



STAFF REPORT INFORMATION ONLY

Chief Executive Officer's Report – June 2015 Update

Date:	June 22, 2015
To:	TTC Board
From:	Chief Executive Officer

Summary

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

Financial Impact

There are no financial impacts associated with this report.

Accessibility/Equity Matters

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

Decision History

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

Issue Background

The Chief Executive Officer's Report presents the organization's KPIs in a performance "dashboard" format that enables the reader to view periodic performance in each area at-a-glance. Targets for each KPI are provided although some are yet to be finalized. In addition, a "traffic light" indicates whether the organization is ahead of target (green), at risk (yellow) or below target (red) for the KPI in question and the trend arrows show whether performance is trending up or down.

In the balance of the report, detailed comments are provided highlighting and explaining issues concerning each of the KPIs as well as other corporate initiatives.

Contact

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Attachment

Chief Executive Officer's Report – June 2015 Update



TORONTO TRANSIT COMMISSION

CHIEF EXECUTIVE OFFICER'S REPORT

JUNE 2015 UPDATE



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TORONTO TRANSIT COMMISSION – MONTHLY SCORECARD



Punctuality – Subway									
Line 1 (Yonge-University)	Headway + 3 minutes	Period	P4	95.5%	96.0%			2.4.1	
Line 2 (Bloor-Danforth)	Headway + 3 minutes	Period	P4	97.7%	97.0%			2.4.1	
Line 3 (Scarborough)	Headway + 3 minutes	Period	P4	95.9%	96.0%			2.4.1	
Line 4 (Sheppard)	Headway + 3 minutes	Period	P4	99.5%	98.0%			2.4.2	

Punctuality – Bus, Streetcar, and Wheel-Trans									
Bus	Headway +/- 3 minutes	Period	P4	65.3%	65.0%			2.5.1	
Streetcar	Headway +/- 3 minutes	Period	P4	63.7%	70.0%			2.5.2	
Wheel-Trans	Within 10 minutes of schedule	Period	P4	86.1%	90.0%			2.5.3	

Safety and Security									
Lost Time Injuries	Injuries / 100 Employees	Period	P4	3.32	TBD			2.6.1	
Customer Injuries	Injury incidents / 1M Vehicle Boardings	Period	P4	1.22	NA			2.6.2	
Behavioural Safety Index	Safety Focused Behaviour	Period	TBD					2.6.3	
Offences against Customers	Assault, theft, other	Period	P4	24	NA			2.6.4	
Offences against Staff	Assault, threat, other	Period	P4	27	NA			2.6.5	

People									
Attendance	Employee Absence	Period	P4	6.69%	< 6.50%			2.7.1	
Operator Hires	Actual vs. Budget	Period	P4	60	60			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	P4	97.8%	97.0%			2.8.1	
Escalators	% Escalators Available	Period	P4	97.1%	97.0%			2.8.2	
Fare Purchase Opportunity	% TVM's / PVM's Available	Period	P4	97.2%	96.4%			2.8.3	
Mystery Shopping and Audits									
Station Cleanliness	Cleanliness Audit Score	Quarter	Q1	69.5%	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	P1-4	\$393.4M	\$401.5M			4.1	
TTC Operating Expenditure	Actual vs. Budget	Period	P1-4	\$547.2M	\$551.5M			4.1	
Wheel-Trans Revenue	Actual vs. Budget	Period	P1-4	\$2.0M	\$2.0M			4.2	
W-T Operating Expenditure	Actual vs. Budget	Period	P1-4	\$37.6M	\$38.5M			4.2	
Capital Expenditure – Base	Actual vs. Budget	Period	P1-4	\$175.6M	\$308.1M			4.3	
Capital Expenditure – TYSSE	Actual vs. Budget	Period	P1-4	\$90.6M	\$146.7M			4.3	
Capital Expenditure – SSE	Actual vs. Budget	Period	P1-4	\$1.2M	\$10.3M			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

General Overview

At the time of writing, the TTC’s reputation had just taken a big hit following the service suspension of June 8 due to loss of our subway radio communications system.

The investigation into the root cause of the failure revealed a defective transfer switch within the circuit board of a UPS (uninterrupted power supply) unit as the cause. The incident also revealed weaknesses in the IT hierarchy that meant a concurrent loss of our ability to convey customer information at this most critical time - this will be addressed as part of the recommendations of the investigation.

Customers were understandably frustrated by the disruption caused by this incident – a frustration shared by everyone at the TTC given that we are trying so hard to make things better. Our new subway timetable is proving to be much more robust and it has delivered improved punctuality on all four lines. Our focus on surface routes is also bearing fruit with very positive customer and employee feedback on those routes that have been reviewed to date. Safety indices continue to show positive trends and very good progress is being made behind the scenes on improving the way we manage basic business disciplines and adoption of modern management practice.

I am well aware that such gains count for nothing when big incidents occur, but the underlying performance and capability of the TTC is improving and our hard work will come good.

On a more positive note, good progress is being made on the roll-out of the various staff-initiated service improvements, funding for which was secured in the 2015 budget. These improvements include reversal of the 2011/12 service cuts, additional night bus services, and improvements to our express bus and all-day network.

Delivery of Major Projects

- TYSSE (see page 30)

Our project partner, Bechtel, is making good progress on both parts of their mandate namely (1) driving construction forward and (2) setting about the commercial and mindset “reset” that I identified as critical in my recommended way forward. Meetings and site visits have been held with key contractors to progress both workstreams and the good weather has enabled good progress to be made at all sites.

I will report back by year end on the final cost of the project, once detailed evaluation and negotiation has been undertaken on contractor claims.

- PRESTO (see page 30)

Very good progress continues to be made on all aspects of this transformational project. Everything remains on track for the conversion of further subway stations to PRESTO this summer, to the entire streetcar fleet by the end of this year, and to the entire TTC network, including buses and Wheel-Trans by the end of 2016. At the time of writing, King Station has just been equipped with PRESTO readers and a reader has been fitted to a legacy streetcar to test the integrity of the proposed physical installation before fleet-wide roll-out.

The Board will receive a staff report and recommendations on the purchase of next generation fare gates, a project that will provide operational flexibility and customer benefit moving forward.

- Automatic Train Control (see page 29)

Good progress is being made and the ATC team has reverted to fully focusing on ATC, rather than conventional work. Planned closures continue to enable the painstaking work of migration to the new system. A detailed quarterly update has been submitted to the June 22, 2015 Board meeting.

- New Streetcar Introduction (see page 28/29)

Further to the points made in my last CEO Report, we continue to hold Bombardier to delivery of their revised production schedule. This commits Bombardier to a progressive ramp-up in delivery to a rate of a new vehicle every five (5) days by the end of July, such that, by year end, a total of 30 vehicles will be on property, sufficient to effectively convert the 509 Harbourfront, 510 Spadina, and 511 Bathurst routes. Further production faults (corrosion discovered on wheel sets during transit) need to be corrected, and this will be explained in more detail at the Board in a public presentation.

Bombardier maintains that the ramp up will still commence in July, and I have reinforced to Bombardier's CEO that this must happen and that build quality must be acceptable.

While it is disappointing that roll-out of new vehicles has been so slow, it made no sense to accept sub-optimal vehicles that would prove unreliable. Long hours of discussions with Bombardier at all levels – including CEO to CEO – have resulted in changes by the supplier to their personnel and production line and I am cautiously optimistic that Bombardier has now turned the corner.

Completion of Leslie Street and Leslie Barns remains a challenge – active discussion is ongoing at CEO level with the contractor to maintain focus on the promised delivery dates. I personally attended a recent community event to demonstrate empathy with Leslieville residents during the construction of Leslie Street. Residents are understandably frustrated by the further delay caused by the contractor's road foundation error – a matter that is being addressed by the project team.

- Culture Change

All departments are now developing action plans to address issues raised by the Employee Satisfaction Survey, the results of which were presented to the Board at its April meeting. A further round of CEO-led Employee Town Halls to engage staff at supervisory and foreperson level is now under way. It is encouraging to hear from supervisory staff that they understand – and are embracing – the more enlightened management style that we need to succeed.

- Accessibility Matters

Good progress continues to be made on Easier Access projects at Ossington, St. Clair West, Woodbine, and Coxwell Stations. I attended the People in Motion exhibition along with ACAT and TTC colleagues earlier this month and it was good to meet Wheel Trans users and receive their feedback.

- Pan Am/Parapan Am Games

With less than a month to go, the TTC is ready for the Games.

Extensive planning has been undertaken. 1,600 employee volunteers have been recruited to serve as Games ambassadors across 6,500 shifts with a mandate to provide a warm welcome to the TTC and to ensure everyone knows how to use the system. Contingency plans have been developed and signed off, including deployment of rapid response teams at strategic locations across the city to address issues as they arise. Finally, we are undertaking additional proactive maintenance before the opening event so that only essential work is undertaken during the Games period. Stations and other public areas will be given one final clean and targeted repairs to present the best possible face to visitors, participants and Torontonians alike.

Safety Performance

Roll-out of our 12-point Safe Service Plan continues to tackle all aspects of operational safety and to maintain and enhance the TTC's safety record.

The customer injury rate continues to show a sustained rate of decline across all modes.

Operational Performance

Subway performance on all four subway lines improved, the result of a sustained focus on operational "basics" and targeted timetable improvements.

The SRT upgrade program continues to make good progress.

Bus punctuality remained above target. Streetcar and Wheel-Trans punctuality each remained below target and both continue to receive focus to drive up performance.

Employee absence decreased (improved) and is showing an improving trend.

Elevator and escalator availability continued to achieve target. TVM/PVM availability was above target.

Financial Commentary

On the financial side, customer journeys (ridership) to the end of April were 2.6 million (1.4%) below budget and passenger revenue was \$8.9 million below budget. Much of this variance was due to the negative impacts of continued severe cold temperatures and snow throughout the first quarter and the fare increase on March 1. As with all fare increases, some initial sluggish ridership results were expected. During March, ridership was 1.8% below budget; the results for April were slightly better (-1.5%). For the first three weeks of May, ridership rebounded to be at target. It is still too soon to determine whether the results since March 1 were simply an initial reaction to the fare increase or indicative of a more lasting trend. At this point, it is estimated that 2015 year-end ridership will be in the range of 540 million to 542 million, slightly below the budget of 545 million. Staff will continue to closely monitor ridership results throughout the year.

