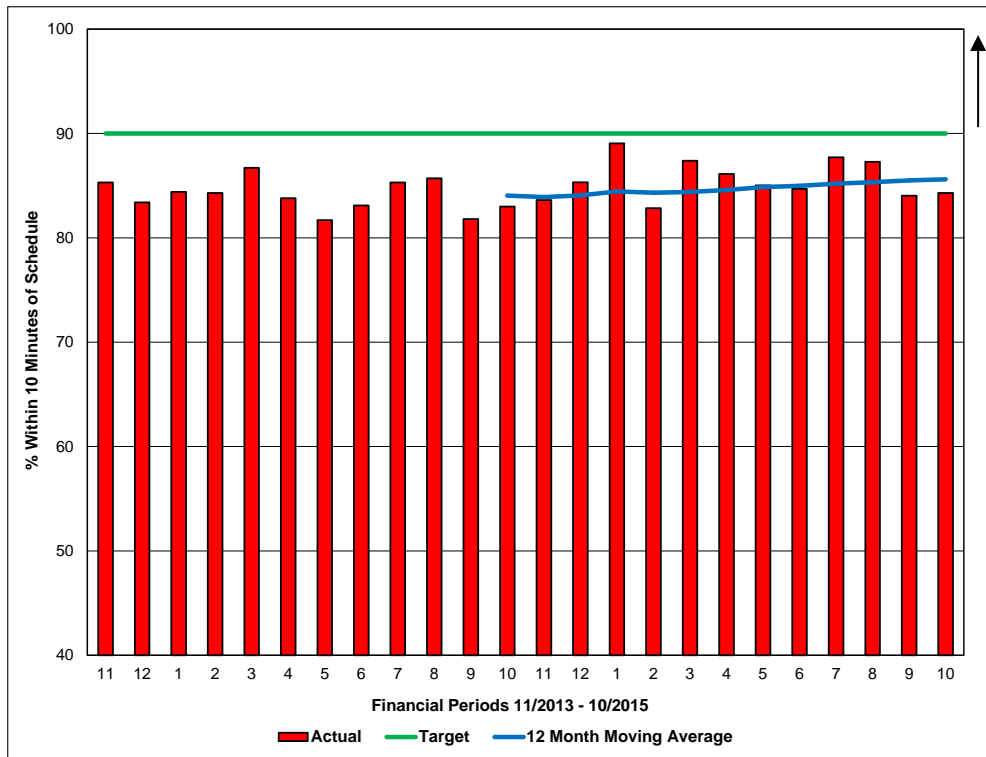
### 2.5.2 – Streetcar



Performance in Period 10 increased but continued to remain well below target.

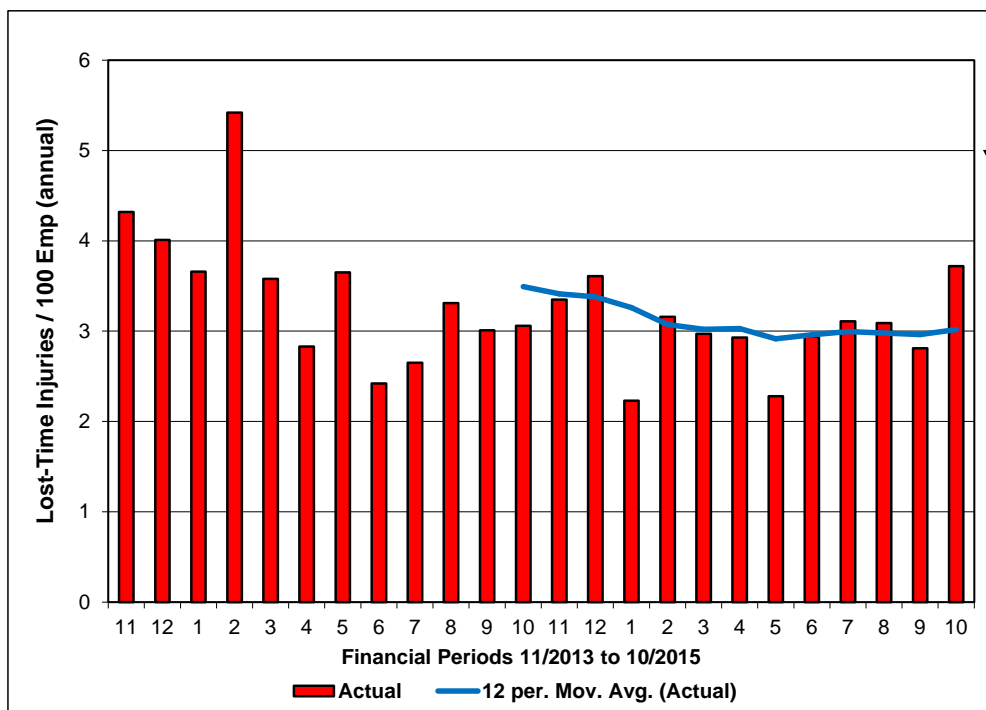
New KPIs will be introduced in Period 1 2016, replacing this chart.

### 2.5.3 – Wheel-Trans



### 2.6 – Safety and Security

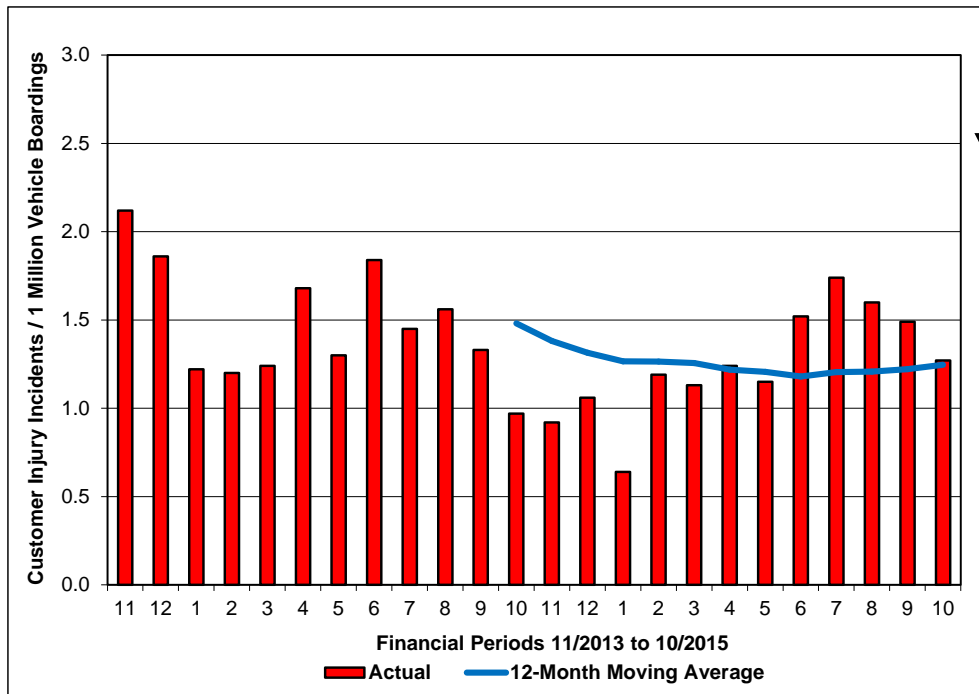
#### 2.6.1 – Lost-Time Injuries (Annual Injuries / 100 Employees)



The annualized lost-time injury rate (LTIR) for Period 10 2015 was 3.72 lost time injuries per 100 employees which, was 22% higher than the LTIR of 3.06 for Period 10 2014.

