



STAFF REPORT INFORMATION ONLY

Report Title

Chief Executive Officer's Report – February 2015 Update

Date:	February 25, 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

This report has no financial impact beyond what has been approved in the current year's budget.

Decision History

The Chief Executive Officer's Report was created in 2011 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.

Accessibility/Equity Matters

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

Contact

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Attachment

Chief Executive Officer's Report – February 2015 Update



TORONTO TRANSIT COMMISSION

CHIEF EXECUTIVE OFFICER'S REPORT

FEBRUARY 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	P12	43.596M	44.634M			2.3
Punctuality – Subway and Scarborough Rapid Transit (SRT)									
Line 1 (Yonge-Univ-Spadina)	Headway + 3 minutes	Period	P12	94.5%	96.0%			2.4.1	
Line 2 (Bloor-Danforth)	Headway + 3 minutes	Period	P12	96.4%	97.0%			2.4.1	
Line 4 (Sheppard)	Headway + 3 minutes	Period	P12	99.5%	98.0%			2.4.1	
Line 3 (SRT)	Headway + 3 minutes	Period	P12	97.6%	96.0%			2.4.2	
Punctuality – Bus, Streetcar, and Wheel-Trans									
Bus	Headway +/- 3 minutes	Period	P12	63.9%	65.0%			2.5.1	
Streetcar	Headway +/- 3 minutes	Period	P12	64.4%	70.0%			2.5.2	
Wheel-Trans	Within 10 minutes of schedule	Period	P12	94.0%	90.0%			2.5.3	
Safety and Security									
Lost Time Injuries	Injuries / 100 Employees	Period	P12	3.87	TBD			2.6.1	
Customer Injuries	Injury incidents / 1M Vehicle Boardings	Period	P12	1.04	NA			2.6.2	
Behavioural Safety Index	Safety Focused Behaviour	Period	TBD					2.6.3	
Offences against Customers	Assault, theft, other	Period	P12	29	NA			2.6.4	
Offences against Staff	Assault, threat, other	Period	P12	41	NA			2.6.5	
People									
Attendance	Employee Absence	Period	P12	7.88%	< 6.50%			2.7.1	
Operator Hires	Actual vs. Budget	Period	P12	0	0			2.7.2	

TORONTO TRANSIT COMMISSION – MONTHLY SCORECARD



Key Performance Indicator		Description	Frequency	Latest Measure	Current	Target	Current Status	Trend	Ref. #
Device Availability									
Elevators	% Elevators Available	Period	P12	99.0%	98.0%			2.8.1	
Escalators	% Escalators Available	Period	P12	97.6%	97.0%			2.8.2	
Fare Purchase Opportunity	% TVM's / PVM's Available	Period	P12	97.9%	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	P1-11	\$1059.8M	\$1069.2M			4.1	
TTC Operating Expenditure	Actual vs. Budget	Period	P1-11	\$1440.4M	\$1470.8M			4.1	
Wheel-Trans Revenue	Actual vs. Budget	Period	P1-11	\$5.3M	\$5.3M			4.2	
W-T Operating Expenditure	Actual vs. Budget	Period	P1-11	\$100.9M	\$103.8M			4.2	
Capital Expenditure – Base	Actual vs. Budget	Period	P1-11	\$722.5M	\$973.4M			4.3	
Capital Expenditure – TYSSE	Actual vs. Budget	Period	P1-11	\$246.7M	\$490.3M			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

The TTC has taken a huge step forward in our goal to transform service and provide a transit system that makes Toronto proud with the recent approval by the TTC Board of the 2015 budgets that my team drew up to enhance service across the TTC network.

Building on the proposals that we first tabled last fall, our submission sought funding to restore the all day, every day bus service that was cut in 2011 and to reduce wait times and crowding on services across Toronto that were affected by further subsidy cuts in 2012. Our plans also include the introduction of additional express bus services in off-peak times, adding up to two more subway trains on Lines 1 and 2 during morning and afternoon rush hours, and expansion of the Blue Night Network to improve service for shift workers and late-night revellers.

When added to the increased funding for further measures to improve service reliability, this budget constitutes an unprecedented investment in service and is the culmination of three years’ worth of lobbying for increased, sustainable funding for the TTC.

While TTC subsidy per rider remains by far the lowest in North America, this additional funding does enable us to accelerate work to improve the quality, reliability, and punctuality of our service. Since 2010, the subsidy that we receive has actually declined by 15 per cent in real terms, but we have nevertheless focused all our efforts on making do with what we were given and on getting better at the basics of running a transit service.

Details of the timing of the introduction of additional service, on top of restoring previously cut service, will now be developed by my team. The final step in the approval process will come in mid-March when City Council considers the subsidy request and gives us authority to proceed.

Investment in these new and restored services does come at a cost, not all of which can be covered by increased subsidy. So we will need to increase the price of a token by 10 cents and to adjust the cost of the Adult Metropass – something that we did not do lightly. But, coupled with the Mayor’s initiative to introduce free travel for children aged 12 and under, I believe this is a very positive package of improvements.

The TTC recently announced its third annual Customer Charter. The Charter is our way of showing that we are serious about improving the service that we offer. It is a list of 38 time-bound, customer-focused improvements that we promise to deliver throughout 2015, backed by quarterly progress reports that the public can access to see how we are tracking.

We fully recognize that our primary role is to enable our customers to get around the city safely, reliably, and on time, and that remains our main task. But we are equally determined to improve the quality of service as well as getting riders from A to B. With this in mind, this year’s Charter contains a specific commitment to achieving five per cent fewer delays (incidents and minutes) on the subway compared to 2014. This might not seem like a lot, but it is part of a wider commitment to a 50% reduction in over the next five years. The big step change will come once re-signalling of Line 1 is completed in 2020, but we can and will make incremental improvements to progressively drive up punctuality and service reliability.

Other highlights of this year’s Charter include a commitment to install PRESTO on all streetcars by the end of 2015. It’s part of our accelerated plan with Metrolinx to roll out PRESTO across the entire TTC by the end of 2016 – a year earlier than originally planned. Further progress will also be made towards our goal of a completely accessible TTC. More stations will be equipped with Wi-Fi and more information screens will be installed to let customers know when service will arrive. We will make further improvements to the Toronto Rocket subway trains and continue our focus on cleanliness of the system.

At the time of writing, a revised delivery schedule has been received from Bombardier that commits to a ramp-up in delivery to enable conversion of the 510 Spadina, 511 Bathurst, and 509 Harbourfront streetcar routes this calendar year. Furthermore, all 11 streetcar routes will convert to proof-of-payment and all-door boarding by the end of the year to speed up journey times.

Customer journeys (ridership) for 2014 totaled 535 million, which was slightly (1%) below the target of 540 million but 2% more than the 2013 actual of 525 million. TTC ridership has increased for 11 consecutive years and this long-term trend is expected to continue with a forecast of 545 million for 2015. The result of this sustained growth is that daily ridership now regularly tops 1.8 million, putting ever-increasing strain on the network and reinforcing the need for sustained investment.

Subway punctuality on each of Line 1 (Yonge-University-Spadina) and Line 2 (Bloor-Danforth) remained below target. Punctuality continued to be above target on Line 3 (SRT) and Line 4 (Sheppard).

Bus and streetcar punctuality were each below target and continued to be negatively impacted by extensive construction work across the city. Wheel-Trans punctuality was above target.

Employee absence continued to be above target (unfavourable). This trend negates much of the improvements that had been achieved earlier in 2014. 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 we are now scrutinizing the results of the first TTC Employee Engagement Survey that just concluded, details of which will be presented to the TTC Board in public session.

Elevator, escalator, and TVM/PVM availability each continued to be above target.

On the financial side, year-to-date revenues to the end of Period 11 were below budget, primarily due to 4.1 million fewer customer journeys than planned and a lower average fare stemming from higher monthly pass sales. Operating expenses were below budget largely due to lower costs for diesel fuel, hydro, and accident claims, as well as the timing of certain non-labour expenses. Capital expenditures were below budget due to less-than-expected project activity.

2.2 – Customer Satisfaction Survey

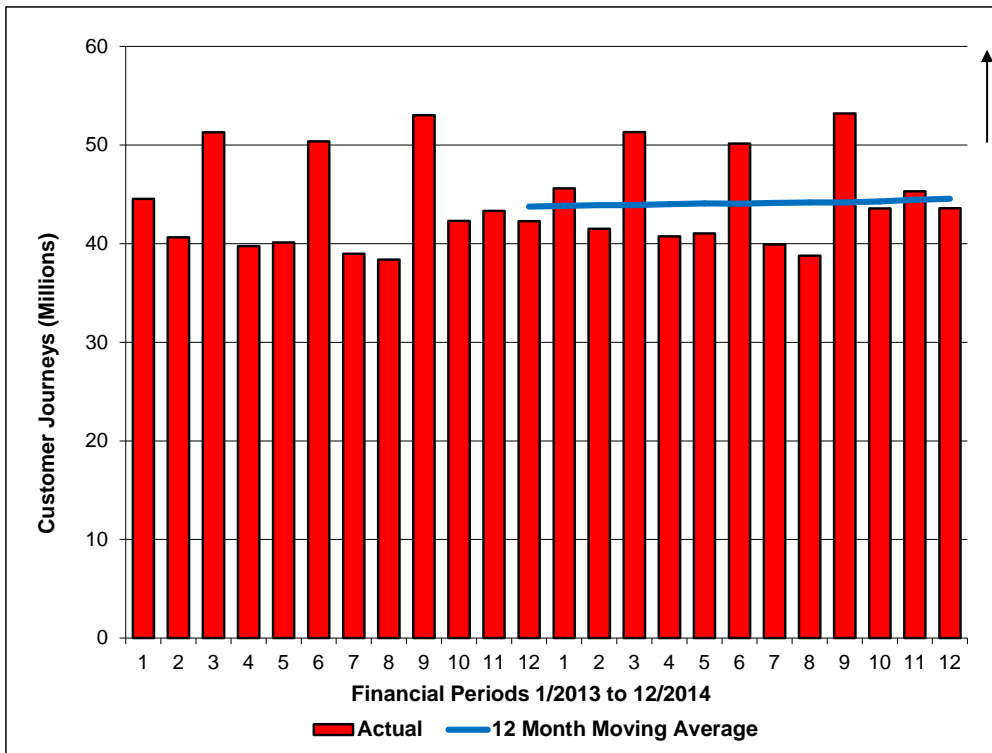
The overall satisfaction in Q4 2014 was consistent with the previous quarter and the overall trend (72%). Customers who used streetcar only were less satisfied with the service, compared to subway only and bus only riders.