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

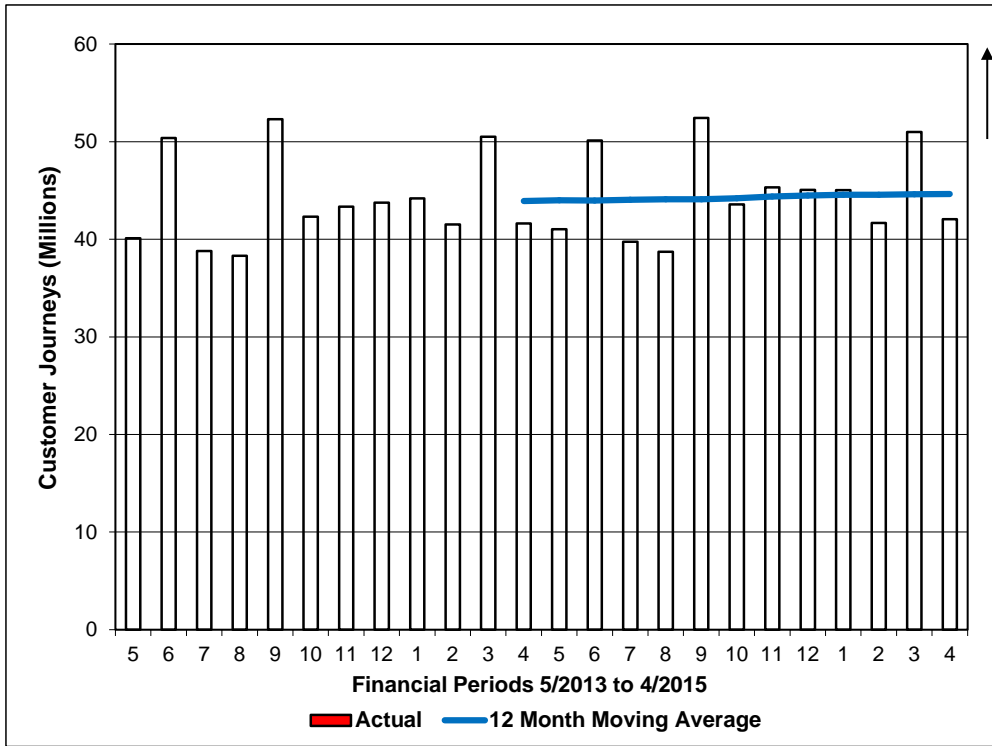
The overall customer satisfaction in Q1 2015 (75%) was consistent with the previous quarter (72%) and the two-year average score (74%). Occasional TTC customers (82%) continue to be more satisfied with the services than frequent TTC users (72%). Customer satisfaction with the quality of announcements at each subway stop as well as the frequency and clarity of announcements about subway delays has improved. Compared to results observed in the same time period last year, a higher proportion of customers were satisfied with the cleanliness in the subway station and in the subway trains. Bus riders were more satisfied with wait time as well as with the availability of maps/information inside the vehicle. For the streetcar service, customer satisfaction ratings were consistent with those observed in the previous quarter and in the same time period last year.

Areas of highest customer satisfaction (+80%) included: personal safety for subway/bus/streetcar, ease of getting to the train platform, quality of announcements per stop (subway), maps and information inside the subway, cleanliness in the subway vehicle, appearance and helpfulness of bus and streetcar operators, ease of hearing announcements on buses and streetcars, and helpfulness of announcements on buses and streetcars.

Perceived value for money remained consistent, with 91% of TTC customers providing 'average', 'good', and 'excellent' ratings. The main suggestions to improve value for money were to increase the frequency of service to reduce overcrowding, to keep to the schedule times, and to reduce the fares.

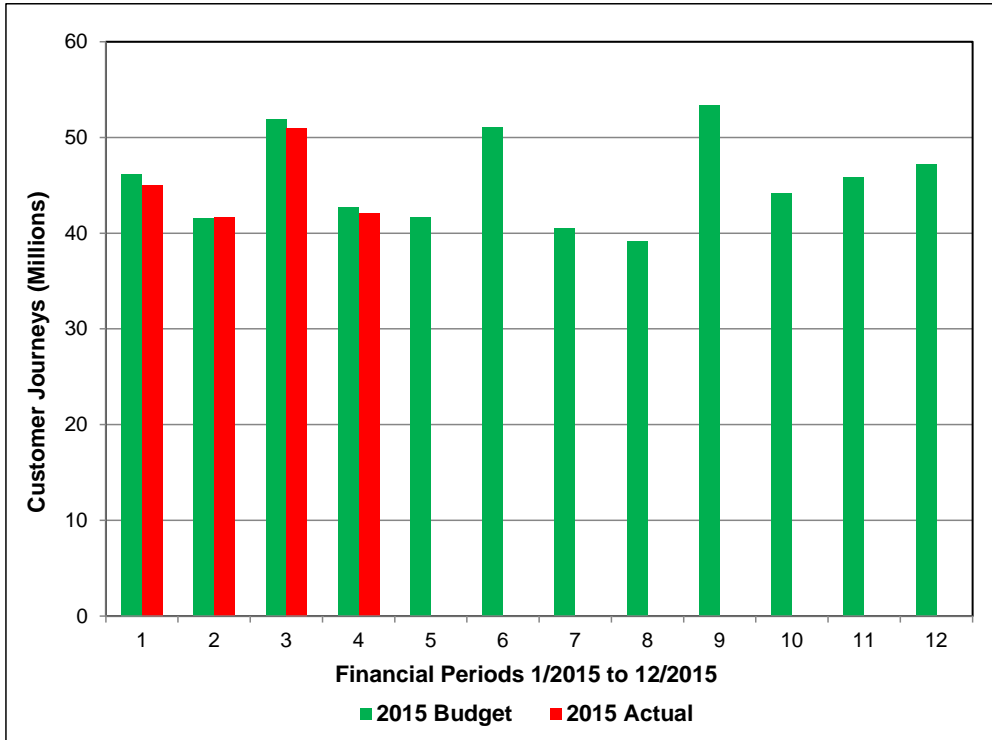
Pride in the TTC and what it means to Toronto (67%) was consistent with the previous quarter (66%) and the same time period last year (68%).

2.3 – Customer Journeys



There were 42.045M customer journeys (ridership) taken during Period 4 2015, which was 0.430M (1.0%) more than the 41.615M journeys taken during the comparable period in 2014.

The annual number of customer journeys taken to the end of Period 4 2015 was 535.740M, which was 8.676M (1.6%) more than the 527.064M annual journeys taken to the end of the comparable period in 2014.

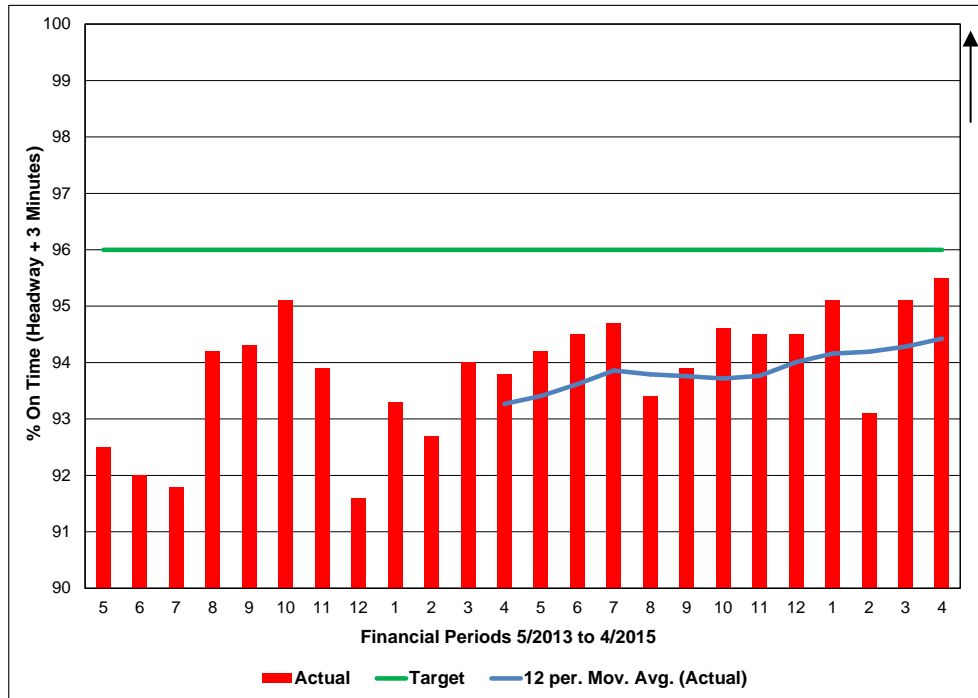


There were 42.045M customer journeys taken during Period 4 2015, which was 0.661M (1.5%) less than the budget of 42.706M journeys.

The number of customer journeys taken year-to-date to the end of Period 4 2015 was 179.736M, which was 2.562M (1.4%) less than the budget of 182.298M journeys.

2.4 – Punctuality – Subway

Line 1 (Yonge-University)

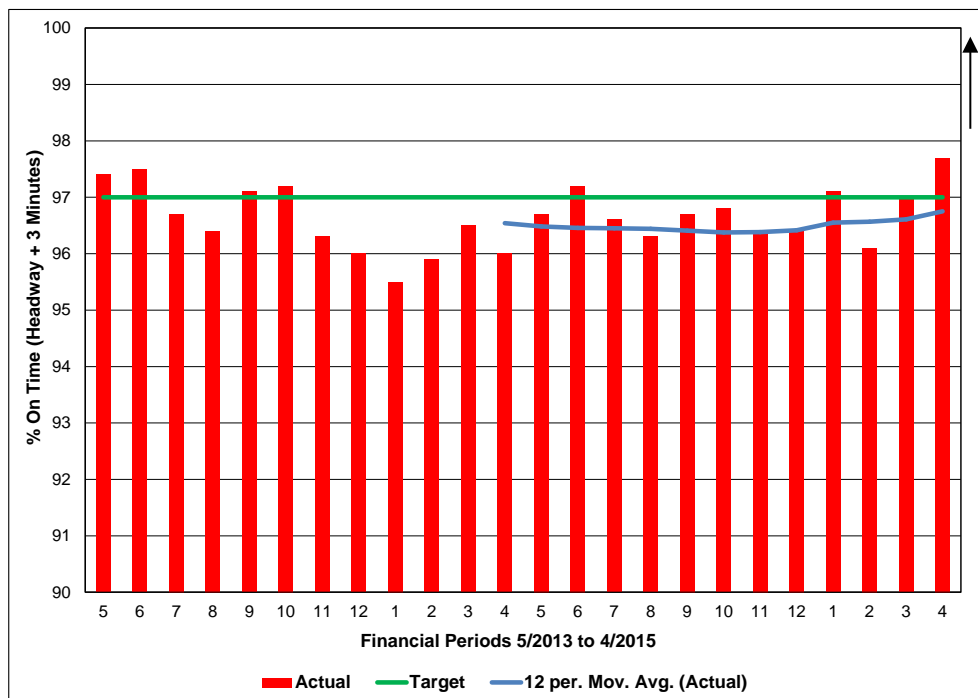


Performance in Period 4 improved to its highest level in two years but remained below target. Improved weather eliminated delays related to ice and snow around the signalling equipment. Design and installation work continues on improved track and signal system heaters prior to next winter.