The moving annual LTIR to the end of Period 10 2015 was 3.02 which, was 13% lower than the corresponding rate of 3.49 to the end of Period 10 2014.

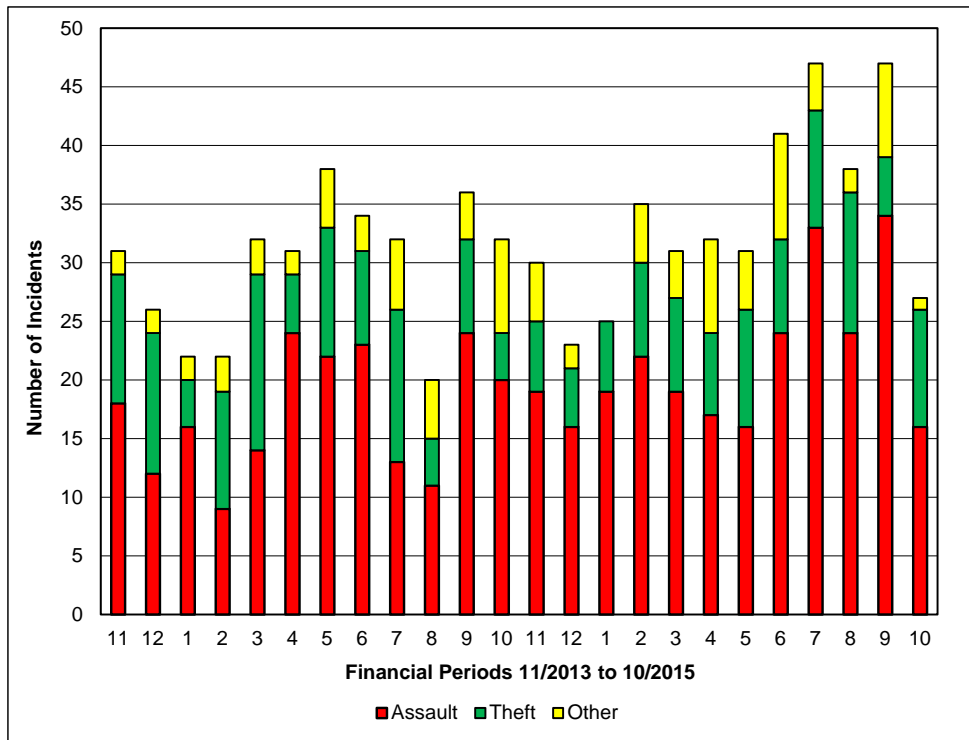
### 2.6.2 – Customer Injury Incidents (Injury Incidents / 1m vehicle boardings)



The customer injury incident rate for Period 10 2015 was 1.27 injury incidents per 1 million vehicle boardings, which was 31% higher than the corresponding rate of 0.97 for Period 10 2014.

The moving annual customer injury incident rate to the end of Period 10 2015 was 1.25, which was 16% lower than the corresponding rate of 1.48 to the end of Period 10 2014.

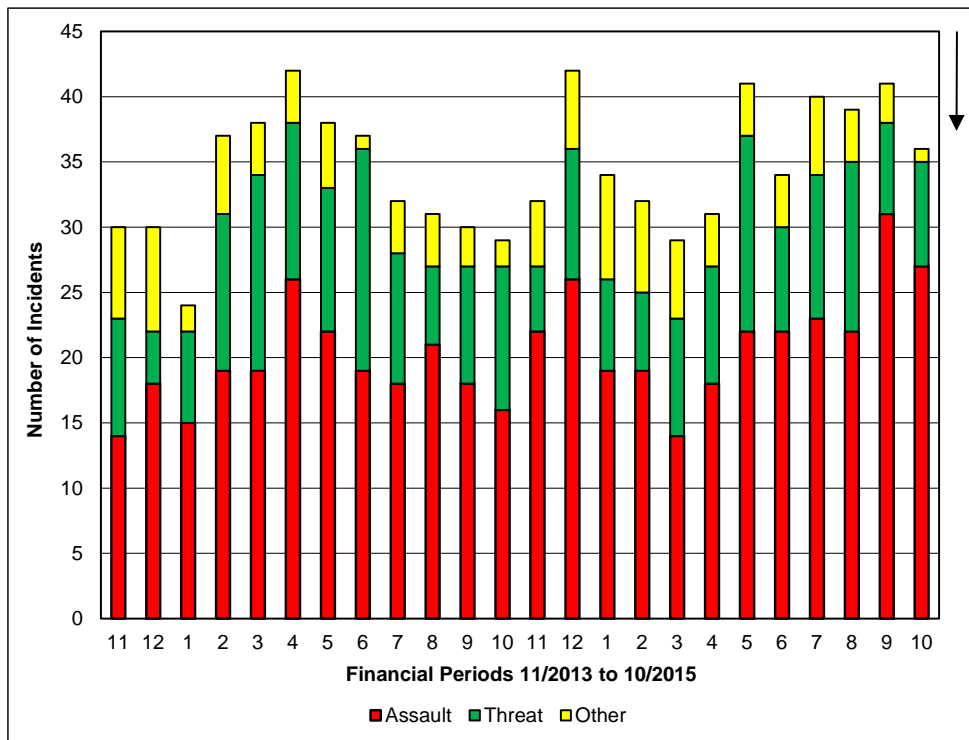
### 2.6.3 – Offences Against Customers



Total offences against customers decreased in Period 10.

Year-to-date to Period 10, there were 55 more offences (354 vs. 299) compared with the corresponding period in 2014. This includes 48 more assaults (224 vs. 176), two more thefts/robberies (84 vs. 82), and five more 'other' offences (46 vs. 41).

### 2.6.4 – Offences Against Staff



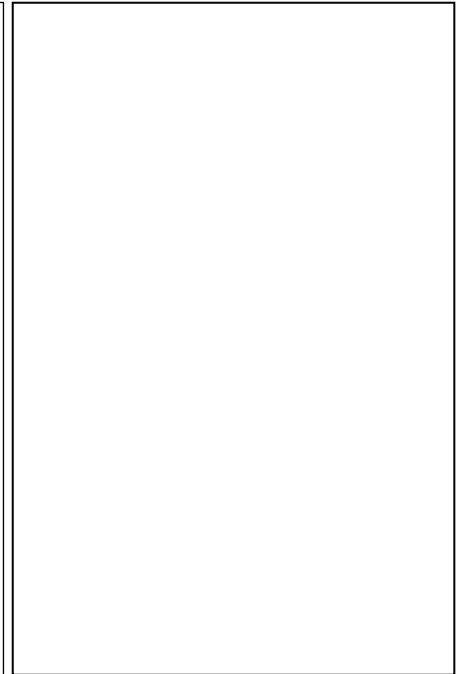
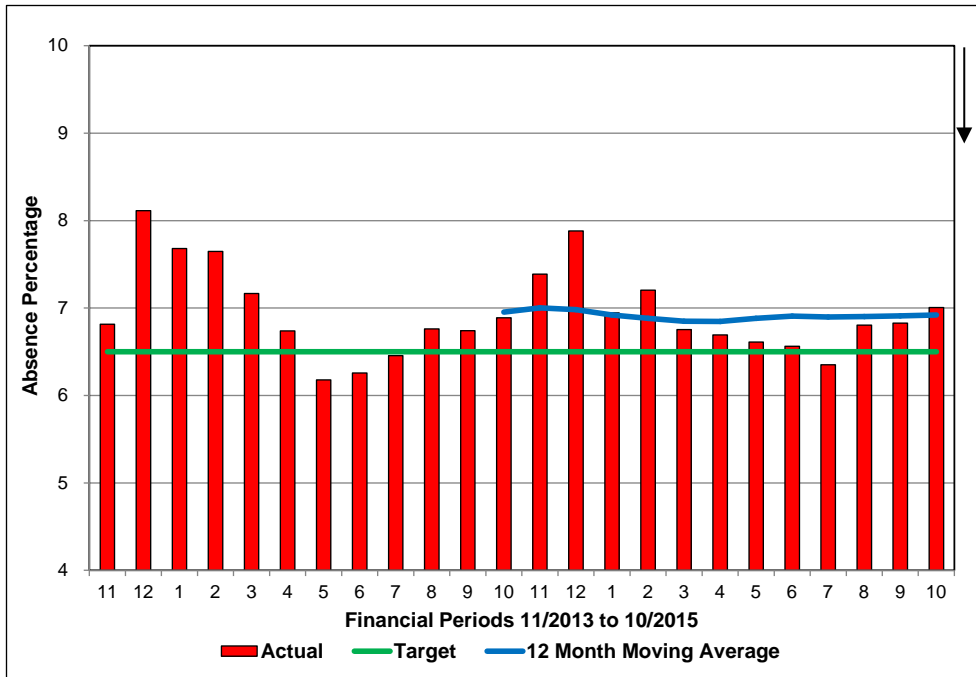
Total offences against staff decreased in Period 10.