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.

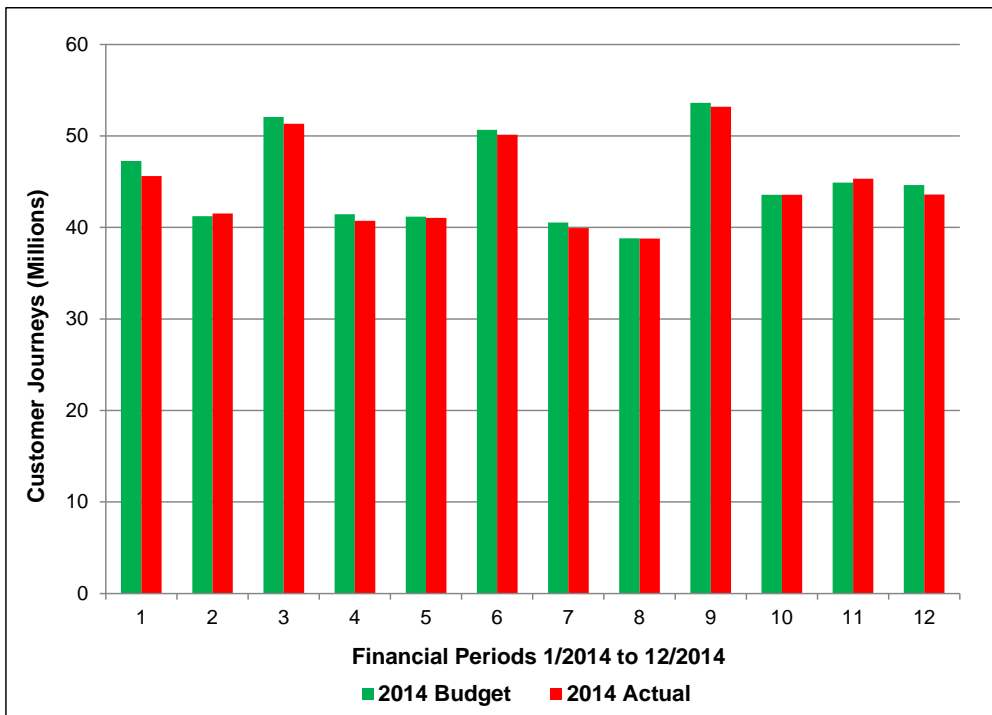
Pride in the TTC and what it means to Toronto has declined (66%) compared to Q3 2014 (71%) and Q4 2013 (73%). Specifically, pride in the TTC declined for subway riders, frequent TTC users, those who use TTC for leisure, and customers who use tokens as a method of fare payment.

2.3 – Customer Journeys



There were 43.596M customer journeys (ridership) taken during Period 12 2014, which was 1.303M (3.1%) more than the 42.293M journeys taken during the comparable period in 2013.

The annual number of customer journeys taken to the end of Period 12 2014 was 534.815M, which was 9.694M (1.8%) more than the 525.121M annual journeys taken to the end of the comparable period in 2013.



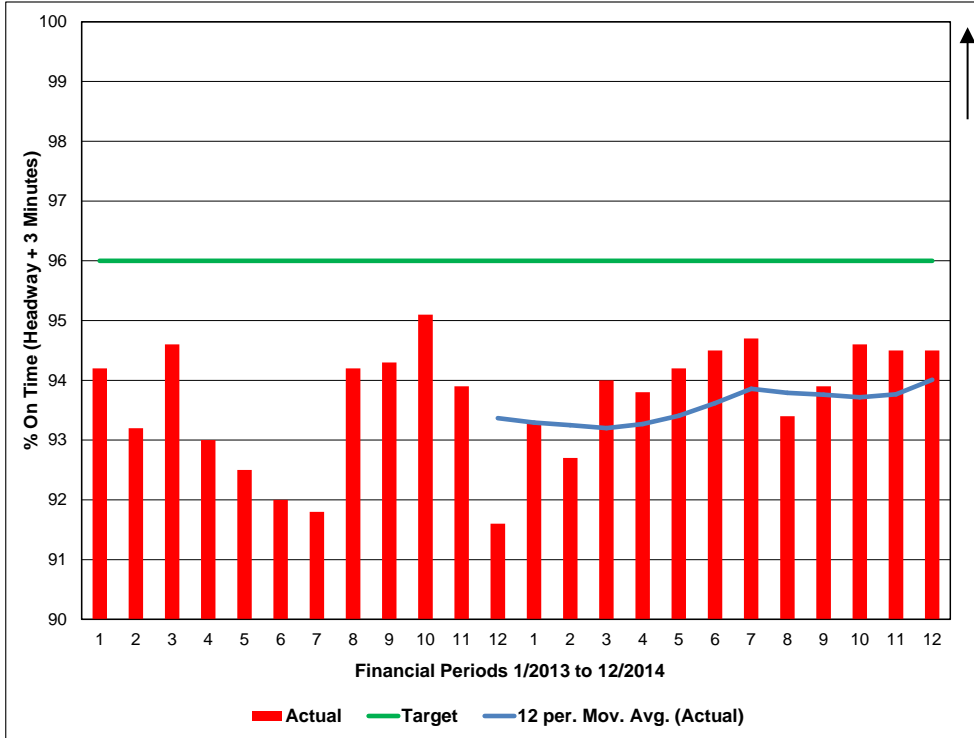
There were 43.596M customer journeys taken during Period 12 2014, which was 1.038M (2.3%) less than the budget of 44.634M journeys.

The number of customer journeys taken year-to-date to the end of Period 12 2014 was 534.815M, which was 5.185M (1.0%) less than the budget of 540.000M journeys.

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

2.4.1 – Subway

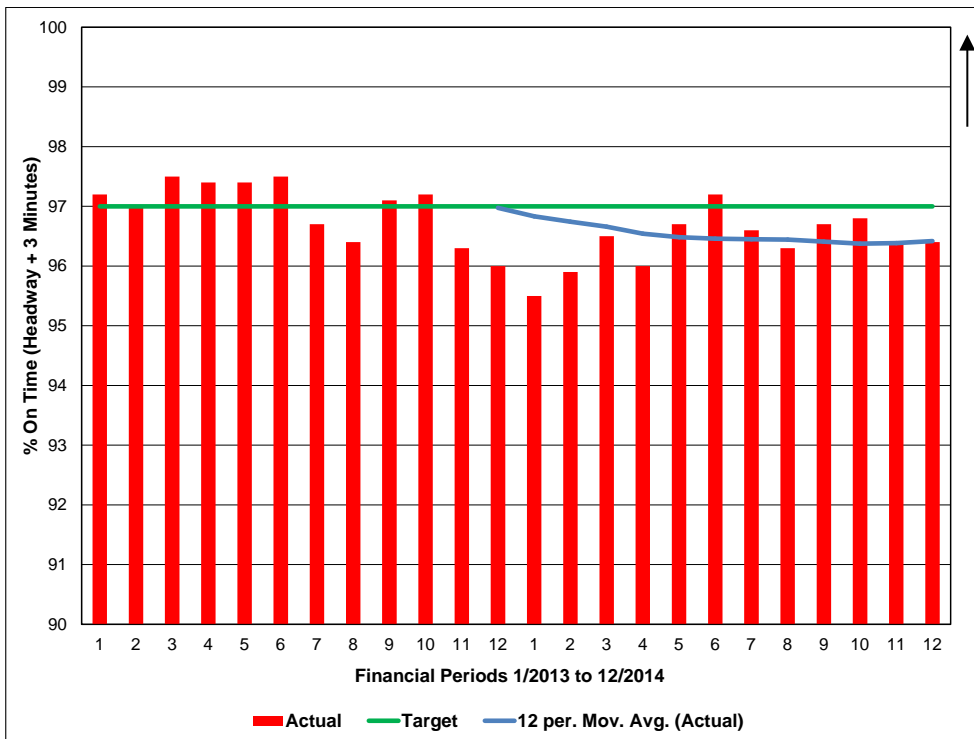
Line 1 (Yonge-University-Spadina)



Performance in Period 12 remained below target.

Peak service headway performance continues to be strong. Efforts are focusing on improving off-peak and weekend performance, which typically drags down the overall measure.