Bombardier’s modifications to the passenger doors of the Toronto Rocket trains has reduced delays and improved reliability.

Scheduling improvements are anticipated to continue the improvement in performance.

Line 2 (Bloor-Danforth)

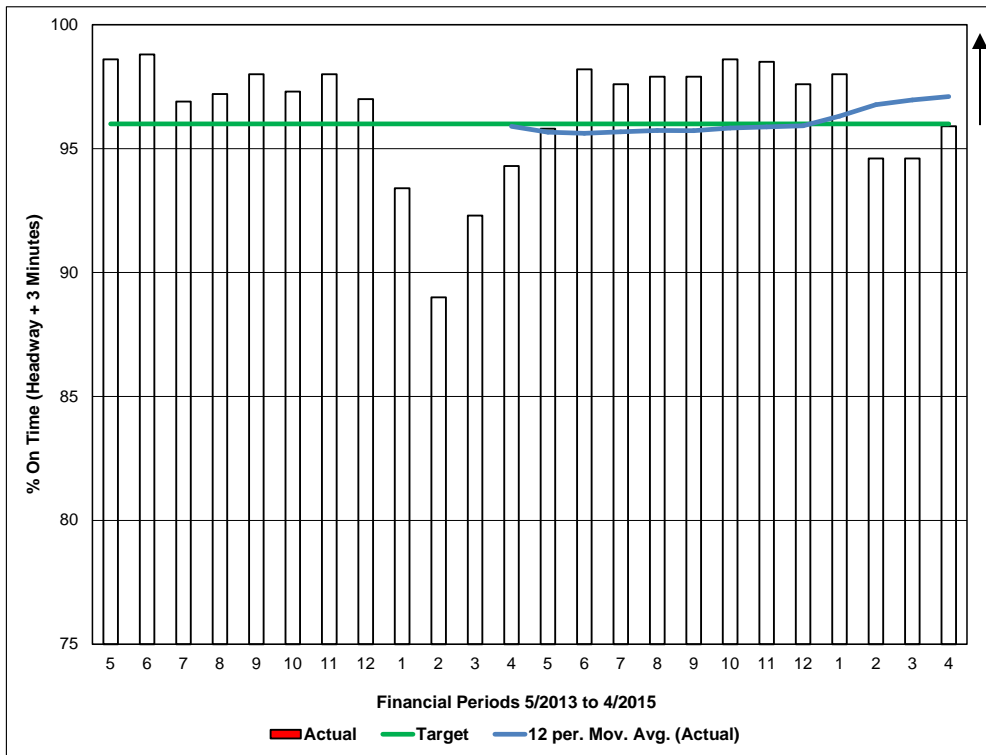


Performance in Period 4 was above target and improved to its highest level in two years.

The improvement was attributable to a lower-than-average number of delays and an increased focus on off-peak headway adherence. Upcoming schedule improvements, in addition to lower than average rate of delay incidents, should continue to result in strong performance levels.

Fleet availability and reliability, strong Operator staffing levels, and a reduction in overall absenteeism levels continue to contribute to this sustained level of performance.

Line 3 (Scarborough)

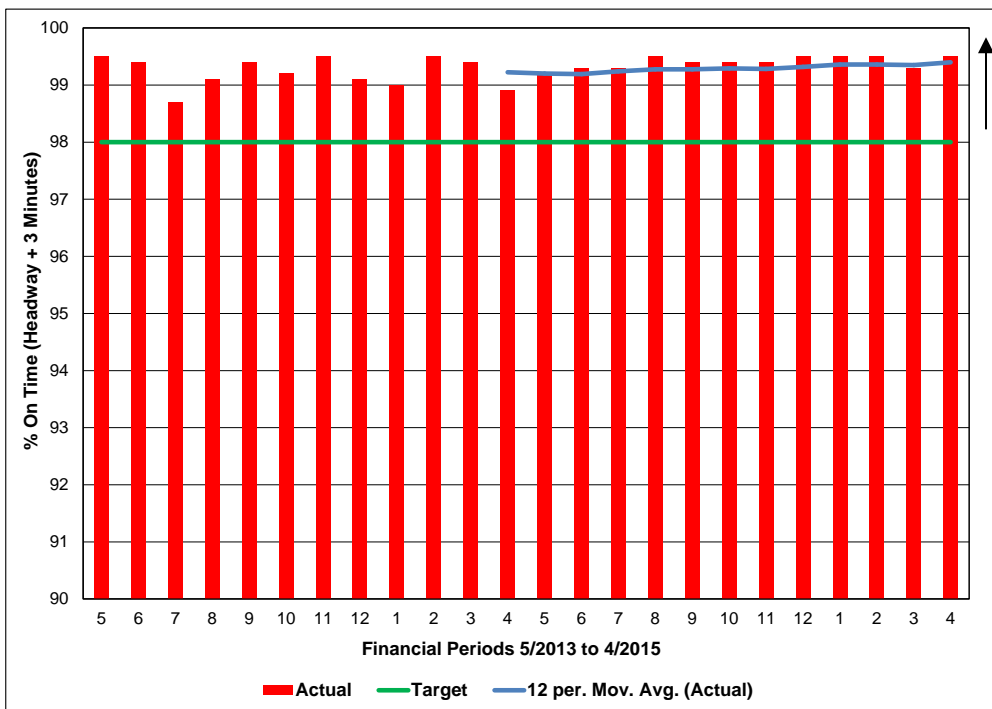


Performance improved in Period 4 and was very marginally below target.

As trains continue to operate at reduced maximum speeds, round trip times are longer than scheduled and headways are extended, resulting in poorer overall headway adherence.

Several maintenance programs are in place to improve equipment resiliency and it is anticipated that performance will return to normal operating parameters prior to the Pan Am Games.

Line 4 (Sheppard)

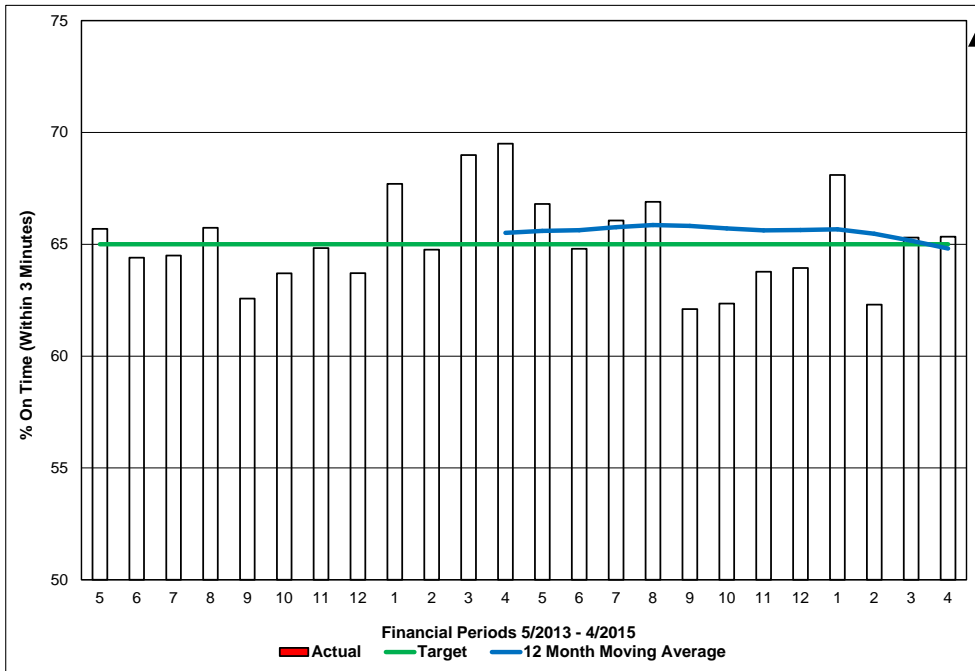


Performance in Period 4 remained well above target.

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

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

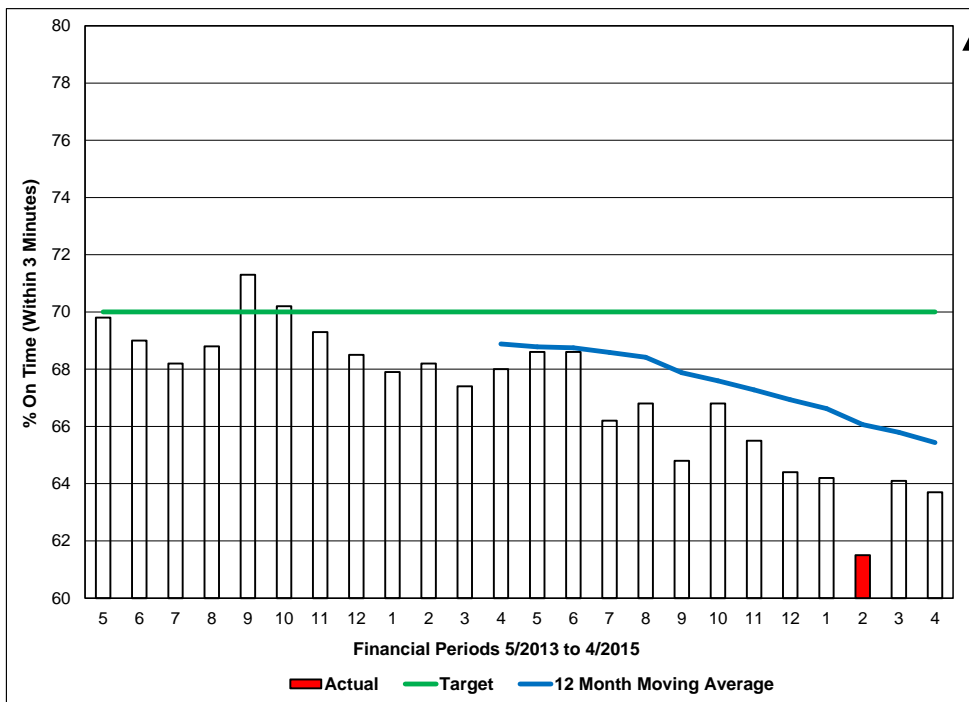
2.5.1 – Bus



Performance in Period 4 remained above target for the second consecutive period.