Year-to-date to Period 10, there were 19 more offences (357 vs. 338) compared with the corresponding period in 2014. This includes 24 more assaults (217 vs. 193), 17 fewer threats (93 vs. 110), and 12 more 'other' offences (47 vs. 35).

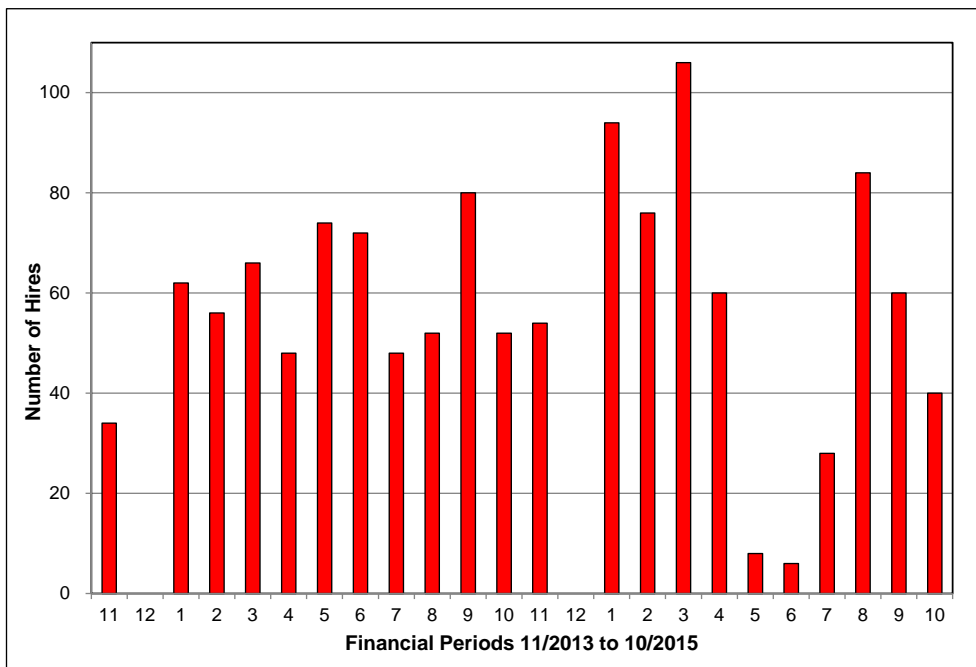


## 2.7 – People

### 2.7.1 – Attendance



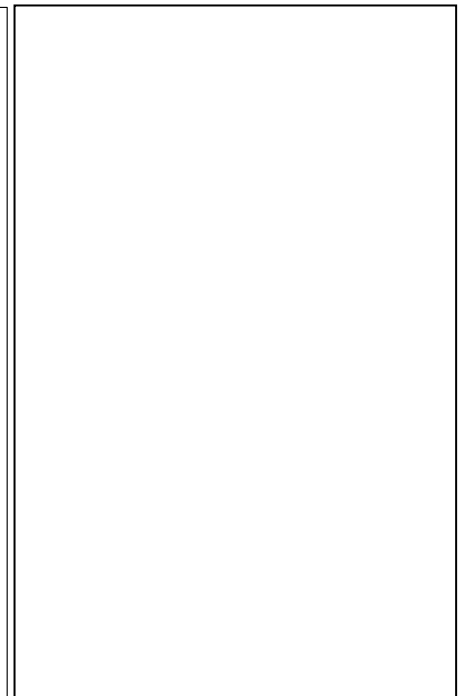
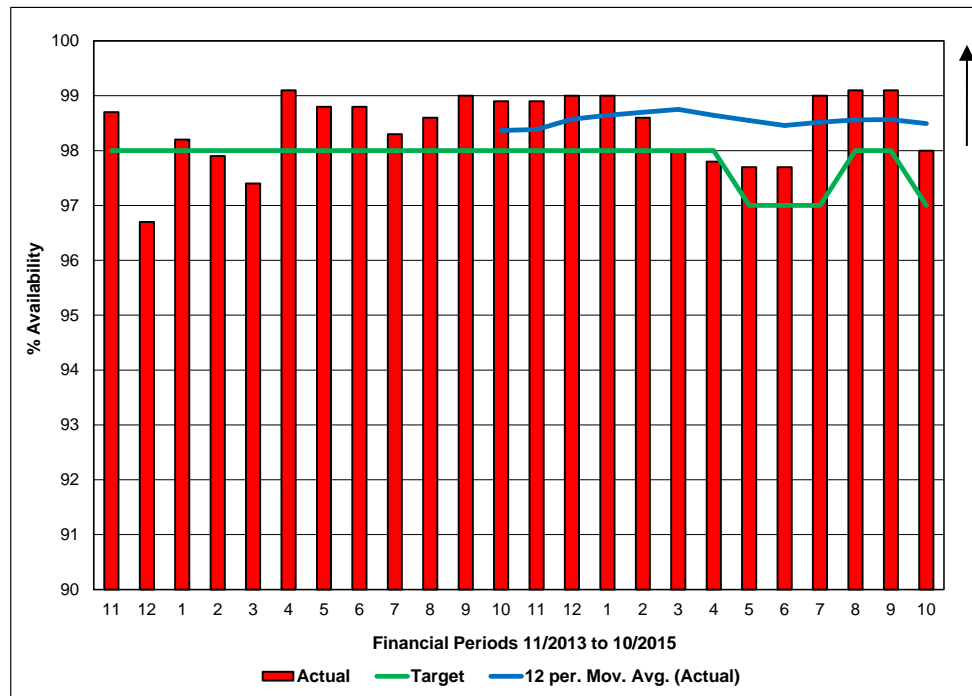
### 2.7.2 – Operator Hires