Line 2 (Bloor-Danforth)

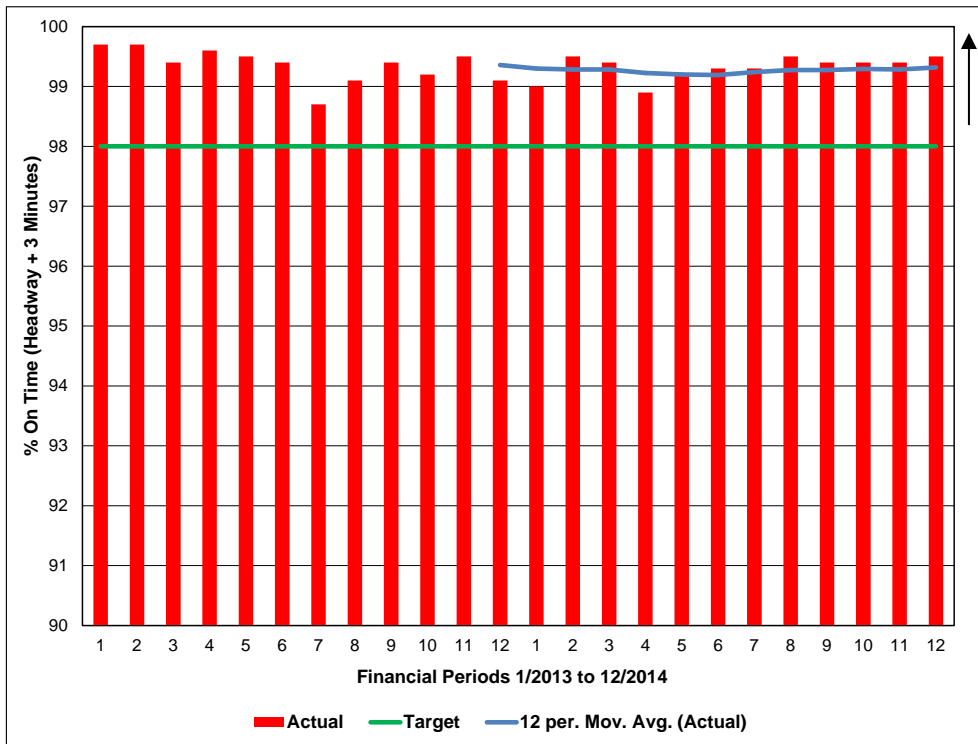


Performance in Period 12 remained below target.

While performance has not met target, several other indicators are improving, including line capacity (trains per hour) and schedule adherence (late running).

Peak service headway performance continues to be strong. Efforts are focusing on improving off-peak and weekend performance, which typically drags down the overall measure.

Line 4 (Sheppard)

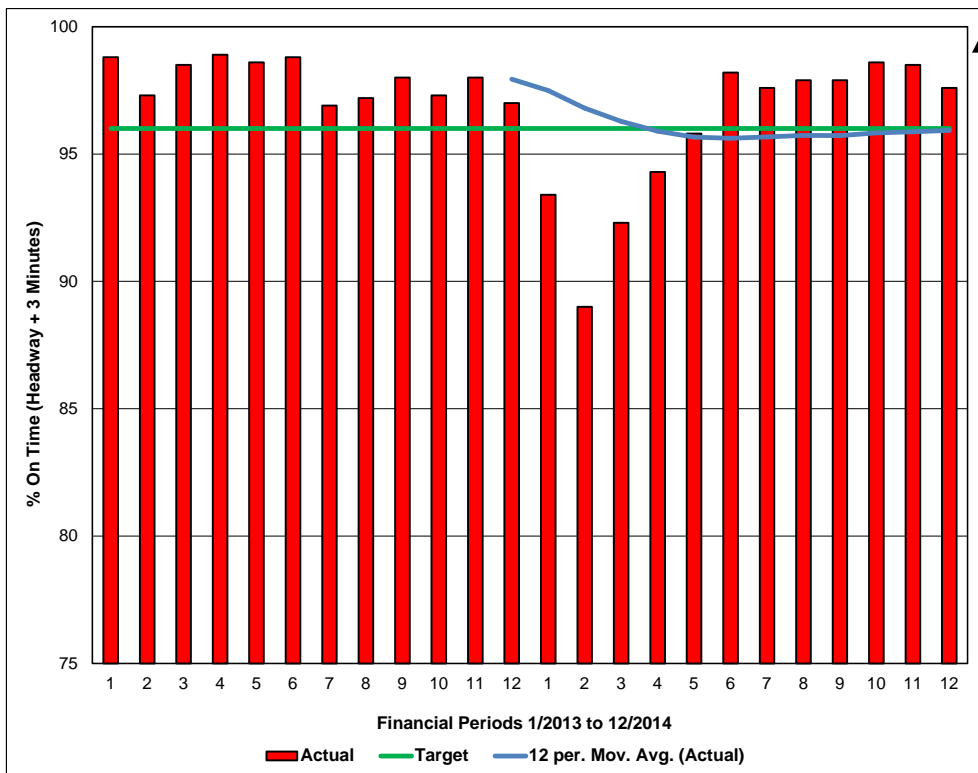


Performance in Period 12 remained well above target.

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.

2.4.2 – SRT

Line 3 (SRT)

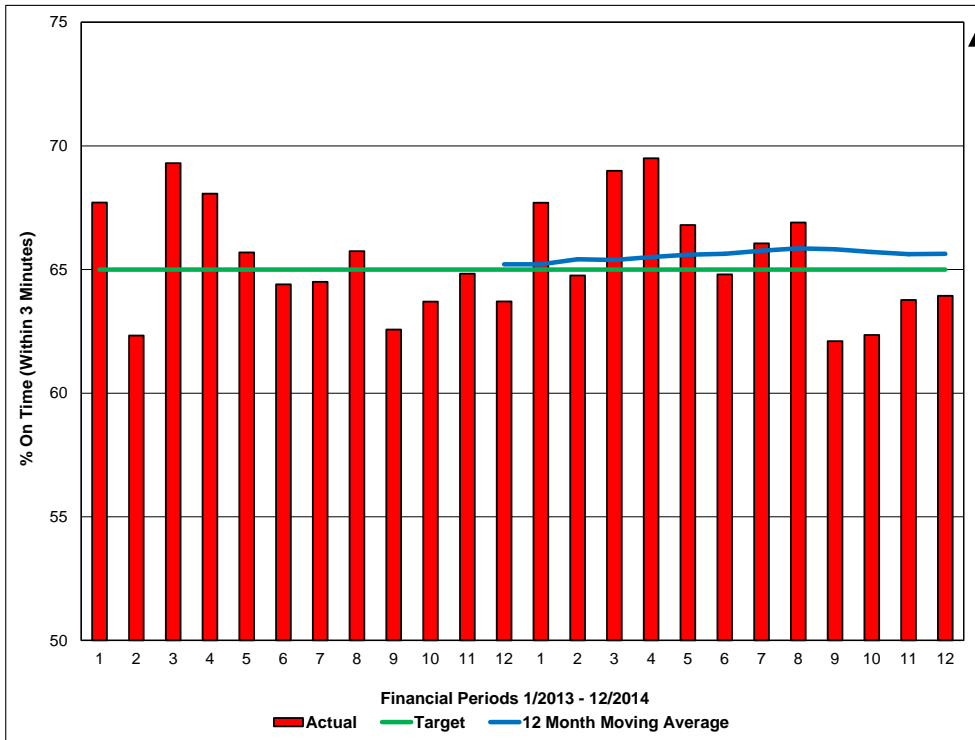


Performance in Period 12 remained above target for the seventh consecutive period.

Although the average number of weekly delay incidents increased, the resilience of the line's schedule resulted in a high level of performance continuing to be achieved.

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

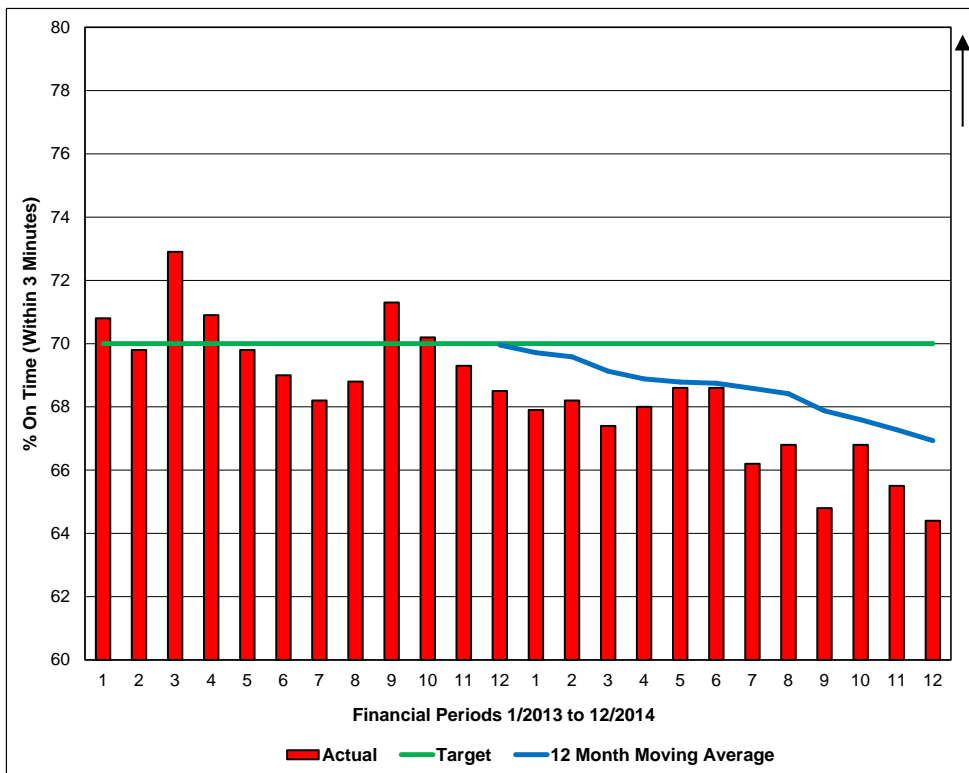
2.5.1 – Bus



Performance increased slightly in Period 12 but remained below target for the fourth consecutive period.