An increase in road construction has presented challenges in maintaining consistent headways.

2.5.2 – Streetcar

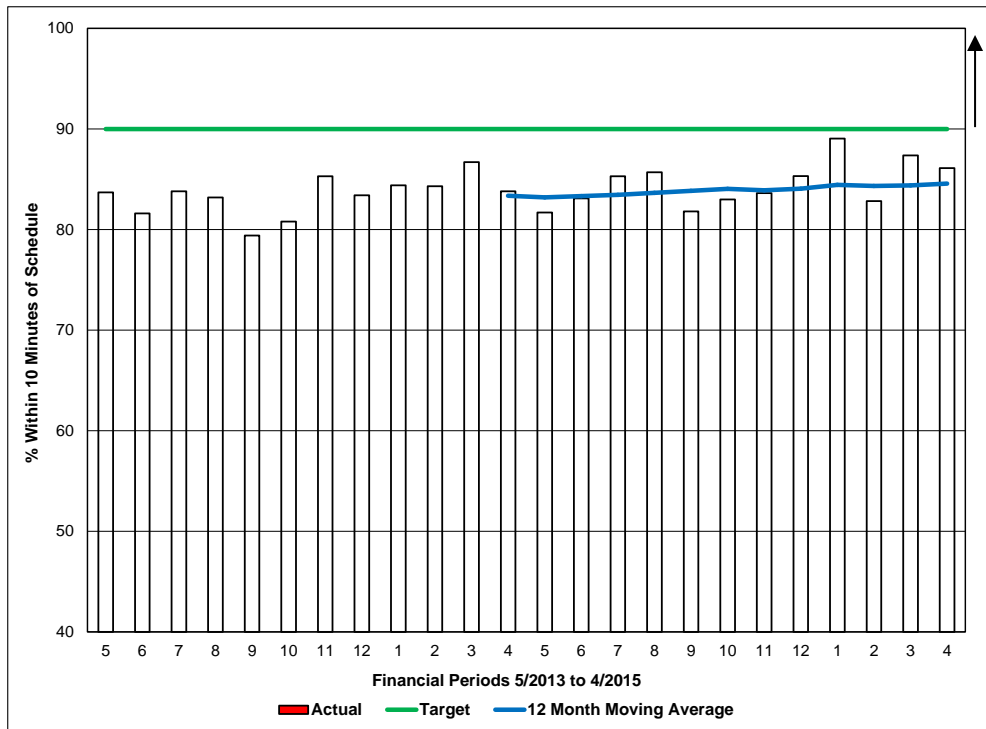


Performance decreased in Period 4 and remained well below target.

Short turns continued to decrease and fell to a two-year low in Period 4. This is expected to continue in conjunction with the application of strategies adopted from the St. Clair Improvement Plan.

Switch incidents increased due to a large increase in the number of new Operators.

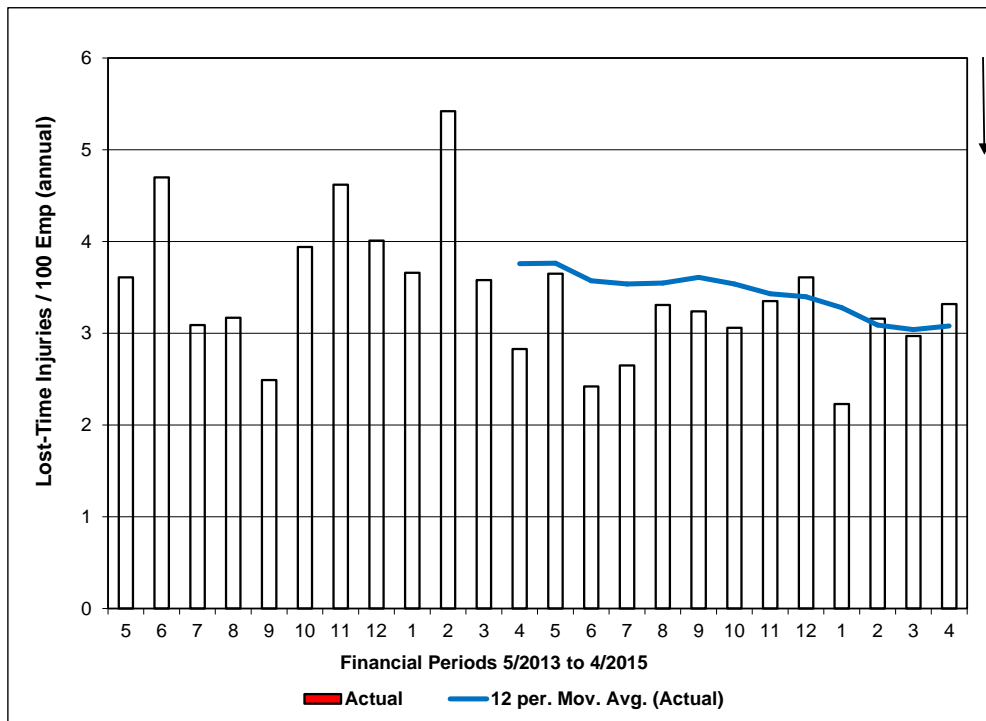
2.5.3 – Wheel-Trans



Performance decreased in Period 4 and continued to remain below target.

2.6 – Safety and Security

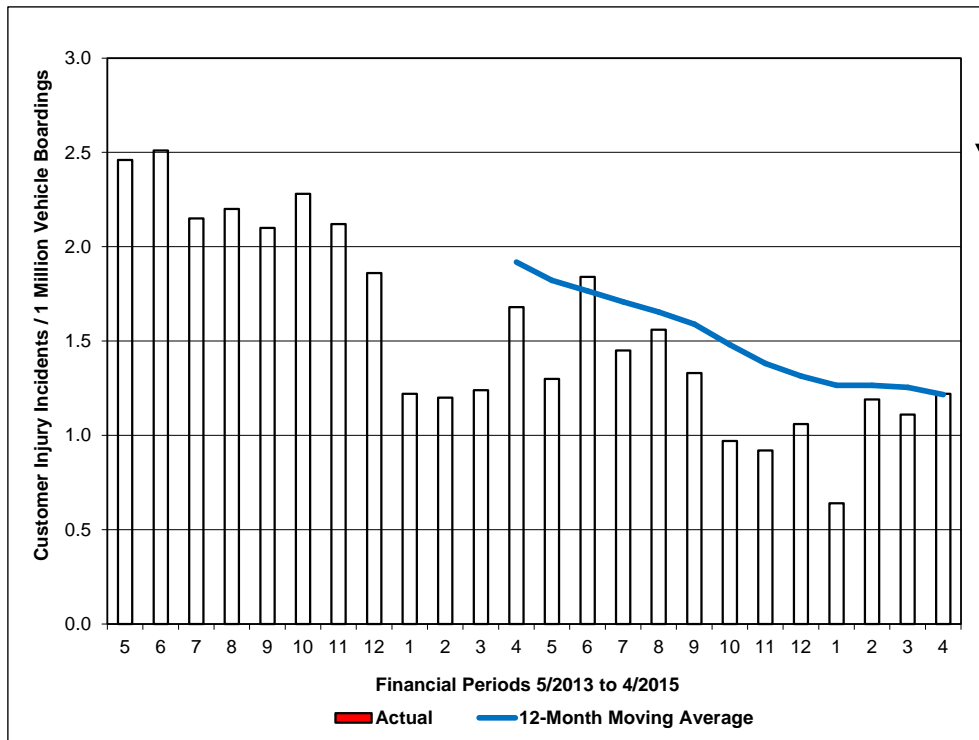
2.6.1 – Lost-Time Injuries (Annual Injuries / 100 Employees)



The annualized lost-time injury rate (LTIR) for Period 4 2015 was 3.32 lost-time injuries per 100 employees, which was 17% higher than the corresponding rate of 2.83 for Period 4 2014.

The moving annual LTIR to the end of Period 4 2015 was 3.08, which was 18% lower than the corresponding rate of 3.76 to the end of Period 4 2014.

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



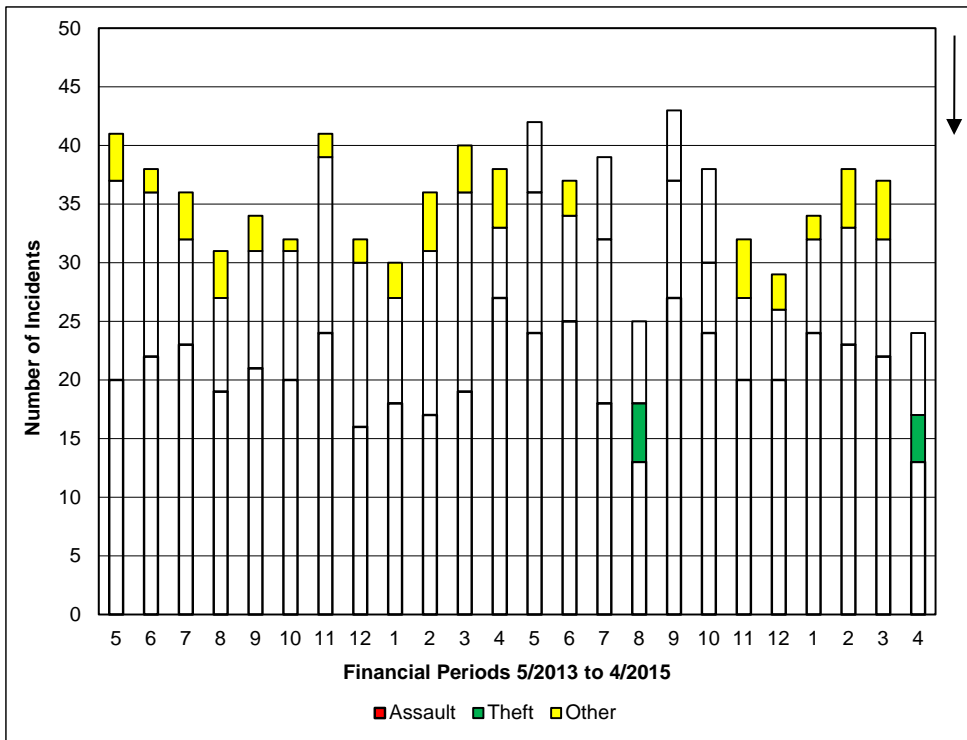
The customer injury incident rate for Period 4 2015 was 1.22 injury incidents per 1 million vehicle boardings, which was 27% lower than the corresponding rate of 1.68 for Period 4 2014.