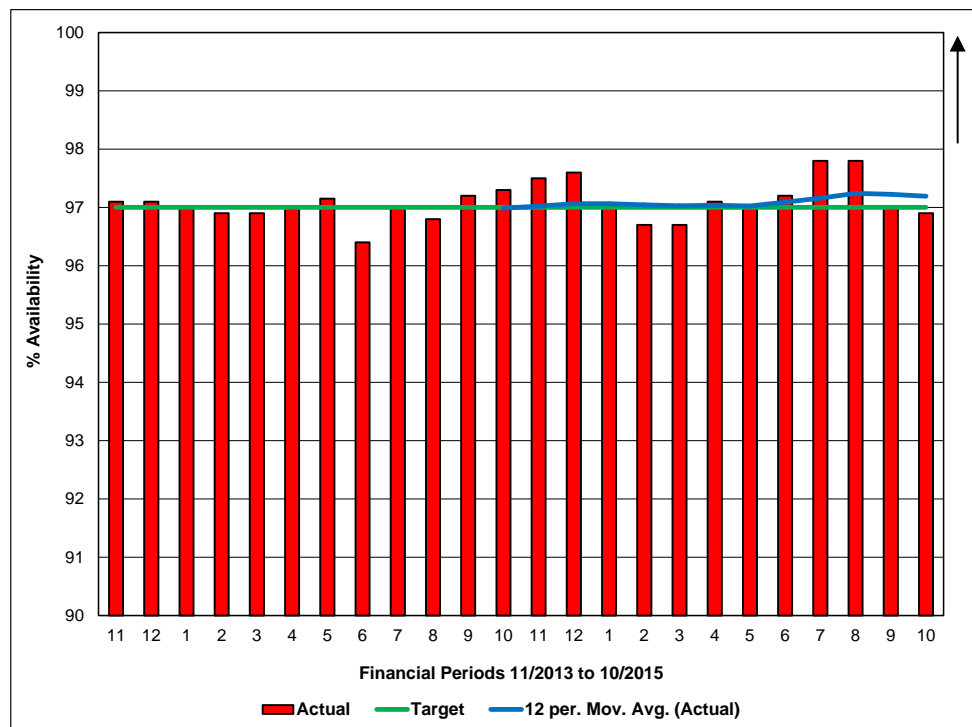
In Period 10, 40 Operators were hired and began training.

## 2.8 – Device Availability

### 2.8.1 – Elevator Availability



### 2.8.2 – Escalator Availability

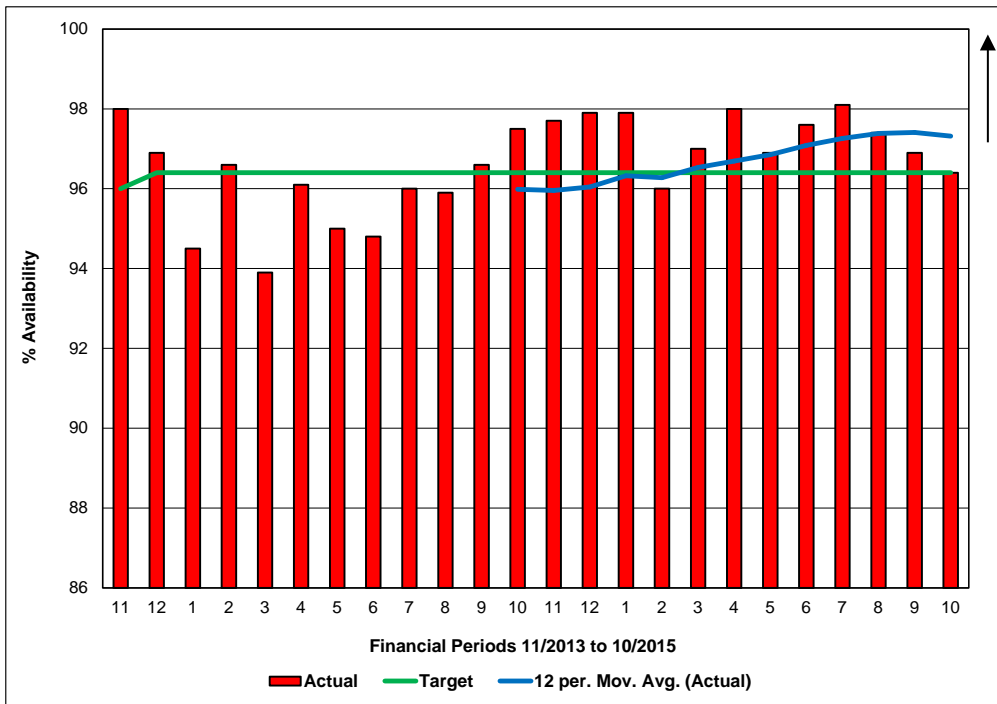


Performance in Period 10 decreased to marginally below target for the first time in seven periods

The decreased performance was mainly attributable to flooding at Keele Station, which caused extended downtime for one escalator. Action plans have been initiated to prevent future incidents.

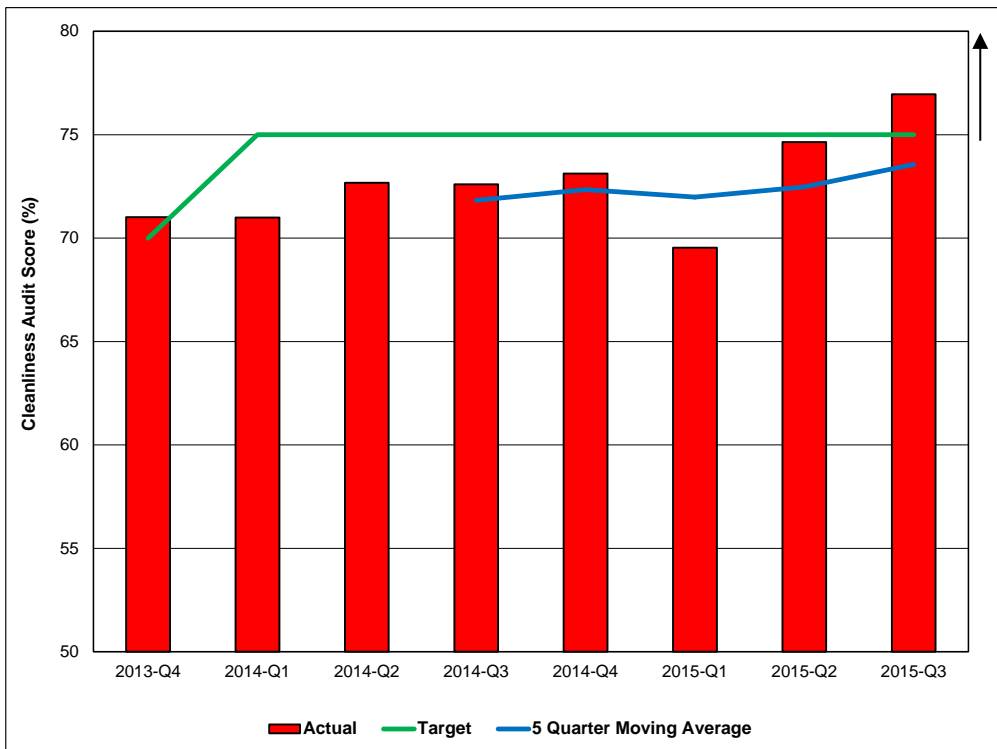
Maintenance programs are being completed as planned and scheduled.

### 2.8.3 – Fare Purchase Opportunity



### 2.9 – Mystery Shopping and Audits

#### 2.9.1 – Station Cleanliness



Performance in Q3 2015 was above target for the first time in seven quarters.

The improved performance was due to progress realized during preparations for the Pan Am / Parapan Am Games. Additional labour resources were used to achieve Games targets.

In addition to the above, the Floor Recon project is moving into its final phase and most terrazzo walking surfaces have been refurbished.

Gains made by these projects are being maintained by the combined janitorial workforces.

### **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 Q1 2016. A revised performance chart will be provided in this section when the results for Q1 2016 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.