Construction on various routes continued to hamper service. As a result, performance is improving at a slower rate than expected for this time of year.

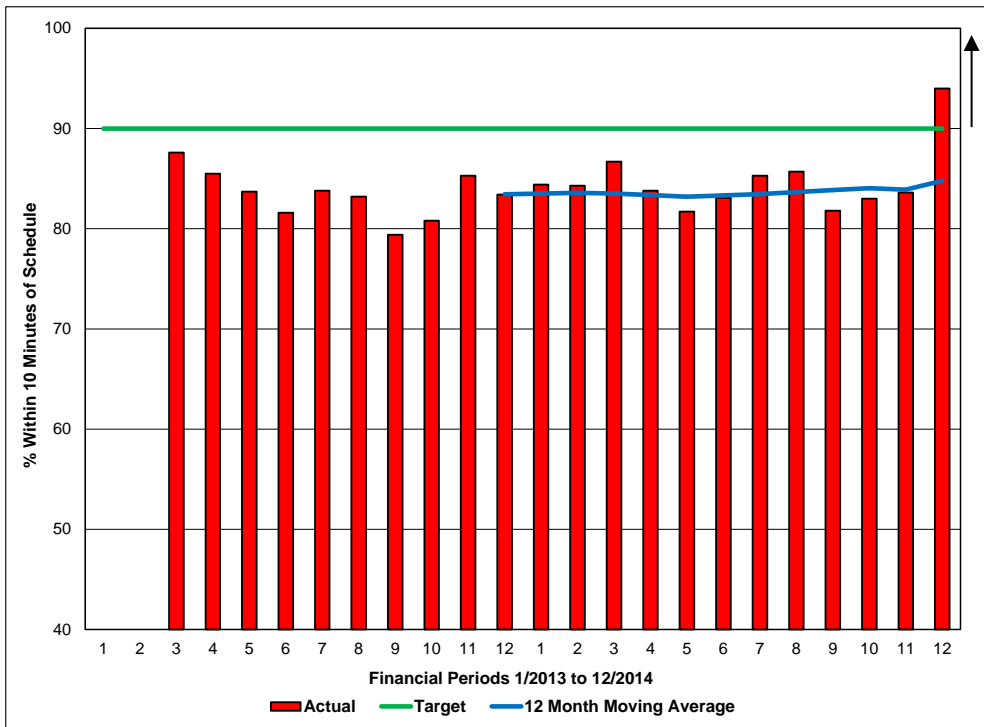
2.5.2 – Streetcar



Performance decreased in Period 12 to its lowest level in the past two years and continued to remain well below target.

Construction associated with Harbourfront Toronto continued to negatively impact both the performance of the 509 Harbourfront and 510 Spadina routes and overall streetcar performance.

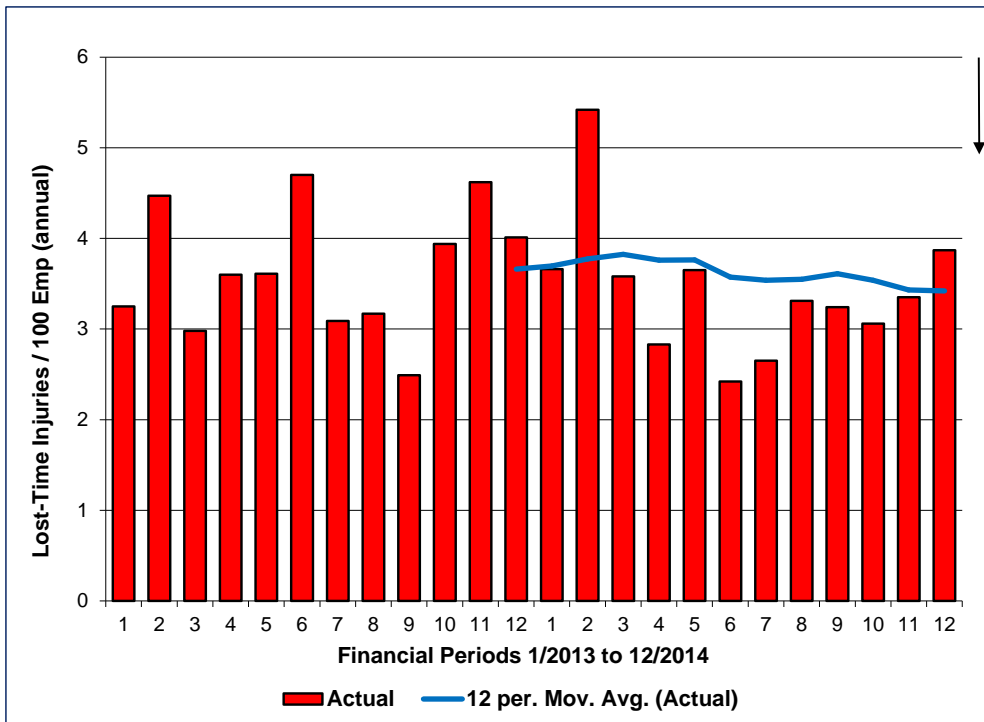
2.5.3 – Wheel-Trans



Performance increased in Period 12 for the third consecutive period and was above target for the first time in the past two years.

2.6 – Safety and Security

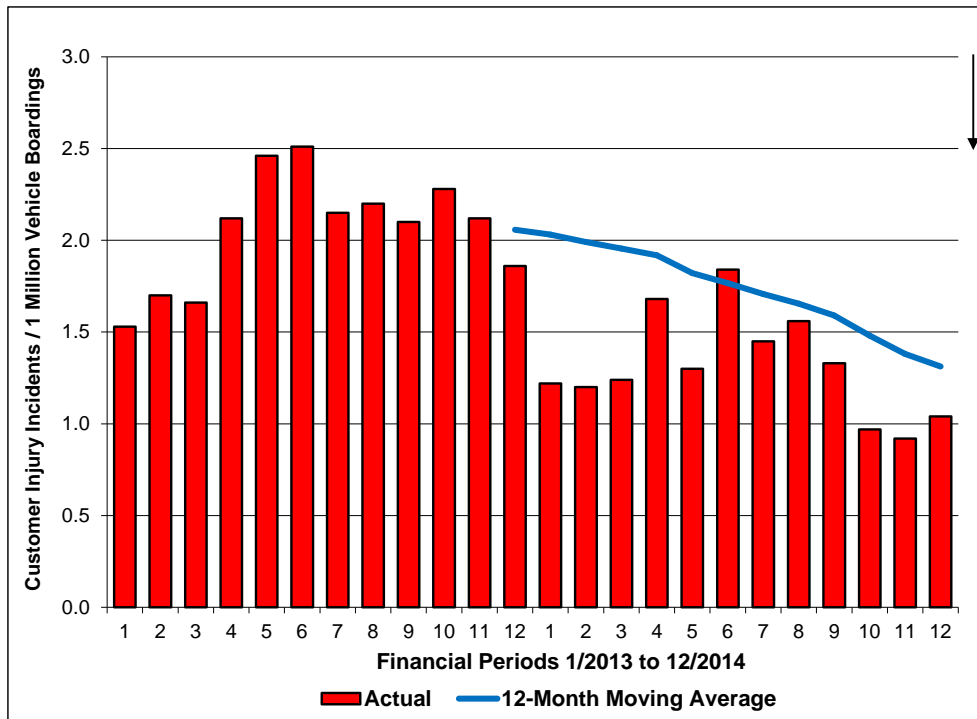
2.6.1 – Lost-Time Injuries (Annual Injuries / 100 Employees)



The annualized lost-time injury rate (LTIR) for Period 12 2014 was 3.87 lost-time injuries per 100 employees, which was 3% lower than the LTIR of 4.01 for Period 12 2013.

The moving annual LTIR to the end of Period 12 2014 was 3.42, which was 7% lower than the corresponding rate of 3.66 to the end of Period 12 2013.