The moving annual customer injury incident rate to the end of Period 4 2015 was 1.22, which was 36% lower than the corresponding rate of 1.92 to the end of Period 4 2014.

2.6.3 – Behavioural Safety Index

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

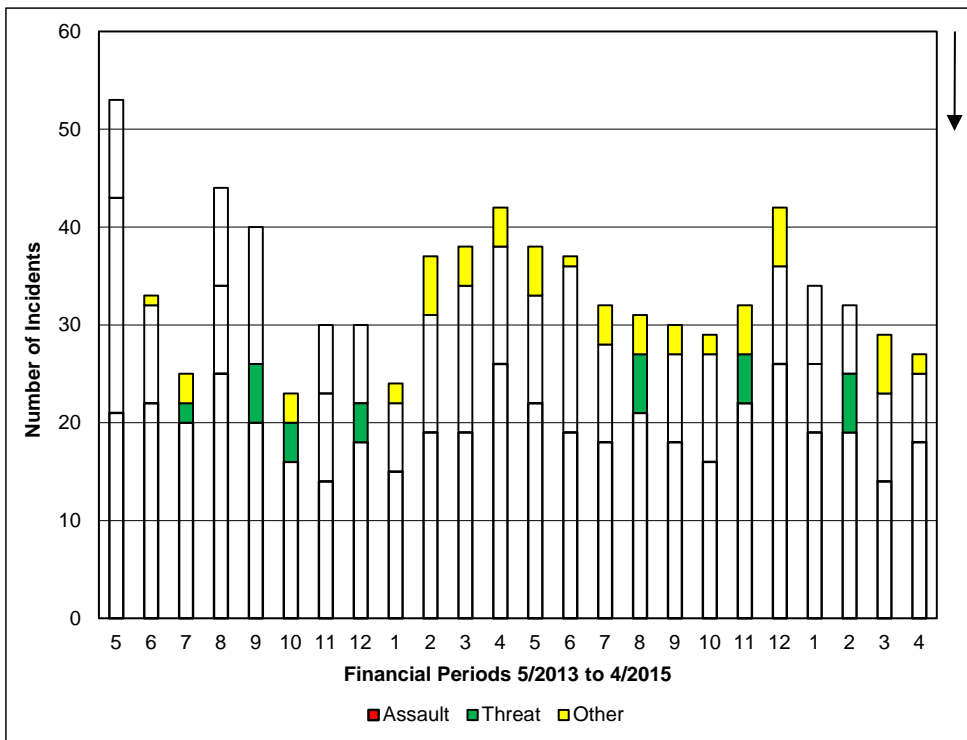
2.6.4 – Offences Against Customers



Total offences against customers decreased in Period 4.

Year-to-date to Period 4, there were 11 fewer offences (133 vs. 144) compared with the corresponding period in 2014. This includes one more assault (82 vs. 81), 14 fewer thefts/robberies (32 vs. 46), and two more 'other' offences (19 vs. 17).

2.6.5 – Offences Against Staff

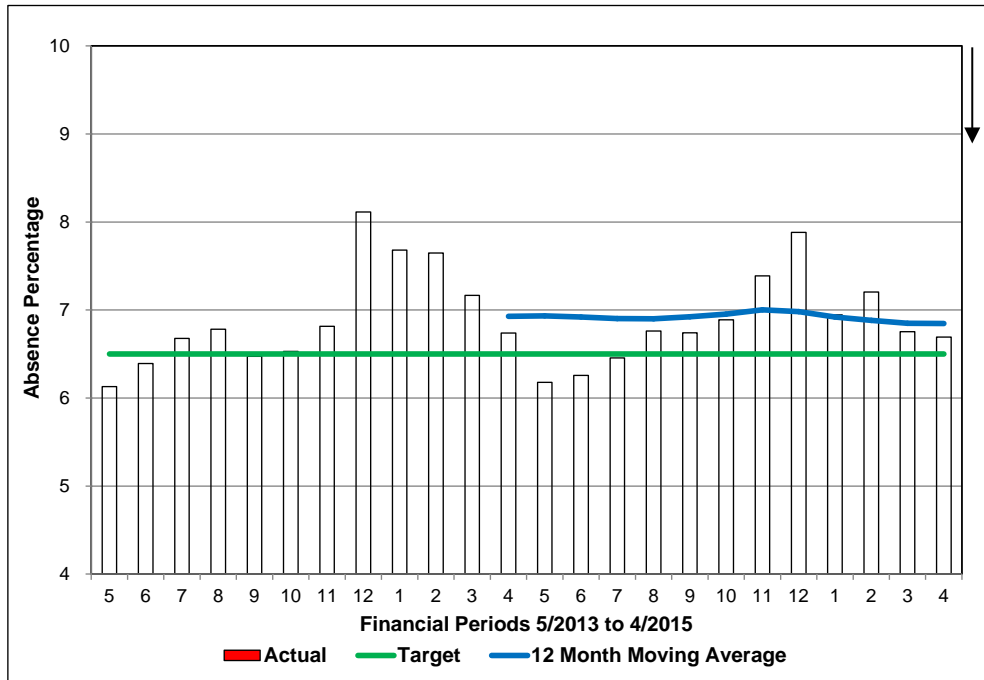


Total offences against staff decreased in Period 4.

Year-to-date to Period 4, there were 19 fewer offences (122 vs. 141) compared with the corresponding period in 2014. This includes nine fewer assaults (70 vs. 79), 17 fewer threats (29 vs. 46), and seven more 'other' offences (23 vs. 16).

2.7 – People

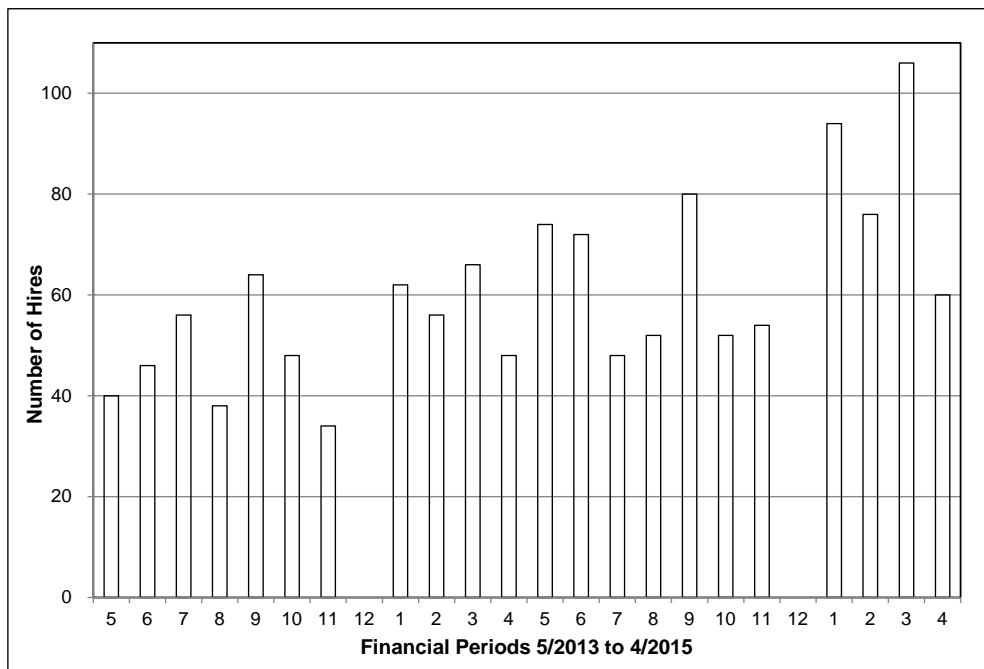
2.7.1 – Attendance



The absence rate in Period 4 decreased for the second consecutive period but continued to remain above target (unfavourable).

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

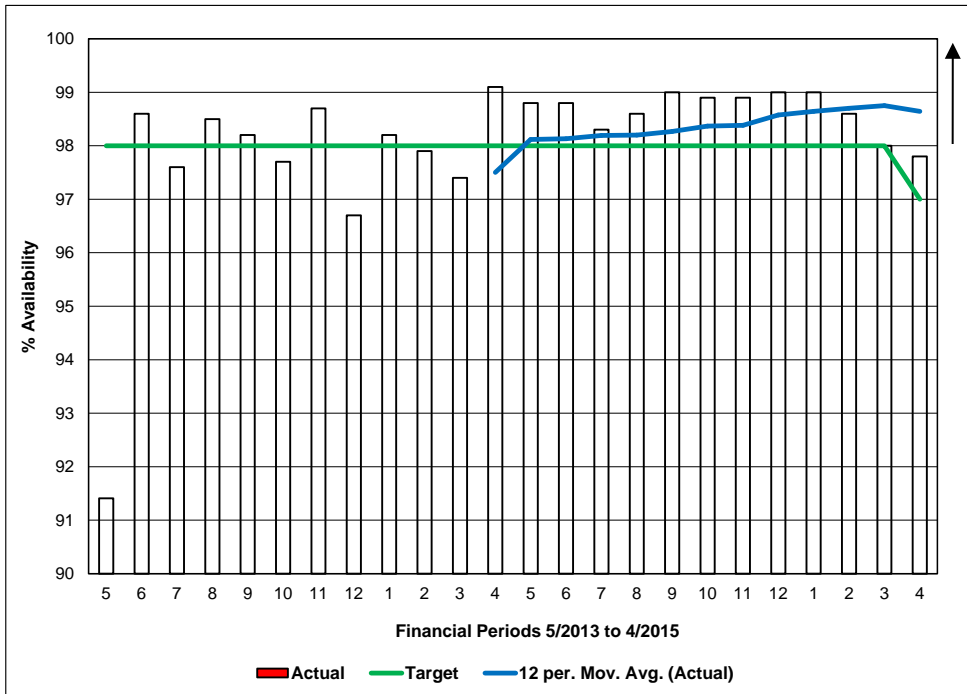
2.7.2 – Operator Hires



In Period 4, 60 Operators were hired and began training.