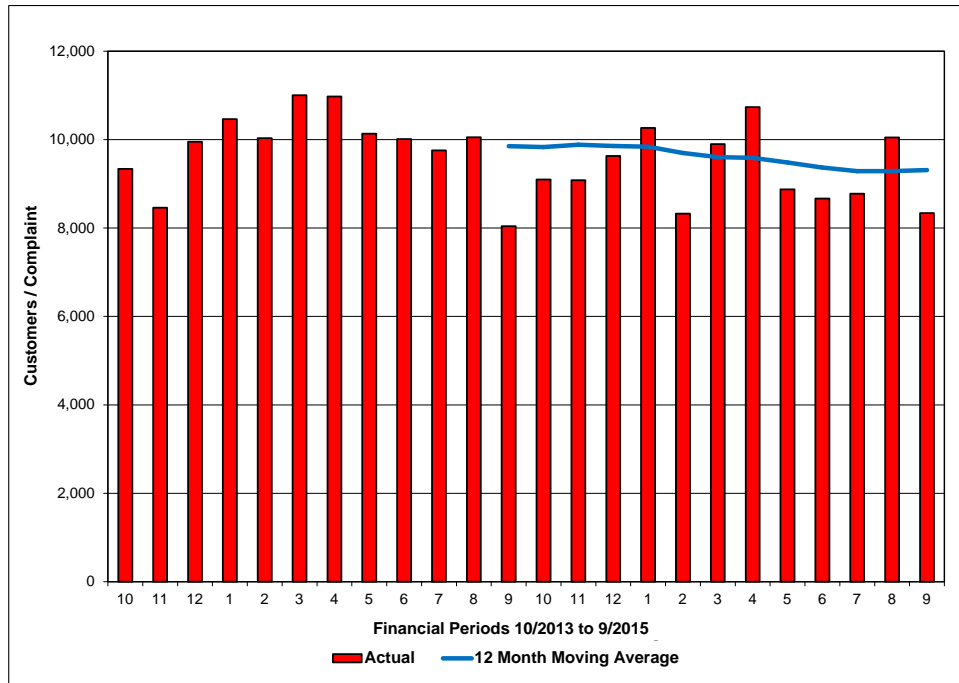
### **2.9.4 – Staff Helpfulness MSS**

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

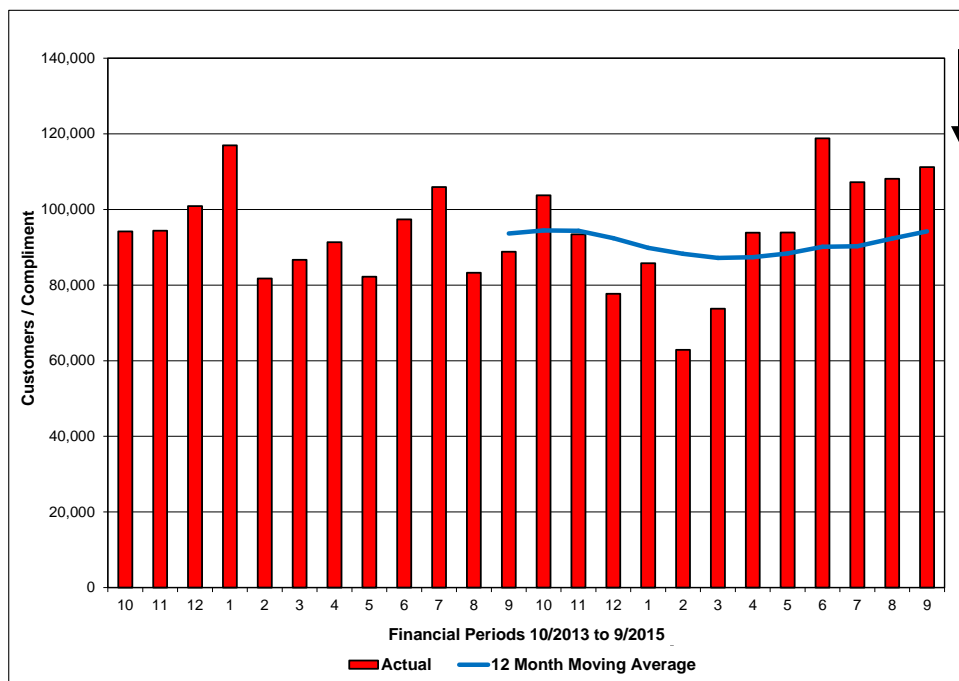
This section provides information on various customer-related issues, including trends for customer complaints and compliments, customer satisfaction improvement initiatives, and major closures.

### 3.1 – Customer Complaints



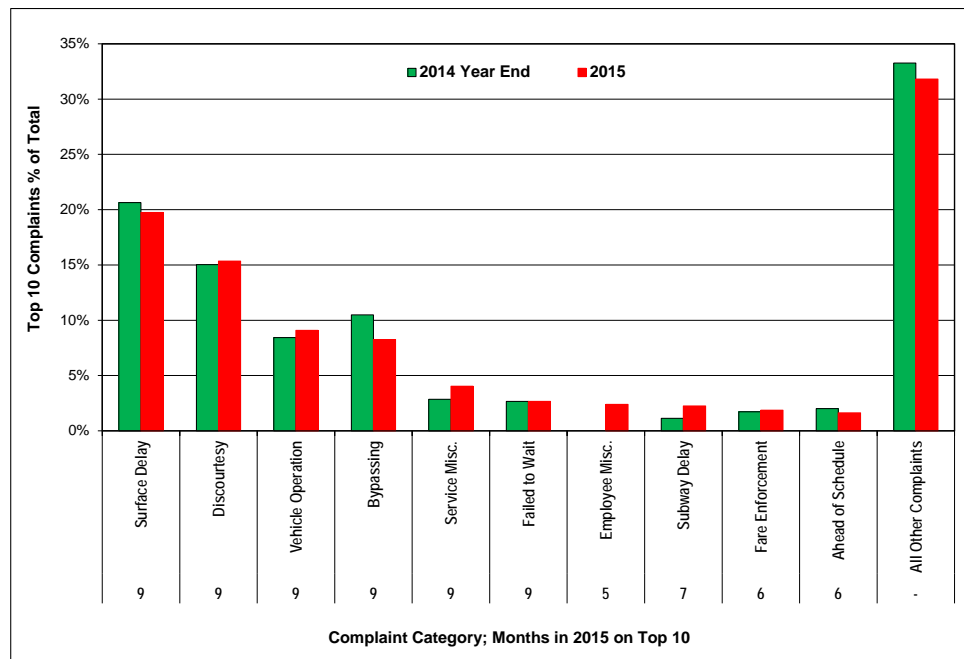
Customers per complaint decreased (unfavourable) in Period 9 after trending above the 12 month rolling average last period.

### 3.2 – Customer Compliments



Customers per compliment marginally increased (unfavourable) in Period 9 and continued to trend well above the 12-month rolling average.

### 3.3 – Top Ten Complaints



Surface Delay complaints continue to be the number one complaint, followed by Discourtesy complaints, with proportions similar to 2014 year-end.

Bypassing complaints have improved since 2014 year-end, while Vehicle Operation and Subway Delay complaints increased slightly.

### 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 Q3 2015, three of five Customer Charter commitments were achieved. The three initiatives included: providing excellent service during the Pan Am / Parapan Am games through increased levels of service and more customer service staff; completing an overhaul of the street-level elevator at Dundas West Station and restore service in the third quarter; and installing bike repair stands at 10 stations to encourage cycling as part of our customer’s commute.

In Q3 2015, two of five Customer Charter commitments were not achieved: all TTC operators and station staff were not wearing the new, modern TTC uniform; this is expected to occur in Q4 2015. Construction did not begin on the Easier Access project at Royal York Station due to a delay in the acquisition of property easements. This project is expected to be re-tendered in 2016.