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



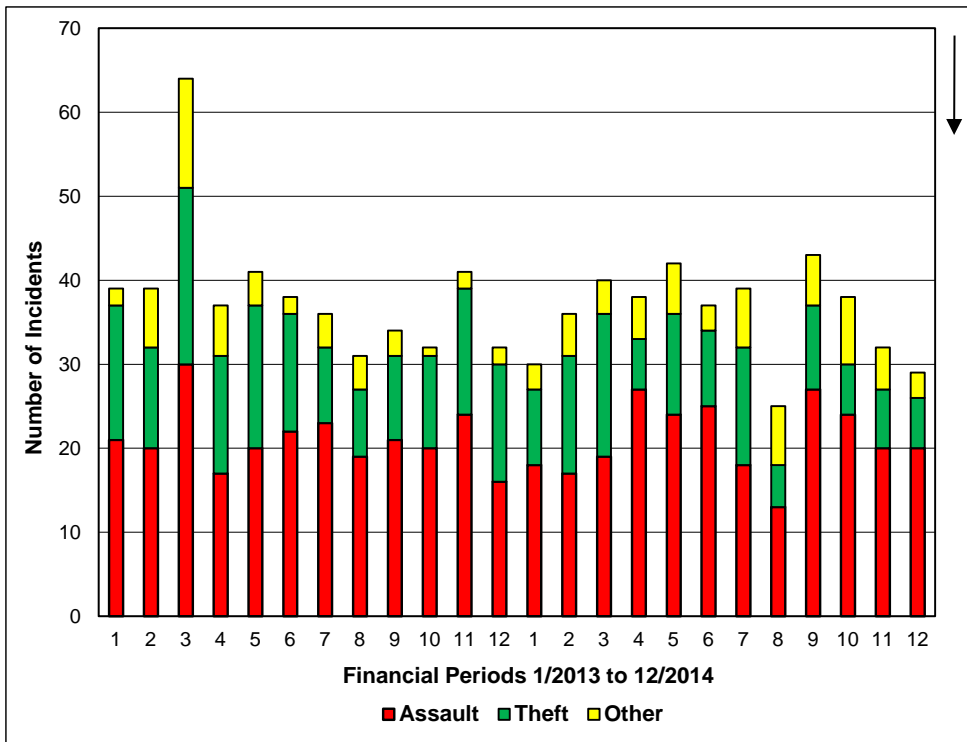
The customer injury incident rate for Period 12 2014 was 1.04 injury incidents per 1 million vehicle boardings, which was 44% lower than the corresponding rate of 1.86 for Period 12 2013.

The moving annual customer injury incident rate to the end of Period 12 2014 was 1.31, which was 36% lower than the corresponding rate of 2.06 to the end of Period 12 2013.

2.6.3 – Behavioural Safety Index

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

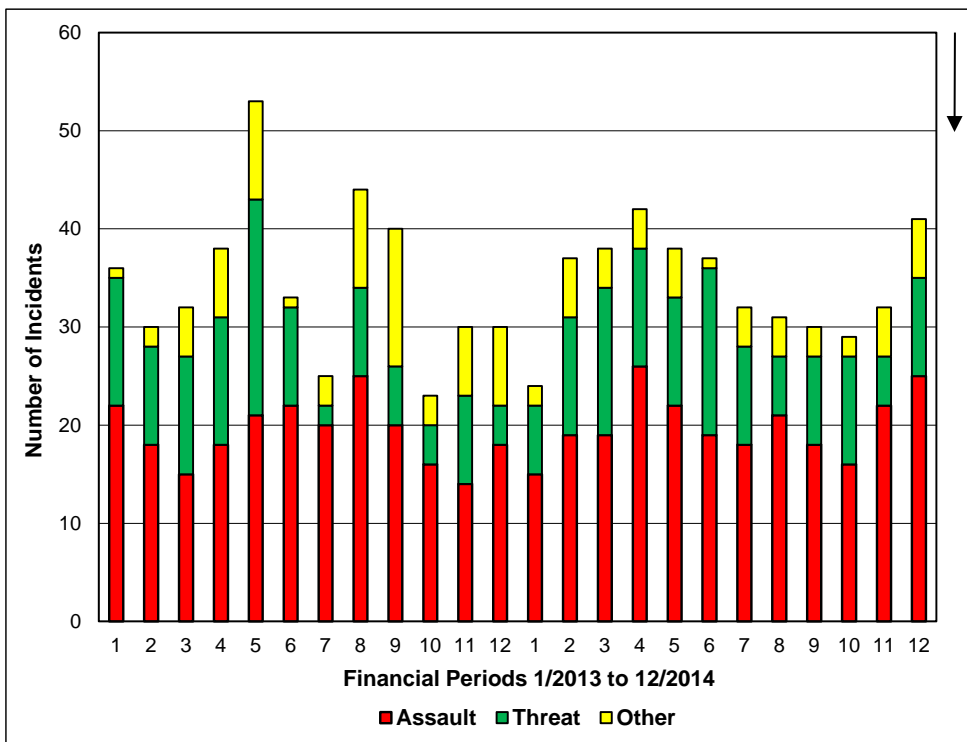
2.6.4 – Offences Against Customers



Total offences against customers decreased in Period 12.

Year-to-date to Period 12, there were 35 fewer offences (429 vs. 464) compared with the corresponding period in 2013. This includes one fewer assault (252 vs. 253), 46 fewer thefts and robberies (115 vs. 161), and 12 more 'other' offences (62 vs. 50).

2.6.5 – Offences Against Staff

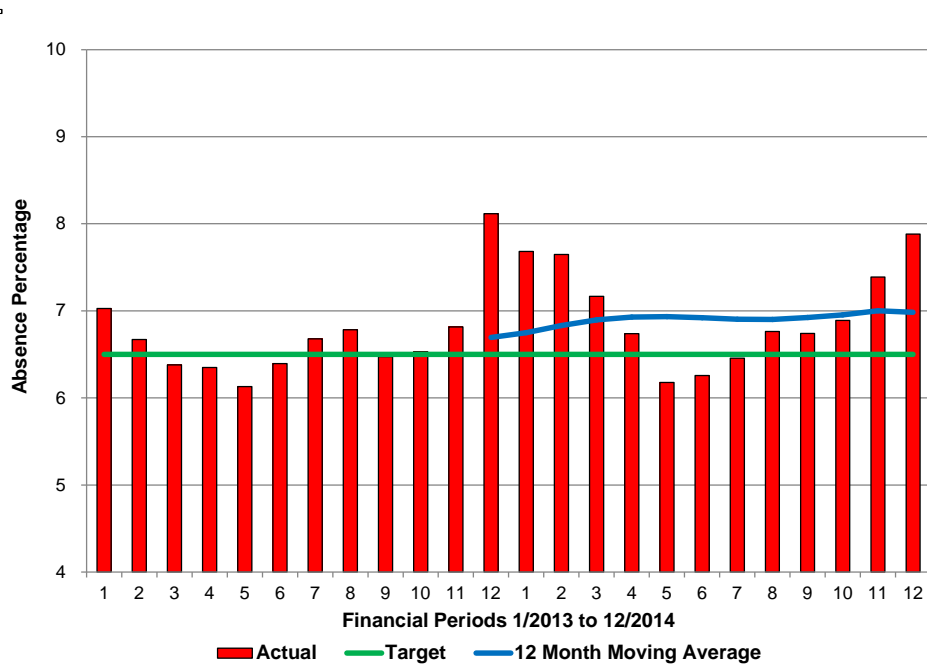


Total offences against staff increased in Period 12.

Year-to-date to Period 12, there were three fewer offences (411 vs. 414) compared with the corresponding period in 2013. This includes 11 more assaults (240 vs. 229), 11 more threats (125 vs. 114), and 25 fewer 'other' offences (46 vs. 71).

2.7 – People

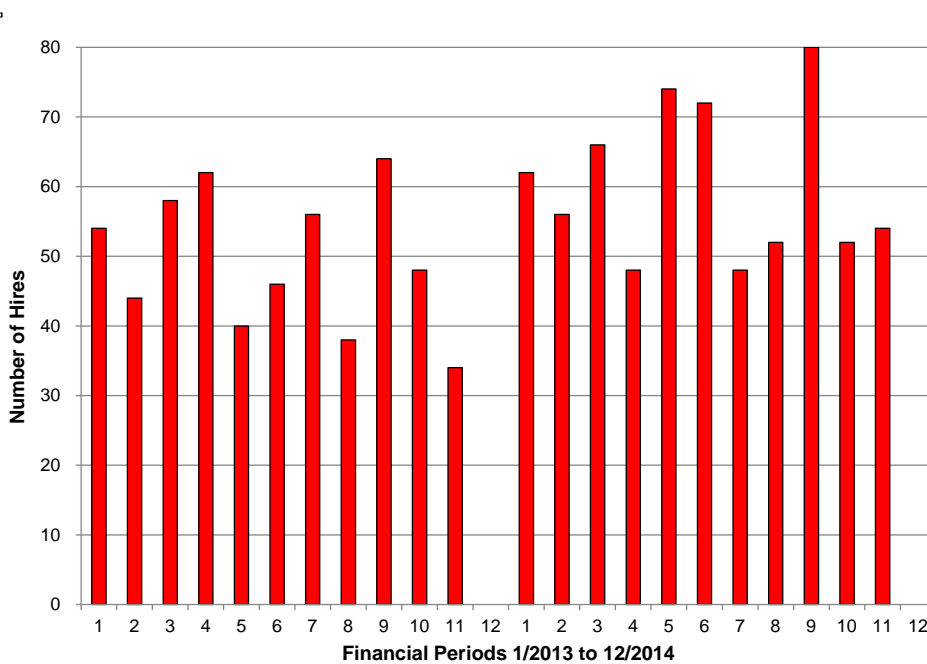
2.7.1 – Attendance



The absence rate increased in Period 12 to the highest level in the past year and was above target (unfavourable) for the fifth consecutive period.