2.8 – Device Availability

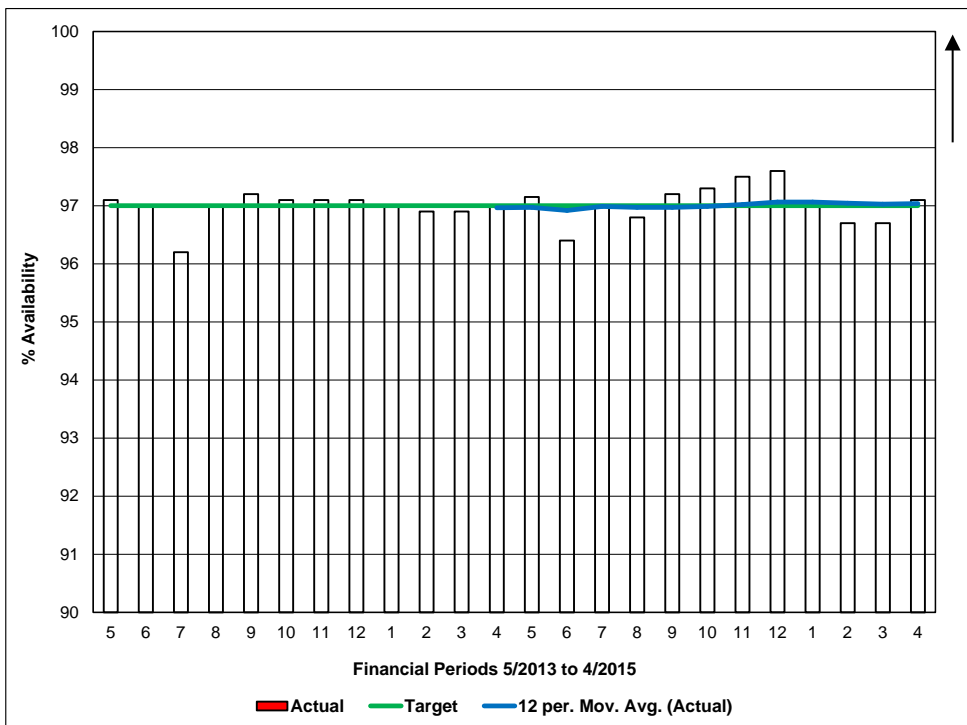
2.8.1 – Elevator Availability



Performance in Period 4 was above target.

The target was dropped in Period 4 by 1% to 97% to reflect the removal of one elevator from service at Dundas West Station for an overhaul under the Capital Program. This elevator is scheduled to be returned to service prior to the Pan Am / Parapan Am Games.

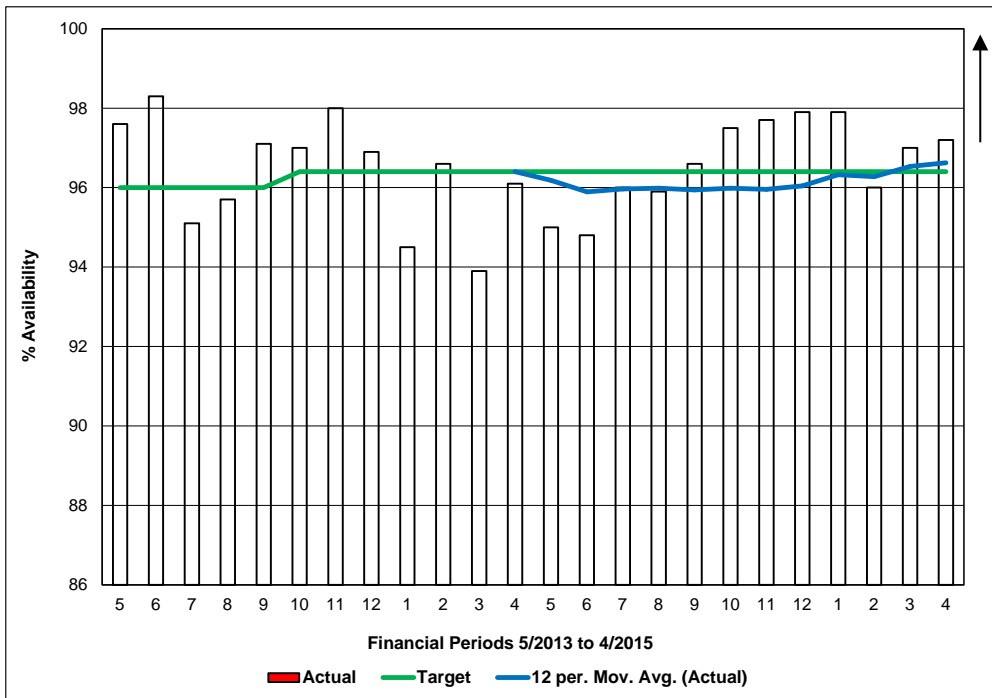
2.8.2 – Escalator Availability



Performance in Period 4 was above target.

Maintenance programs are being completed as planned and scheduled.

2.8.3 – Fare Purchase Opportunity

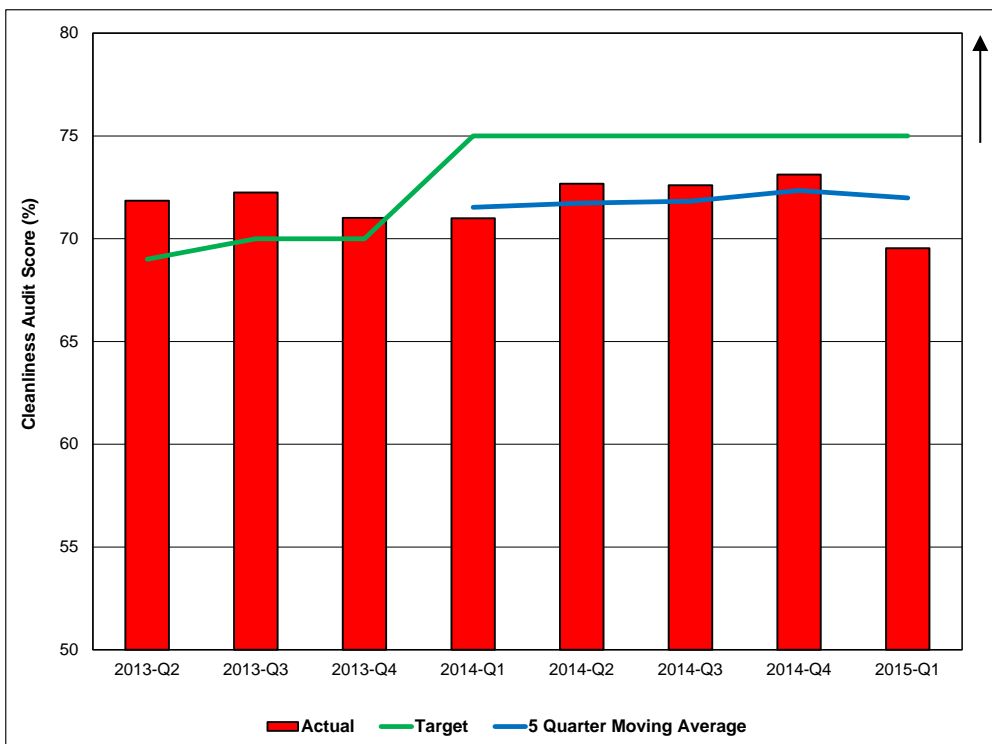


Performance in Period 4 was above target for the second consecutive period.

The improved performance was due to a reduction in hardware failures and increased replenishments and maintenance of proper fare media levels on Token Vending Machines.

2.9 – Mystery Shopping and Audits

2.9.1 – Station Cleanliness



Performance decreased in Q1 2015 and continued to remain below target.

The decreased performance was attributable to the extreme cold temperatures and ground conditions throughout much of Q1 2015, which resulted in snow, slush, and salt being tracked into stations and crews not being able to use water to clean unheated areas.

Much improved performance is anticipated in Q2 2015.

2.9.2 – Vehicle Cleanliness

The existing cleanliness audit process for vehicles was developed and implemented throughout 2012 and 2013. The audit process is under review to identify improvements in data collection and assessment that will allow a more effective means of identifying root causes and developing action plans to increase vehicle cleanliness. The results of this review are being incorporated into a revised cleanliness audit contract specification. The revised cleanliness audits for buses, streetcars, and subway cars will begin in Q3 2015. A revised performance chart will be provided in this section when the results for Q3 2015 are available.