The TTC continues to conduct Meet the Managers sessions. So far in 2015, sessions have been conducted at the following subway stations: Bayview, Coxwell, Donlands, Dundas West, High Park, Islington, King, McCowan, Ossington, Rosedale, Sheppard, Wellesley, Wilson, and Yorkdale. A session was also held at the Humber North Bus Loop.

The TTC Customer Liaison Panel welcomed six new members this year. The panel was established in 2011 to help transform the TTC into a transit system that makes Toronto proud. Its members help the TTC to understand customer priorities and develop customer experience improvements. The current panel has shaped a number of initiatives including new fare payment methods, uniforms, and wayfinding. During their two-year term, members serve as a sounding board, working to find solutions to improve the TTC customer experience. The panel meets on a monthly basis.

Deputy CEO and Chief Customer Officer Chris Upfold, has been awarded the Individual Leadership Award of Excellence from the Canadian Urban Transit Association (CUTA). The award was presented to Upfold for his exceptional work leading the TTC's transit plan and delivering high quality transit to Toronto during the 2015 Pan Am/Parapan Am Games – the world's third largest multi-sport event – accommodating more than 250,000 Games attendees in addition to the TTC's 1.7 million daily trips. Under Upfold's leadership, more than 1,600 TTC staff were trained and deployed as Games Ambassadors at 28 transit hubs, helping customers and spectators travelling through some of the busiest transit areas.

On November 12, 2015, the TTC held its seventh annual Customer Town Hall meeting in the Council Chamber at Toronto City Hall. The Customer Town Hall provided an opportunity for customers to share their experiences and priorities with the TTC to help improve transit in Toronto. Customers were given the opportunity to meet senior management representatives from various departments and provide feedback, comments, and concerns.

To avoid traffic and parking problems, the TTC encouraged customers to take the better way to the Santa Claus Parade on November 15, 2015, to welcome Santa Claus back to Toronto. Several stations are conveniently located along or near the parade route: Christie, Bathurst, Spadina, and St. George Stations on Line 2; and Museum, Queen's Park, St. Patrick, Osgoode, and St. Andrew Stations on Line 1. Subway service was enhanced and increased customer service personnel were deployed to accommodate those attending the parade.

From November 27 to 29, 2015, TTC employees held their annual 'Stuff-the-Bus' toy drive at participating Walmart stores across Toronto. This year, six TTC buses were set up as drop-off stops for new, unwrapped toys, which will be donated to the Canadian Centre for Abuse Awareness. The drive officially kicked off on November 27, when CEO Andy Byford accepted donations on a bus outside the Corus Quay Building.

Starting November 22, 2015, TTC increased service and reliability during off-peak times on many bus and streetcar routes. More routes with all-day, every-day service are now available, making the TTC a more available, predictable, and consistent travel option for a greater number of Torontonians.

### 3.5 – Major Closures

#### **Line 1 (Yonge-University) - North Yonge Segment**

Throughout 2015, subway service between Eglinton and Finch Stations 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 early 2016.

#### **Streetcar and Subway**

Mode	Area Affected	Dates	Reason
No scheduled closures			

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



## Part 4 – Financial Commentary

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

### 4.1 – TTC Operating Budget

#### 2015 Year-to-Date Results

To the end of Period 10 (October 31), total revenues were \$21 million (2.1%) below budget primarily due to 8.2 million (1.8%) fewer customer journeys than planned (excluding any allowance for free rides associated with the Pan Am and Parapan Am Games) and a lower average fare (1.7¢ or 0.8%) stemming from trends in the sales of various fare media.

Over the same time period, expenses were marginally below budget (\$27.5 million or 2%) largely due to the reductions in certain non-labour expenses (including employee benefits, diesel, hydro and accident claim settlements).

#### 2015 Year-End Projections

(millions)	Projection	Budget	Variance
<b>2015 TTC Operating Budget</b>			
Customer Journeys (Ridership)*	535	545	(10)
Revenue	\$1,179.4	\$1,206.7	(\$27.3)
Expenses	\$1,659.1	\$1,689.4	(\$30.3)
Subsidy Required	\$479.7	\$482.7	(\$3.0)
Subsidy Available**	\$482.7	\$482.7	-
Surplus/(Shortfall)	\$3.0	-	\$3.0

\*Excludes any allowance for free rides associated with the Pan Am / Parapan Am Games

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

Currently, a \$3 million (or 0.6%) year-end subsidy surplus is projected before incorporating any potential settlement for the passenger revenue and expense impacts of the Pan Am and Parapan Am Games. A number of key budget variances account for this projection as follows.

#### Passenger Revenues: \$30.4 million decrease

The number of customer journeys for the year is expected to be in the order of 535 million which is 10 million or 1.8% below the target of 545 million. Most of this shortfall stems from the negative impact of severe cold temperatures and snow, ongoing planned system closures, labour disruptions at two universities and the March 1 fare increase. Staff continues to monitor both ridership and revenue performance and will provide updates in future reports.

#### Other Revenues: \$3.1 million increase

A settlement from a supplier of defective parts accounts for the majority of this favourable variance.

#### Non-labour expenses: \$12 million decrease

Reductions in certain non-labour requirements, primarily for supplies and services, to support various facilities are anticipated by year-end.

#### Other Employee Costs: \$6.9 million decrease

The trend in WSIB and sick benefits expenses to date indicate that these benefits expenses could fall below budget by year-end.

**Leasing expenses: \$5.3 million decrease**

Delays in securing leases for facilities required for bus storage and maintenance and the warehousing of spare parts and supplies inventory are expected to result in this projected underexpenditure by year-end.

**Diesel: \$4.5 million decrease**

A marginally more favourable fuel consumption rate than anticipated accounts for this positive impact.

**Hydro & Utilities: \$4 million decrease**

Expenses to date have been less than anticipated primarily due to lower than forecasted rates and consumption.

**Accident Claims settlements: \$1 million decrease**

The trend in settlement expenses to date indicates that these expenses could fall below budget by year-end.

**Contribution to Capital: \$5.2 million increase**

The \$13.9 million contribution towards the purchase of 50 new buses associated with certain 2015 service enhancements will be exceeded because all buses are now expected to be delivered in 2015.

**PRESTO fees: \$1.1 million increase**

The earlier than anticipated application of a 5.25% fee in 2015 on all PRESTO-related passenger revenues is expected to result in this unfavourable variance.

**Other: \$2.9 million decrease**

All other projected changes in other expenses add up to this favourable variance from budget.

**4.2 - Wheel-Trans Operating Budget****2015 Year-to-Date Results**

To the end of Period 10 (October 31), total revenues were marginally above target (\$172K or 3.3%). This reflects slightly higher revenues from 189K (6.9%) more customer journeys partially offset by a lower average fare (\$0.06 or 3.4%).

Over the same period, expenses were \$0.5 million (0.5%) above budget primarily due to the incremental expense associated with providing more customer journeys which has been largely offset by workforce gapping and employee benefit savings, and lower diesel fuel expenses.

**2015 Year-End Projections**

(millions)	Projection	Budget	Variance
<b>2015 Wheel-Trans Operating Budget</b>			
Customer Journeys (Ridership)	3.504	3.246	0.258
Revenue	\$6.5	\$6.2	\$0.3
Expenses	\$116.8	\$115.3	\$1.5
Subsidy Required	\$110.3	\$109.1	\$1.2
Subsidy Available*	\$109.1	\$109.1	-
Surplus/(Shortfall)	(\$1.2)	-	(\$1.2)

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

As noted in previous CEO Reports, trip demand for Wheel-Trans service continues to be greater than anticipated. Based on current trends, 2015 customer journeys are now projected to be 258K (7.9%) higher than the target of 3.246 million. This is in part due to more resources added to the Reservations area which have effectively reduced the call abandonment rates and allowed for the accommodation of more trip requests than originally contemplated.