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

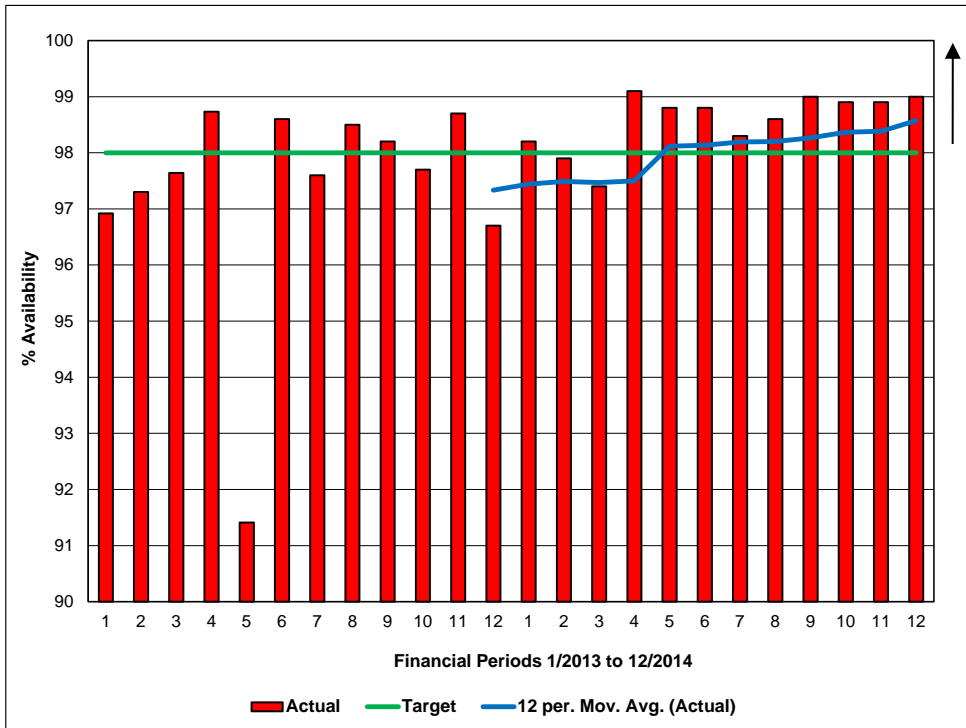
2.7.2 – Operator Hires



In Period 12, no Operators were hired.

2.8 – Device Availability

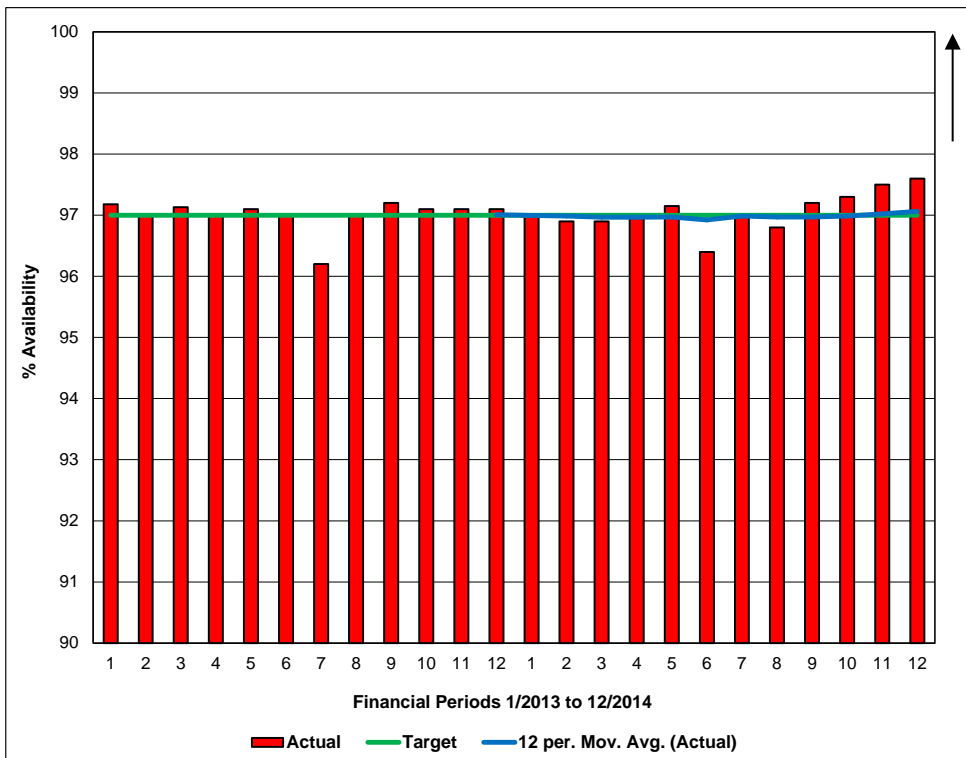
2.8.1 – Elevator Availability



Performance in Period 12 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.

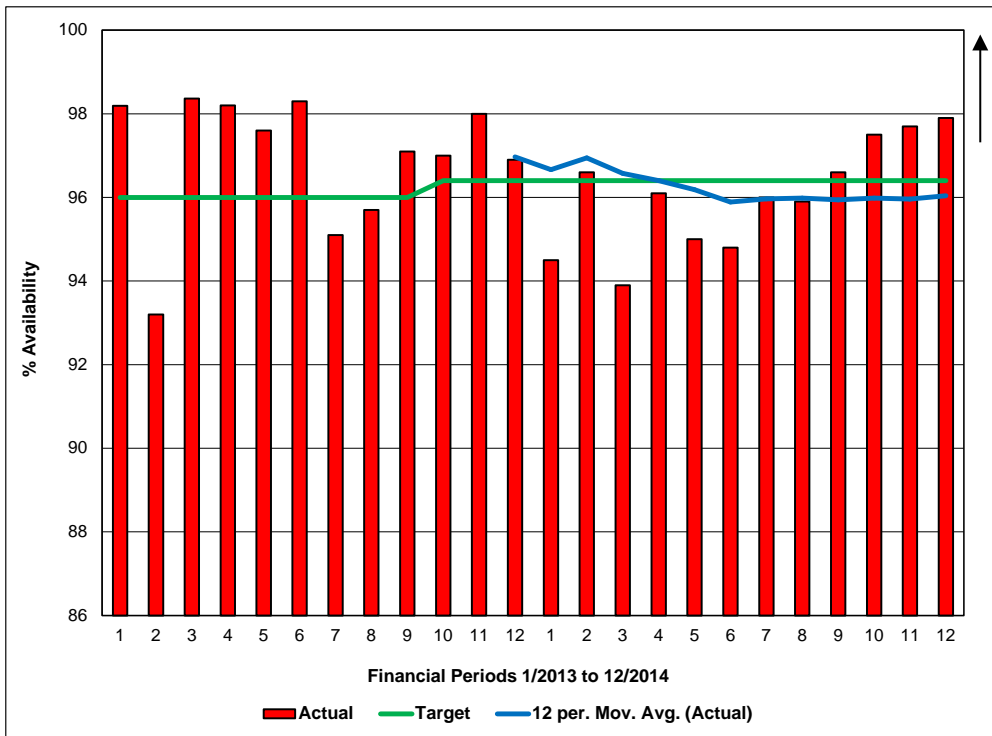
2.8.2 – Escalator Availability



Performance increased in Period 12 and was above target for the fourth consecutive period.

Maintenance programs are being completed as planned and scheduled, which is contributing to keeping trouble calls to a minimum.

2.8.3 – Fare Purchase Opportunity

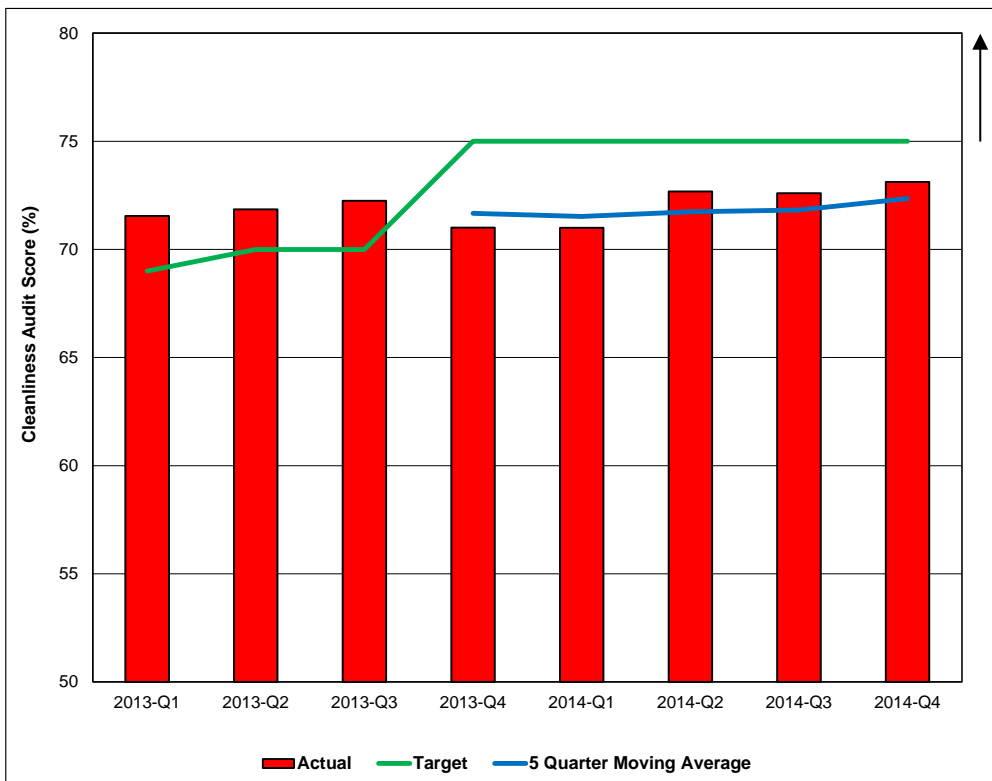


Performance increased in Period 12 and was above target for the fourth consecutive period.