2.9.3 – Information MSS

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

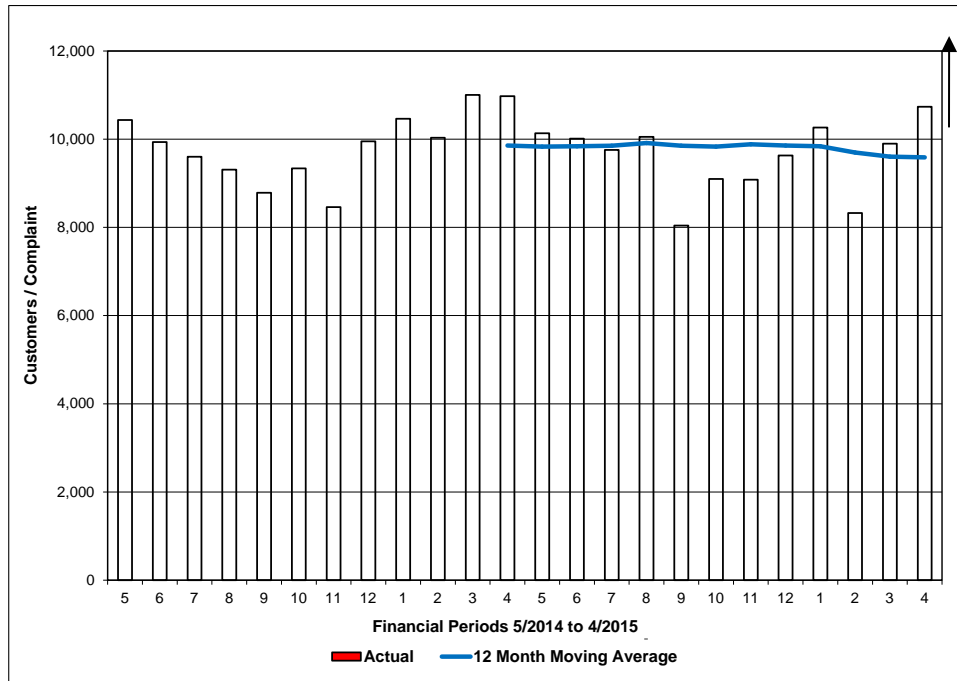
2.9.4 – Staff Helpfulness MSS

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

Part 3 – Customer Measures and Improvement Program Progress

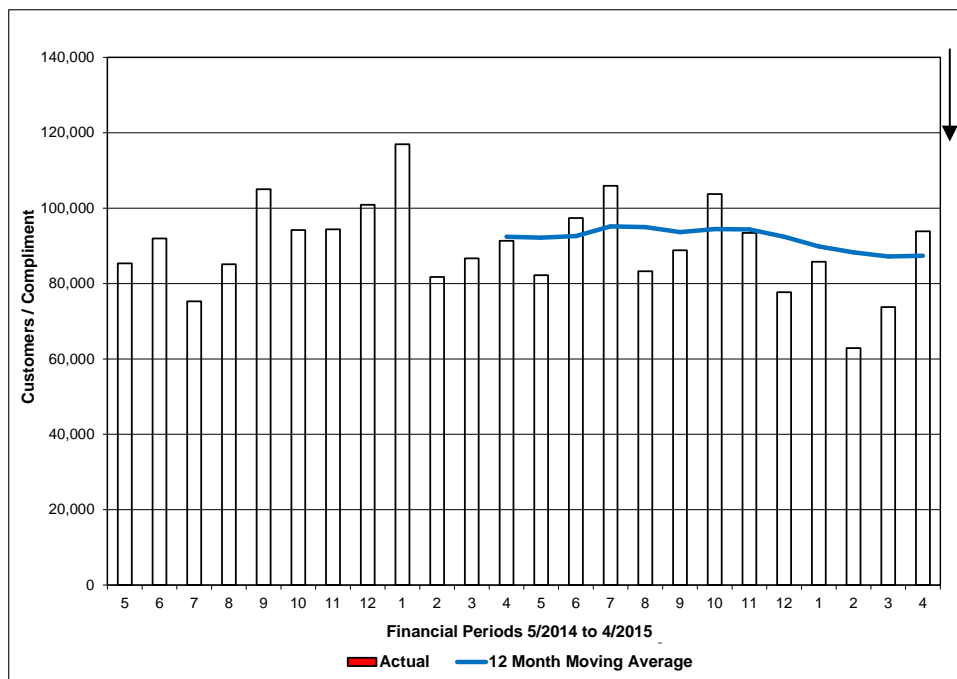
This section provides information on various customer-related issues, including trends for customer complaints and compliments, customer satisfaction improvement initiatives, and major closures.

3.1 – Customer Complaints



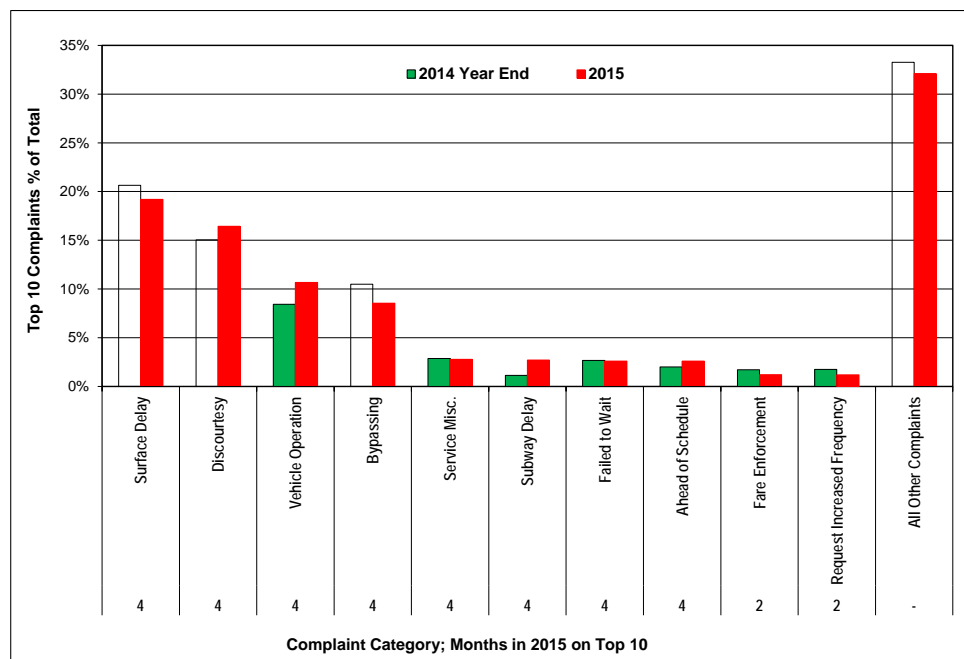
Customers per complaint continued to trend favourably in Period 4, with results considerably better than the 12 month average.

3.2 – Customer Compliments



Customers per compliment continued to trend unfavourably in Period 4, with results slightly higher than the 12 month average.

3.3 – Top Ten Complaints



Discourtesy and Vehicle Operation complaints in Period 4 continued to be higher than 2014 year-end.

Surface Delay complaints in Period 4 continued to be lower when compared with 2014 year-end.

3.4 – Commentary on Customer Satisfaction Improvement

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

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

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

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

Interviews are underway for new members of the TTC Customer Liaison Panel. The panel was established in 2011 to help transform the TTC into a customer-focused 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 will serve as a sounding board, working to find solutions to improve the TTC customer experience. The new panel will be in place in July.

On May 23, over 5,000 members of the public were welcomed into the TTC’s Greenwood Shop as part of Doors Open Toronto. The east-end maintenance facility opened in 1965 and is where TTC crews repair and overhaul a large portion of the subway fleet. Visitors had the opportunity to tour the facility by riding a subway train through the extensive yards as well as through workshops in the yard highlighting how the heavy machinery is used to keep trains in a state of good repair. A children’s activity area and BBQ were also set up for visitors to enjoy.

Also in May, Andy Byford joined members of the TTC’s Executive team at a ceremony to honour 46 TTC employees who were recipients of the TTC’s quarterly Rewards and Recognition awards. The new Rewards and Recognition Program aligns with the TTC’s Five-Year Corporate Plan and the People Objective of creating an empowered, customer-focused workforce that values teamwork, pride in a job well done, and an organization that actively develops its employees. The Rewards and Recognition Program will present quarterly awards to both staff and unionized employees, and at the end of the year, one employee will be recognized as the “TTC Employee of the Year” for outstanding achievement in one, or more, of the award categories.

Toronto Mayor John Tory and TTC Chair Josh Colle announced service improvements to 61 bus and streetcar routes that will make it convenient and viable for all Torontonians to count on transit at any time of the day or night for their travel. These improvements to service make the TTC a more available, predictable, and consistent travel option for a large number of Torontonians, in particular, shift workers and people working non-traditional hours. The expanded coverage of the overnight network will result in 99 per cent of Toronto residents living within a 15-minute walk of overnight bus and streetcar service. The recommended changes to off-peak services, where 57 per cent of TTC trips are made, are expected to attract 1.3 million additional riders per year.

3.5 – Major Closures

Line 1 (Yonge-University) - North Yonge Segment

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

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

This early closure will conclude at the end of 2015.

Yorkdale Commuter Parking Lot

The TTC commuter parking lot at Yorkdale Shopping Centre is being demolished for redevelopment and is unavailable for use by TTC customers. The TTC commuter lots at Wilson, Downsview, and Finch Stations are alternatives during construction. The new TTC commuter parking lot at Yorkdale is expected to open in the fall of 2015.

Streetcar and Subway

Mode	Area Affected	Dates	Reason
Subway	Line 3 (Scarborough)	June 20/15	Infrastructure Maintenance
	Kennedy Stn to McCowan Stn	July 4/15 – July 5/15	

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

2015 Year-to-Date Results

To the end of Period 4 (May 2), total revenues were \$8.1 million (2%) below budget primarily due to 2.6 million (1.4%) fewer customer journeys than planned and a lower average fare (1.99¢ or 1%) stemming from marginally higher total monthly pass sales.

Over the same time period, expenses were marginally below budget (\$4.3 million or 0.8%) largely due to the reductions in certain non-labour expenses (including accident claim settlements) offsetting the earlier impact of the harsher winter weather and the oversupply of Operators which is being addressed.

2015 Year-End Projections

(millions)	Projection	Budget	Variance
2015 TTC Operating Budget			
Customer Journeys (Ridership)	542	545	(3)
Revenue	\$1,196.5	\$1,206.7	(10.2)
Expenses	\$1,679.2	\$1,689.4	(10.2)
Subsidy Required	\$482.7	\$482.7	-
Subsidy Available*	\$482.7	\$482.7	-
Surplus/(Shortfall)	-	-	-

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

Currently, there is no projected total year-end subsidy variance. However, there are a number of offsetting variances which are anticipated by year-end as follows.

Passenger Revenues: \$11 million decrease

The number of customer journeys for the year is expected to range between 540 million to 542 million which is 3 to 5 million below the target of 545 million. Most of this shortfall stems from the negative impact of continued severe cold temperatures and snow, ongoing planned system closures, labour disruptions at two universities and the March 1 fare increase. The current year-end projection of 542 million rides represents the upper (i.e. most optimistic) end of the range and staff continue to monitor both ridership and revenue performance and will provide updates in future reports.