At this time, a subsidy shortfall in the order of \$1.2 million (1.1%) is projected by year-end after accounting for increased expenses of about \$1.5 million (1.3%) and higher revenues of \$0.3 million (4.9%) associated with providing the additional customer journeys. To minimize the costs of the additional trips, service is being delivered through less-expensive contracted taxis. In addition, projected reductions in diesel fuel and employee benefits, and savings from workforce gapping are helping to mitigate the projected subsidy shortfall. Staff will continue to monitor demand and will report on any further budgetary impacts when appropriate.

### 4.3 - Capital Program

#### 2015 Year-to-Date Results

Capital expenditures to the end of Period 10 (October 31) reflect lower than projected activity and include continued progress on vehicle and construction contracts already in place. Significant variances in the current period stem from under-spending on delayed facility contract work and vehicle deliveries.

#### 2015 Year-End Projections

(millions)	Projected	Budget*	Variance
<b>2015 Capital Program Budget</b>			
Base Program	\$950.6	\$1,075.1	(\$124.5)
Toronto-York Spadina Subway Extension (TYSSE)	\$432.7	\$444.2	(\$11.5)
Scarborough Subway Extension (SSE)	\$21.3	\$50.3	(\$29.0)

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

#### **Base Program: \$124.5 million under**

The current projected spending on the base capital program reflects expectations of being under budget as a result of a number of major program variances as outlined below:

##### **Surface Track: \$6.7 million under**

The delay in the completion of Leslie Barns has resulted in the deferral of planned rehabilitation work for Roncesvalles and Russell yards in order to maintain the requisite storage capacity for the existing fleets, as well as anticipated new streetcar deliveries. Similarly, the barrier wall construction and track rehabilitation at the CNE between the GO and the TTC tracks was deferred to 2016 to allow streetcar storage and deployment out of the CNE.

##### **Communications: \$9.1 million under**

The projected under expenditure is mainly due to: scope/schedule changes to the Train Door Monitoring project to support the 4 car trainsets on Line 4; the transfer of budget funds for AODA compliance to the Rail Cars and Shops program (RC&S) for a train-borne solution; deferral of SCADA RTU funds to 2016 due to procurement and manufacturer delays; deferral of the McBrien Building radio equipment pending a final decision on the relocation; delay of subway antenna cable installation; deferral of subway station PA head ends awaiting refined scope requirement from Stations group; and deferral of video equipment replacement due to new requirements for intrusion detection systems.

**Signal System: \$10.6 million under**

Variance is due to: slippage of Wilson Yard Resignalling project scope to commence in 2017; delay in the Workcar advanced Warning System project due to track level safety committee not finalizing technical decisions resulting in slippage in installation of work; the Streetcar Trackswitch and Controllers Rehabilitation/Replacement project has been postponed to 2016 due to TTC stakeholders reviewing final solution for hardware replacement and migration plan.

**ATC Resignalling: \$27.0 million under**

Cancellation of two Computer Based Interlocking contracts will result in a significant reduction in payments in 2015. During the transition from the two signaling suppliers to one, TTC forces have been redirected to non- ATC SOGR work and non-ATC closures which together with unused ATC closures accounts for a \$27.0 million under-spend for 2015.

**Finishes: \$4.3 million over**

Variance is due to prior year slippage and timing: Roofing work at Queensway slipped from 2014 while roofing work at Lakeshore and Kipling advanced; and, Station Finish Renewal work at York Mills Station (wall panel work) slipped from 2014.

**Equipment: \$9.7 million over**

Predominantly Subway Pump Replacement Program - work advanced at Donlands, Eglinton, Dundas West, Wellington, York Mills Stations and cost estimate increase for Jane and Queen's Park Stations.

**Streetcar Network Upgrades \$18.5 million over**

The variance is mainly due to upgrade work on Queen Street that was advanced from future years.

**On Grade Paving Rehabilitation Program: \$8.0 million over**

This variance is due to advanced work at Greenwood South Yard, Davisville Yard, Malvern Garage, St. Clair Station and Steeles/Yonge Bus Loop and cost estimate changes at Lawrence West Station and Eglinton Bus Roadway.

**Bridges and Tunnels: \$5.3 million over**

Bridges and Structures Maintenance: Union Station slippage from prior year and estimated cost increases are based on actual experiences now that Union is near completion; there is an acceleration of funds for Lawrence Bus Loop (from 2016) as well as scope increase for added waterproofing system.

**Leslie Barns Project \$22.4 million under**

The variance is due to work advance in 2014 and schedule adjustments that reflect progress of work.

**Toronto Rocket/T1 Rail Yard Accommodation: \$11.4 million over**

Variance is due to prior year slippage and timing; cost estimate changes and construction delays for site services (stage 1) and advanced construction for Wilson Carhouse North Expansion, site services (stage 2) and system works.

**Purchase of Buses: \$25.5 million over**

Variance is due to slippage in bus deliveries from 2014 (\$10.4M); cost estimate change (\$3.0M); and advancement of 2016 delivery of 26 buses into 2015 (\$12.1M).

**Purchase of Streetcars: \$77.4 million under**

Variance is due to on-going delays in the delivery of streetcars.

**Purchase of Subway Cars: \$8.7 million under**

Variance is due to slippage of vehicle deliveries from 2015 to 2016.

**Subway Car Overhaul: \$5.8 million under**

Variance is due to slippage of vehicle overhauls from 2015 to 2016.

**Purchase of Automotive Non-Revenue Vehicle: \$8.8 million under**

Variance is due to slippage of vehicle deliveries from 2015 to 2016.

**Information Technology – Computer Equipment & Software: \$10.3 million under**

Some projects and activities have been deferred to 2016 due to a lack of office space to accommodate staff.

**Toronto-York Spadina Subway Extension (TYSSE): \$11.5 million under**

The variance is the result of the resolution of changes/claims, additional project staff resources, and the extension of the project to the end of the fourth quarter of 2017 as approved by the Board on March 26, 2015.

**Scarborough Subway Extension (SSE): \$29.0 million under**

- Scarborough Subway Project variance is mainly due to delays in hiring staff, awarding consultant contracts, and the environmental assessment process (-\$21M).
- Identification of the recommended alignment is nearing completion, at which point, design work will begin. This is consistent with the presentation at the May 27, 2015, Board Meeting, when the Board was advised that design would be proceeding in advance of the public review process.
- SRT Life Extension Project variance (-\$8M) is due to a schedule change as a result of the Pan Am Games. The schedule change mainly resulted from a delay in hiring workforce and unavailability of a second maintenance track. The Pan Am Games also delayed the project by about one month.

## **Part 5 - Critical Projects**

This section provides information about selected critical 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 and the T1 fleet on Lines 2 and 4.

The Wilson Yard construction of the carhouse north expansion, new substation building, track additions and signal system work is ongoing. The site work for Keele Yard is forecast to commence by the end of 2015.

To date, 69 Toronto Rocket trainsets have been accepted into revenue service. The complete Toronto Rocket fleet will consist of:

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 by end-2015)  
Option 1(C) – Support for ATC/Forecast Growth (6 total): TS-71 through TS-76 (to be completed by Jul. 2016)  
plus six 4-cars consist i.e. TS-77 through TS-82 (to be completed by Nov 2016) for the Line 4.