The increased performance was attributable to technical improvements in Pass Vending Machines (PVMs) and payment devices, as well as better response times for Token Vending Machine (TVM) incidents.

2.9 – Mystery Shopping and Audits

2.9.1 – Station Cleanliness



Performance in Q4 improved slightly from Q3 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.

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 Q4 2014. A revised performance chart will be provided in this section when the results for Q4 2014 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.

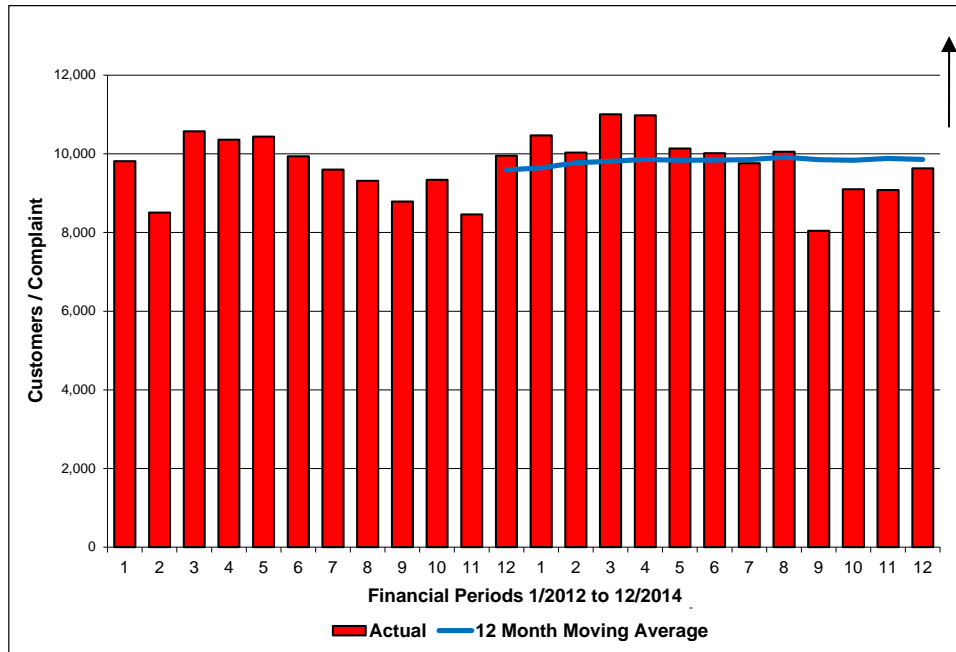
2.9.4 – Staff Helpfulness MSS

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

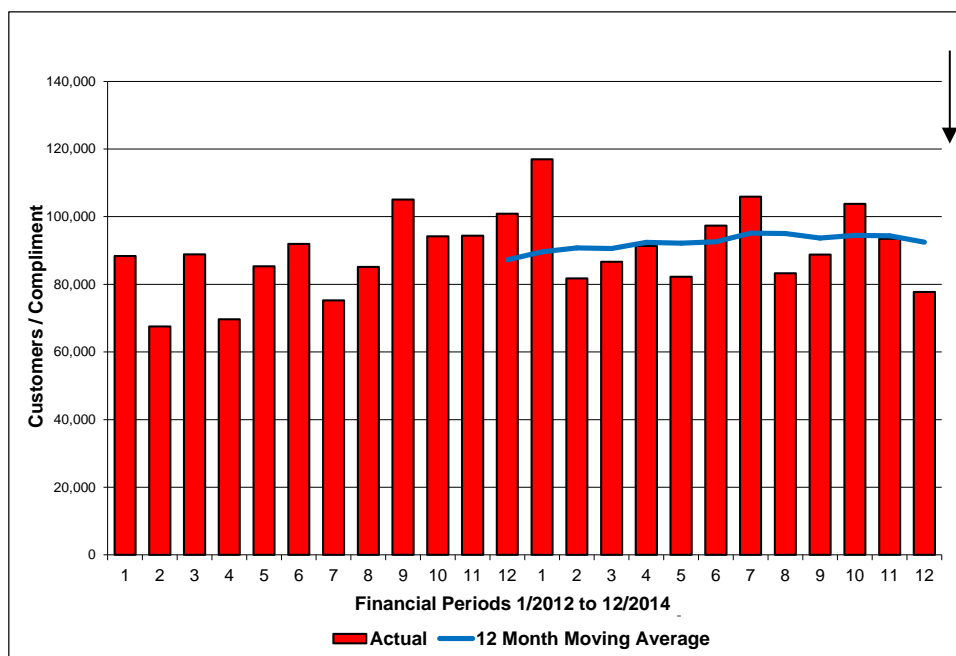
This section provides information on various customer-related issues, including trends for customer complaints and compliments, customer satisfaction improvement initiatives, and major closures.

3.1 – Customer Complaints



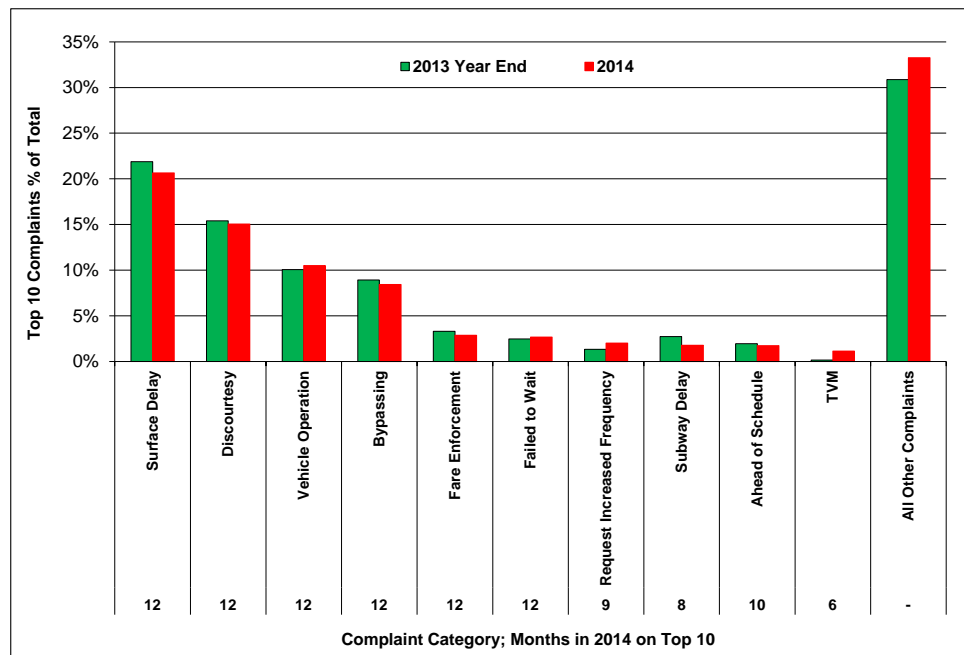
Customers per complaint are trending positively since last period; however, performance remains slightly lower than the 12 month average.

3.2 – Customer Compliments



Customers per compliment continue to improve, trending above the 12 month average.

3.3 – Top Ten Complaints



Slight improvements are noted in Surface Delay, Discourtesy, and Bypassing complaint categories when compared with 2013 year end.

Vehicle Operation, Failed to Wait, and Request Increased Frequency categories are slightly higher than 2013 year end.

3.4 – Commentary on Customer Satisfaction Improvement

In February 2014, the TTC unveiled its 2014 Customer Charter. It's comprised of 39 time-bound commitments that include improved service reliability, better customer communications and information, modern equipment and vehicles, continued advancements on customer accessibility, and cleaner vehicles and stations. The 2014 Charter in its entirety, as well as quarterly progress reports, is available on the TTC website.

In the fourth quarter, the TTC achieved 10 of 14 Customer Charter commitments for 2014. The ten initiatives included: post two explainer videos online; install another 60 digital custom information displays; Line 1 will be operating the new Toronto Rocket trains exclusively; new streetcars on the 510 Spadina line; establish a special task force to seek long-term capital and operating funding; upgrade speakers in five subway stations; Lawrence West Station easier access project will be near completion and open to our customers; Dufferin Station modernization project will be near completion; wash and replace bulbs on 25 per cent of the platform lighting, and a third of our stations will have had the floors reconditioned to a polished finish.

We were unable deliver the following four commitments: new articulated buses on seven routes, accommodate more Wheel-Trans trips; replace/repair wall tiles at four subway stations, stairs at four subway stations, and floors at nine subway stations; and add PRESTO to three new subway stations and the new streetcars.

New articulated buses were not available on all seven routes as there was a delivery delay from the manufacturer. Five routes are now operating with articulated buses: 7 Bathurst, 29 Dufferin, 36 Finch West, 85 Sheppard East, and 53 Steeles East. In early 2015, the 41 Keele bus will operate with articulated buses.

We were unable to accommodate more Wheel-Trans trips as the demand for Wheel Trans service increased and we accommodated approximately 58K more trips than anticipated. As a result, the unaccommodated rate for Q4 was 1.25%.

We met our commitment of repairing stairs at four stations. However, we were unable to repair/ replace wall tiles at three stations due to a materials delivery delay and floors at eight stations to accommodate PRESTO installations.

PRESTO is now available on the new streetcars on the 510 Spadina streetcar line. PRESTO will also be installed on all new streetcars that are put into service over the next few years. PRESTO was also installed at Spadina Station; however, the remaining two stations were not completed.