Other Revenues: \$0.8 million increase

The receipt of fees associated with delayed entrance connection openings account for this favourable variance.

Non-labour expenses: \$4.8 million decrease

Reductions in certain non-labour requirements, primarily for supplies and services, to support janitorial, facilities and ALRV streetcar maintenance activities are anticipated by year-end.

Other Employee Costs: \$1.5 million decrease

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

Hydro & Utilities: \$1.2 million decrease

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

Accident Claims settlements: \$1 million decrease

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

Diesel: \$0.8 million decrease

The combination of slightly fewer bus kilometres operated than planned and a marginally more favourable fuel consumption rate than anticipated account for this positive impact.

Debit and Credit Card Transaction Fees: \$0.7 million decrease

Based on the actual uptake of this fare media purchase option so far this year, it is projected that these fees will be less than budget by year-end.

Other: \$0.2 million decrease

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

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

To the end of Period 4 (May 2), total revenues were marginally above target (\$32K or 1.6%). This reflects slightly higher revenues from 47K (4.4%) more customer journeys partially offset by a lower average fare (\$0.05 or 2.8%).

Over the same period, expenses were \$0.9 million (2.4%) below budget primarily due to a shift of customer journeys from buses to less-expensive contracted taxis and workforce gapping savings.

2015 Year-End Projections

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

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

Currently, there is no projected year-end subsidy variance, however, trip demand so far this year has exceeded expectations and Wheel-Trans is doing its very best to accommodate as many additional trip requests as possible. Staff will continue to monitor demand and will report on any potential budgetary impact in a future report.

4.3 - Capital Program

2015 Year-to-Date Results

Capital expenditures to Period 4 typically reflect lower project activity as early efforts are focussed on setting up schedules and tendering work. Other current period activity includes settlement of 2014 accrued contract payments and continued progress on vehicle and construction contracts already in place.

2015 Year-End Projections

Budget*

2015 Capital Program Budget

Base Program	\$1,141.7	\$1,075.1	\$66.5
Toronto-York Spadina Subway Extension (TYSSE)	\$501.4	\$444.2	\$57.2
Scarborough Subway Extension (SSE)	\$38.3	\$50.3	(\$11.9)

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

Base Capital Program Expenditures: \$66.5 million over

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

ATC Resignalling: \$30.3 million under

Cancellation of two Computer Based Interlocking contracts will result in a significant reduction in payments in 2015. Additionally, while the transition from two to one signal supplier is underway, TTC forces have been redirected to non- ATC SOGR work and non-ATC closures which account for a \$30.3 million under-spend for 2015.

Finishes: \$5.4 million over

Variance is due to prior year slippages for Roofing Rehabilitation Program (\$3.8M) and Station Finish Renewal Program (\$2.2M) offset by Overhead Doors Replacement work at various locations deferred to 2016.

Bridges and Tunnels: \$16.1 million over

- **Bridges/Structures Maintenance: \$6.4 million over**

Union Station slippage from prior year and estimated cost increases, based on actual experience now that Union is near completion; Lawrence Bus Loop acceleration of funds from 2016 as work is anticipated to be undertaken during the 2015 construction season; and scope increase for added waterproofing system.

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

Slippage for the work that is determined by the City.

Purchase of Buses: \$13.4 million over

Slippage in bus deliveries from 2014 was reported to City and as a result, \$10.5M was approved by Council on May 6, 2015 as part of the 2014 additional carry forward request.

Purchase of Subway Cars: \$26.1 million over

Updated contract schedule and cash flow to reflect the impact of the Unifor labour strike in 2014, following execution of the contract amendment in February 2015 with the Carbuilder.

Purchase of Streetcars: \$10.8 million under

Variance is due to contract change allowance that is moved to future years (-\$15.9M), mainly offset by milestone payments, escalation, and applicable HST as a result of slippage (+\$11.3M) and contingency moved to future years (-\$6.4M).

TYSSE Program Expenditures: \$57.2 million over

The variance is comprised of advanced facilities construction and operating systems (\$6.3M), advanced property acquisitions and vehicle (\$49.2M), advanced engineering support and contingency (\$19.7M) and holdback (-\$18.1M) .

Part 5 - Critical Projects

This section provides information about selected capital projects.

5.1 Toronto Rockets and Rail Yard Accommodation

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

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

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

The construction contract for the Greenwood yard CN track conversion has been awarded and the site work is ongoing.

To date, 63 Toronto Rocket trainsets have been accepted for revenue service. The complete Toronto Rocket fleet will consist of 80 trainsets (TS) as follows:

Base order – H4/H5 Replacement (39 total): TS-1 through TS-39 (completed on August 6, 2013)
Option 1(B) – H6 Replacement (21 total): TS-40 through TS-60 (completed on January 21, 2015)
Option 1(A) – TYSSE Support (10 total): TS-61 through TS-70 (to be completed around mid-2015)
Option 1(C) – Support for ATC/Forecast Growth (10 total): TS-71 through TS-80 (to be completed by end-2015)

All TR trains on property are ATO-ready with progressive results on 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

Six new low floor accessible streetcars are operating very reliably in revenue service on the 509 Harbourfront and 510 Spadina routes.

The 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 streetcar shipments from Bombardier. The TTC continues to work with Bombardier to expedite deliveries while ensuring that all quality and safety objectives are met. The most recent car #4408 has been received and, if successful in testing, will enter service by the end of June 2015.

Bombardier is currently more than 50 new streetcars behind schedule from the approved contract schedule. The TTC received a proposed recovery schedule from Bombardier on February 19, 2015. Further to discussions with the TTC, the schedule was revised April 30 and June 1, 2015. Bombardier has committed to having 27 new streetcars in service plus another 3 streetcars on property for testing for a total of 30 new streetcars by year end 2015. Bombardier has also committed to completion of all 204 new streetcars by 2019.

At the request of TTC staff, Bombardier has been submitting detailed documentation to support their accelerated schedule and recovery plan. The information requested includes a detailed production schedule, quality control improvement initiatives, commitments from parts suppliers, and details on production equipment improvements for both of their plants in Thunder Bay and Mexico. Based on the detailed recovery plan and revised schedule, negotiation of the commercial terms of the contract with Bombardier is underway.

Leslie Barns Streetcar Maintenance & Storage Facility Project

The Leslie Barns project consists of four major contracts. The current status of these contracts is 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 has scheduled staged occupancy of the facility starting July 2015 and completion of the work is scheduled for 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. Leslie Street is scheduled to open to general traffic Summer 2015.

The landscape enhancements are scheduled to 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 April 23, 2015 and the next is scheduled for June 18, 2015. Safety walks to identify specific concerns to cyclists and pedestrians are planned after every new construction stage and as required. The last safety walk was held on May 11 and the next walk will be arranged for later in the summer of 2015.

The Community Liaisons have continued their outreach efforts by continuing to hold one-on-one meetings with local businesses and residents and responding to emails, phone calls, and walk-in questions and concerns from the community. The next issue of the project e-newsletter will be posted in June 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 underwent a full structural rehabilitation and finishing to match the new platform. The centre platform elevator was placed into service on April 9, 2015. On May 19, 2015 the rehabilitated centre platform hoardings were removed and entire platform opened, and at concourse level the new north fareline and collectors booth were opened. Monthly stakeholder meetings are held to keep adjacent businesses and agencies informed. The project remains on schedule for opening in advance of the Pan Am/Parapan Am Games.

Easier Access

Work to make stations accessible is on-going at Woodbine, St. Clair West, Ossington, and Coxwell Stations. For the contract to make Royal York Station accessible, bids have been received and it is expected to be awarded by Q3 2015. Design is currently ongoing and on track to commence the construction phase in Q4 2015 to make Dupont Station accessible.

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

5.4 Automatic Train Control (ATC)

TTC recently switched signalling suppliers in order to streamline the implementation and subsequent operation of ATC. Progress is moving forward as planned and the project remains on schedule for completion in 2020 and on budget for \$562.8 million.

5.5 Toronto-York Spadina Subway Extension (TYSSE)

The YYSSE project is now targeted for opening by the end of 2017 and the project budget has been increased by \$150M. To guide the project towards this goal, a third party project management firm, Bechtel, has been retained to implement a comprehensive project reset, including working with contractors and obtaining agreement for an end of 2017 opening date, developing a process and timeline to resolve outstanding claims, and establishing a collaborative environment to develop a common goal and improve project relationships.

Mobilization of Bechtel personnel is complete and they have been fully integrated into the YYSSE project team.

The work of establishing the baseline schedule, the project budget and resetting the relationships with contractors has commenced with the target of achieving the critical task within the 120 days of project reset.

It is also expected that a detailed assessment of claims will be reported back to the Board by the end of 2015.

5.6 PRESTO / TTC Farecard

The legal agreement for implementing PRESTO at the TTC has been completed. The agreement includes a commitment to develop a detailed project schedule for the overall project through to final implementation and operation and will consist of two major phases: Phase 1 and Phase 2. Discussions between Metrolinx and TTC continue towards developing an overall schedule for Phase 2 and the full implementation of PRESTO at the TTC.

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

The initial Phase 1 PRESTO devices were launched into service during fall 2014. Since then, PRESTO fare payment equipment has been installed at Spadina and Dundas West Stations, bringing the total number of stations with PRESTO devices to 16. Work is underway to install additional PRESTO power and communications infrastructure at Bathurst, Yonge/Bloor, Broadview, St. Andrew, Dundas, St. Patrick, Osgoode, King, Sheppard, Union, Queen, Scarborough Centre, Davisville, and Kipling Stations. PRESTO infrastructure work has been completed for Museum, Bathurst, and Queen's Park Stations. The five new low-floor, accessible streetcars now in revenue service have been equipped with PRESTO Fare Payment Machines and Ticket Validators. Off-board PRESTO Fare Payment Machines and Ticket Validators have been installed at thirteen stops along the 510 Spadina route and two stops along the 509 Harbourfront route.

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

Field studies to determine whether sufficient power is available at TTC subway stations to support PRESTO equipment are now completed. The design of the required electrical upgrades at subway stations has been completed for 56 subway stations and the electrical construction work to upgrade the power configuration has been completed at 34 stations.