All TR trains on property are ATO equipped and progressing through the ATC integrated dynamic tests at the specially built test track of the Wilson Yard.

A reliability improvement plan comprised 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, and the blue priority seating has been established. Key train performance indicators and reliability are improving.

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

#### **Streetcar Procurement and Implementation**

Twelve new streetcars continue to operate very reliably on the 509 Harbourfront and 510 Spadina routes. Bombardier continues to commit to ship 4 additional cars to be shipped from Thunder Bay and to have them inspected, tested and available for Revenue Service before the end of the year.

At the October 28, 2015 Board Meeting, the Board approved the staff report recommendation to immediately commence a claim or legal action against Bombardier for all damages sustained by the TTC relating to or arising from the schedule delays in the delivery of the streetcars and any other non-performance related issues. Work on this recommendation is underway.

The Board also approved motions requesting staff to initiate additional actions related to the Bombardier contract including a request to the Bombardier CEO to appear before the Board at its November meeting to explain Bombardier's failure to meet past deadlines and delivery commitments for streetcars going forward. An invite was issued to the Bombardier CEO but it was declined.

## **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: completed January 2012
2. Hydro One Cable Relocation: completed 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. TTC had access to the facility on November 2, 2015. Service from Leslie Barns with all eleven (11) low floor streetcars officially began successfully on November 22, 2015. Completion of the work is expected in Q2 2016.

### **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 landscape enhancements are scheduled to be completed by the Q2 2016 as part of the Leslie Street Connection Track Contract.

The Construction Liaison Group (CLG), comprised of local businesses and residents, school representatives and local Councillors, have been meeting on a regular basis during the contract to address construction issues for residents and businesses. The final meeting is scheduled for early 2016 and will focus on lessons learned and recommendations from the CLG. Safety walks to identify specific concerns to cyclists and pedestrians are planned after every new construction stage and as required. The next safety walk is planned for December 2015.

The Community Liaisons have continued their outreach efforts by continuing to hold one-on-one meetings with local businesses and residents, issuing communications and responding to emails, phone calls and walk-in questions and concerns from the community. The next issue of the project e-newsletter is expected in Spring 2016.

## **5.3 Station Enhancements**

### **Union Station**

Deficiency work and completion of additional scope will continue through 2015.

### **Easier Access**

Work to make stations accessible is on-going at Woodbine, St. Clair West, Ossington, Coxwell and Dupont Stations, including bus loop closures at Woodbine and Coxwell for the construction of elevators.

Utility relocation work to make Dupont Station accessible is on-going. The contract to install the elevators at Dupont Station was approved by the TTC Board at its meeting on November 23, 2015.

Work to overhaul an elevator at Finch Station is on-going and is scheduled for completion by Q4 2015.

#### **5.4 Automatic Train Control (ATC)**

The ATC project continues to remain on schedule and budget. A detailed quarterly update is included as an agenda item at this December 16, 2015 Board Meeting.

Installation of all equipment has been completed at track level and inside the equipment rooms at the Engineering Test Track & Training Facility (ETTF) at TTC Wilson Subway Yard. The Mayor and Board members visited the Wilson complex where they were able to witness a train moving under automatic operation.

#### **5.5 PRESTO / TTC Farecard**

The TTC PRESTO Farecard project continues to remain on schedule and within budget. A detailed update will be provided at the December Board Meeting.

The implementation of PRESTO at the TTC is divided into two major phases: Phase 1 and Phase 2. The Phase 1 rollout commenced in Fall 2014 and includes the installation of fare payment functionality on-board the first 50 low-floor, accessible 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 Proof-Of-Payment (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. To date, off-board PRESTO Fare Payment Machines and Ticket Validators have been installed at thirteen stops along the 510 Spadina route and two stops along the 509 Harbourfront route. Additional off-board equipment is in the process of being installed along the Bathurst 511 route. In addition all new low floor accessible streetcars in revenue service have been equipped with PRESTO Fare Payment Machines and Ticket Validators.

The Phase 1 scope also includes the upgrade and replacement of PRESTO fare payment equipment at 14 subway stations and the installation new equipment at 12 additional subway stations. The installation of the initial fare payment equipment is now complete. The installation of additional machines to allow customers to load value on to the PRESTO card will be completed at 23 of these 26 stations prior to the end of 2015.

PRESTO equipment has also been installed at the TTC's MDP Office located at Yonge and Davisville to enhance the services available to PRESTO customers. PRESTO customers are able to get assistance with purchasing a PRESTO card, loading value onto the PRESTO card, among other services.

The Phase 2 scope includes the remaining rollout of PRESTO at the TTC to include all subway stations; buses, legacy (Articulated Light Rail Vehicle – ALRV and Canadian Light Rail Vehicle – CLRV) streetcars, and Wheel Trans. The installation of PRESTO equipment on legacy streetcars has commenced. Currently 145 legacy streetcars have been equipped with PRESTO fare payment equipment. The PRESTO fare payment equipment will be put into revenue service and made available for customer use in December. All legacy streetcars will be enabled for PRESTO prior to the end of 2015. The design for buses is nearing completion with plans to commence technical field trials testing in December 2015.

Field studies to determine whether sufficient power is available at TTC subway stations to support PRESTO equipment are now complete. The design of the required electrical upgrades at subway stations are now complete at 57 subway stations and the electrical construction work to upgrade the power configuration have been completed at 37 stations.



## **5.6 Toronto-York Spadina Subway Extension (TYSSE)**

The YYSSE Project remains on schedule for opening by the end of 2017.

The six stations are in advanced stages of construction and are on schedule to be closed in before winter. At Downsview Park Station, the green roof on the two station entrance buildings is complete. At Finch West Station, the bus terminal columns are complete and elevated slab was placed. At York Station, the final concrete roof slab was placed. At Pioneer Village Station, the last escalators were installed in the station, and the bus terminal roofing completed. At Highway 407 Station, all the escalators are installed, the parking lot base course asphalt paving is complete, and the bus circulation road concrete paving is progressing. At VMC Station, the entrance roof structure was erected, and Millway Avenue was backfilled to final subgrade.

The running tunnels are complete and 80% of the track is installed. Cabling and equipment for railway systems are being installed in the tunnels. The first two traction power substations have been energized; all equipment is installed in the third. Cable pulls continue into the station chases and rooms per the priority handovers.

The initial report of the 120 Day Project Reset Program was completed by Bechtel. The re-baselined schedule has been accepted as the plan to complete the work by the end of 2017. A detailed assessment of contractor claims and changes is expected to be reported to the Board in January 2016.

## **5.7 Subway Wireless Network**

The TTC has a 25-year agreement with Broadcast Australia PTY Limited (now BAI Canada) for the implementation of a wireless network throughout the subway system, which will be capable of handling all existing Cellular and Wi-Fi bands. The project involves implementing the network in all existing and future subway stations, platforms, stairways, mezzanines, hallways, and tunnels.

The initial portion of the network was activated for public use at St. George and Bloor/Yonge Stations on December 10, 2013. On March 24, 2015, Wi-Fi access was activated at 14 subway stations, including all the stations on Line 1 in the "U" and 4 stations on Line 2 from Bloor/Yonge to Spadina. On June 1, 2015, WIND mobile joined the network and their customers now have cellular access at the same stations. Six stations are under design review in conjunction with the PRESTO implementation. Construction activities commenced on August 31, 2015, at Bathurst, Castle Frank, Christie, Dupont, and Sherbourne Stations and they were activated in test mode on November 1, 2015. On November 2, 2015, construction started at High Park, Lansdowne, Main, Old Mill, and Royal York Stations.