Starting January 1, 2015, TTC customers will be able to purchase fares at all collector booths, at all subway stations, using their debit or credit cards. The TTC is also exploring a wave-and-pay option for a single cash fare at all collector booths for later in 2015. Customers will now be able to make purchases of \$10 or more including tickets, tokens, and any Metropass or Day Pass, at the TTC's 69 subway and Scarborough RT stations using their debit or credit card.

In December, it was announced that proof-of-payment (PoP) and all-door boarding on the 504 King streetcar will go into effect on January 1, 2015, in an effort to improve service and reliability for the almost 60,000 daily riders on the TTC's busiest surface route. The TTC's 2015 budget submission includes the implementation of PoP on all streetcar routes by year-end 2015.

The TTC continues to conduct Meet the Managers sessions at subway stations. In 2014, sessions were conducted at the following stations: Union, St. Andrew, St. Clair, Eglinton, Bloor-Yonge, Kipling, Finch, Downsview, Lawrence, Queen, Main, Chester, Runnymede, Osgoode, Don Mills, Scarborough Centre, St. George, Sheppard-Yonge, Bathurst, Dufferin, Spadina, and Lawrence West. In addition, a Meet the Managers session was held at the People in Motion exhibition. Feedback was received from customers on a variety of issues. We will continue with Meet the Managers at various locations throughout 2015 with the full schedule posted online.

3.5 – Major Closures

Line 1 (Yonge-University-Spadina) - 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.

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
Subway	Line 1 (Yonge-University-Spadina)	Feb 28/15 – Mar 1/15	Union Station Platform
	Union Stn to St. Andrew Stn	Mar 14/15 – Mar 15/15	Upgrades
		Mar 28/15 – Mar 29/15	
Subway	Line 1 (Yonge-University-Spadina)	Mar 7/15	Infrastructure Maintenance
	Dupont Stn to St. Clair West Stn		
Subway	Line 1 (Yonge-University-Spadina)	Mar 21/15 – Mar 22/15	Infrastructure Maintenance
	St. Clair West Stn to Eglinton Stn		

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 Operating Budget, the Wheel-Trans Operating Budget, and the TTC Capital Program.

4.1 – TTC Operating Budget

2014 Year-to-Date Results

To the end of Period 11 (November 29), total revenues were \$9.4 million (0.9%) below budget primarily due to 4.1 million (0.8%) fewer customer journeys than planned and a slightly lower average fare (0.55¢ or 0.3%) stemming from marginally higher monthly pass sales. Over the same time period, expenses were \$30.4 million (2.1%) below budget largely due to lower than anticipated diesel fuel, hydro and accident claims costs to date.

2014 Year-End Projections

The preparation of year-end results for 2014 is in progress. Final results will be included in the Chief Executive Officer's Report for March 2015.

4.2 - Wheel-Trans Operating Budget

2014 Year-to-Date Results

To the end of Period 11 (November 29), total revenues were marginally (\$20K or 0.4%) above budget. This reflects increased revenue from 41K (1.4%) additional customer journeys partially offset by a lower average fare (\$0.02 or 1%). Over the same period, expenses were \$2.9 million (2.8%) below budget primarily due to reduced diesel fuel requirements as fewer than anticipated bus trips were provided and prices were lower than anticipated, and workforce gapping savings.

2014 Year-End Projections

The preparation of year-end results for 2014 is in progress. Final results will be included in the Chief Executive Officer's Report for March 2015.

4.3 - Capital Program

2014 Year-to-Date Results

To the end of Period 11 (November 29), the Base Capital Program was under-spent by \$250.9 million (\$722.5M actual vs. \$973.4M budget) and the TYSSE Program was underspent by \$243.6 million (\$246.7M actual vs. \$490.3M budget). Capital expenditures to Period 11 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.

2014 Year-End Projections

The preparation of year-end results for 2014 is in progress. Final results will be included in the Chief Executive Officer's Report for March 2015.

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
 - T&S building renovation
- Davisville Yard:
 - Carhouse expansion
 - Consolidation of T&S 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
 - T&S 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, 59 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 (TS-60 received & pending for final acceptance)
- Option 1(A) – TYSSE Support (10 total) : TS-61 through TS-70 (to be completed by mid-2015)
- Option 1(C) – Support for ATC/Forecast Growth (10 total): TS-71 through TS-80 (to be completed by end-2015)

Now that the Unifor labour strike in Bombardier's Thunder Bay plant that started on July 14, 2014 was resolved on September 12, 2014, a revised delivery schedule has been established to ensure the production quality is retained after the vehicle build was fully resumed on October 2014.

Retrofit work for trains that missed the ATO-readiness cut-in date in the Thunder Bay production line was completed in May 2014. All TR trains on property are now ATO-ready. During a dynamic test in the mainline on

the last week of September, the testing train was successfully operated under the full automatic mode in between the stations.

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 three (3) 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. Delay impacts have led to layoffs in the Bombardier Thunder Bay plant due to part shortages from Mexico and from external suppliers.

TTC continue to work with Bombardier to expedite deliveries while ensuring that all quality and safety objectives are met. The next car (4405) is expected to be offloaded at the Hillcrest Complex in mid-February 2015. Staff is still aiming to have the car commissioned and entering service before the end of February 2015. The fifth revenue service car (4406) is anticipated to ship before the end of February 2015, with commissioning and entry into service expected before the end of March 2015. Production in Thunder Bay continues to be impacted beyond car 4406 due to the supply chain and production issues.

TTC is anticipating a schedule commitment from Bombardier before the end of February, 2015. Bombardier has committed to complete the delivery of the 204 vehicles of the base LFLRV contract order to the TTC in 2019.

Leslie Barns Streetcar Maintenance & Storage Facility Project

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

1. Soil Removal and Capping

The site preparation contract was completed in January 2012.

2. Hydro One Cable Relocation

The contract was completed in July 2013.

3. Leslie Barns Maintenance and Storage Facility

This contract consists of the construction of the maintenance facility and storage yard on the site. The contract was awarded on April 12, 2012. 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 councillors, meets on a monthly basis to address construction issues for residents and businesses. The last meeting was held on February 12, 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 respond to emails, phone calls and walk-in questions and concerns from the community. The next issue of the project e-newsletter is scheduled for 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

Elevators at Dufferin and Lawrence West Stations were opened for service on November 24, 2014, and December 17, 2014, respectively. Work to make stations accessible is on-going at Woodbine, St. Clair West, Ossington, and Coxwell Stations.

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

To achieve capacity increases, Line 1 requires modernisation. 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.

The commissioning of the Union Interlocking scheduled for October 11, 2014 has been postponed indefinitely as a result of design deficiencies from the supplier. This has negatively impacted the spending for 2014, along with causing TTC to delay implementing a second Construction team and relevant associated project activities. The existing TTC workforce has been redirected to non-ATC related SOGR work on the Yonge line, targeting signaling infrastructure that is beginning to impact subway system reliability. The intent of a moving forward plan that addresses the design deficiencies, must maintain the planned completion date of 2020 for ATC operation. An update will be provided to the Board in early 2015.

5.5 Toronto-York Spadina Subway Extension Project (TYSSE)

Work to complete concreting within the tunnels is nearing completion. Track work started in June 2013 and is 55% completed and advancing well.

Work on the major facility contracts consisting of six stations and attendant infrastructure (emergency exit buildings, three track structures, etc.) is advancing at different paces with three stations, York University, Steeles West (Pioneer Village) and Hwy 407 not maintaining schedule. At this time, the progress on these stations, particularly Steeles West (Pioneer Village), poses the most serious schedule challenge to the overall project schedule. Efforts to have the contractors on these stations improve their schedule performance are intense and have been ongoing for some time. Sheppard West (Downsview Park) likewise is not maintaining its schedule but due to its early contract award and good performance at the beginning, work is well advanced and current progress is not expected to impact the overall project schedule. The Vaughan Metropolitan Station schedule faltered around October 2013 to late April 2014 with improvement thereafter. Work on Finch West Station is currently progressing well.

A peer review was conducted by an APTA panel in late 2014 largely to assess schedule and budget challenges. A report is expected at the end of February 2015 related to schedule and budget challenges and will make recommendations to mitigate these challenges.

Bechtel Ltd., a consulting firm, was also retained to conduct a thorough in depth analysis of the project and likewise is expected to present its findings at the end of February 2015. A comprehensive briefing will be made to the TTC Board in March, based on Bechtel's report.

Design of the various Systems components is complete or well underway. On-site delivery and installation of Systems equipment has started.

5.6 PRESTO / TTC Farecard Project

The legal agreement for implementing PRESTO at the TTC has been completed. The agreement includes a commitment to develop a detailed project schedule for the overall project through to final implementation and operation and will consist of two major phases: Phase 1 and Phase 2. Metrolinx and TTC have undertaken discussions to accelerate the overall implementation plan for PRESTO at the TTC. The plan involves the following: the 26 Phase 1 stations will be PRESTO-enabled by the start of the Pan Am Games in July 2015; all legacy streetcars will have PRESTO devices by the end of 2015; and buses and the remaining subway stations will have PRESTO implemented by the end of 2016.

The initial Phase 1 PRESTO devices were launched into service November 30, 2014. The three TTC-owned revenue service LFLRV streetcars that have been delivered have been equipped with Presto devices. The on-board PRESTO devices 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 installation of the off-board PRESTO equipment along the 510 Spadina route was completed in February 2015.

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).

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 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. 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, and Osgoode Stations.

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.