



## STAFF REPORT INFORMATION ONLY

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

<b>Date:</b>	May 27, 2015
<b>To:</b>	TTC Board
<b>From:</b>	Chief Executive Officer

#### Summary

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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 – May 2015 Update



TORONTO TRANSIT COMMISSION

CHIEF EXECUTIVE OFFICER'S REPORT

MAY 2015 UPDATE



## **TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
1. TTC MONTHLY SCORECARD	2
2. COMMENTARY AND CURRENT ISSUES	5
3. CUSTOMER MEASURES AND IMPROVEMENT PROGRAM PROGRESS	20
4. FINANCIAL COMMENTARY	23
5. CRITICAL PROJECTS	26

# TORONTO TRANSIT COMMISSION – MONTHLY SCORECARD



Key Performance Indicator		Latest		Current				Ref. #
Indicator	Description	Frequency	Measure	Current	Target	Status	Trend	Ref. #
<b>CSS</b>	Customer Satisfaction Survey	Quarter	Q1	75%	TBD			2.2
<b>Customer Journeys</b>	Customer Trips	Period	P3	50.982M	51.892			2.3
<b>Punctuality – Subway</b>								
Line 1 (Yonge-University)	Headway + 3 minutes	Period	P3	95.1%	96.0%			2.4.1
Line 2 (Bloor-Danforth)	Headway + 3 minutes	Period	P3	97.0%	97.0%			2.4.1
Line 3 (Scarborough)	Headway + 3 minutes	Period	P3	94.6%	96.0%			2.4.1
Line 4 (Sheppard)	Headway + 3 minutes	Period	P3	99.3%	98.0%			2.4.2
<b>Punctuality – Bus, Streetcar, and Wheel-Trans</b>								
Bus	Headway +/- 3 minutes	Period	P3	65.3%	65.0%			2.5.1
Streetcar	Headway +/- 3 minutes	Period	P3	64.1%	70.0%			2.5.2
Wheel-Trans	Within 10 minutes of schedule	Period	P3	87.4%	90.0%			2.5.3
<b>Safety and Security</b>								
Lost Time Injuries	Injuries / 100 Employees	Period	P3	3.13	TBD			2.6.1
Customer Injuries	Injury incidents / 1M Vehicle Boardings	Period	P3	1.11	NA			2.6.2
Behavioural Safety Index	Safety Focused Behaviour	Period	TBD					2.6.3
Offences against Customers	Assault, theft, other	Period	P3	37	NA			2.6.4
Offences against Staff	Assault, threat, other	Period	P3	29	NA			2.6.5
<b>People</b>								
Attendance	Employee Absence	Period	P3	6.75%	< 6.50%			2.7.1
Operator Hires	Actual vs. Budget	Period	P3	106	106			2.7.2

# TORONTO TRANSIT COMMISSION – MONTHLY SCORECARD



Key Performance Indicator		Description	Frequency	Latest	Current	Target	Current	Trend	Ref. #
<b>Device Availability</b>									
Elevators	% Elevators Available	Period	P3	98.0%	98.0%			2.8.1	
Escalators	% Escalators Available	Period	P3	96.7%	97.0%			2.8.2	
Fare Purchase Opportunity	% TVM's / PVM's Available	Period	P3	97.0%	96.4%			2.8.3	
<b>Mystery Shopping and Audits</b>									
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	
<b>Financials</b>									
TTC Revenue	Actual vs. Budget	Period	P1-3	\$301.5M	\$307.8M			4.1	
TTC Operating Expenditure	Actual vs. Budget	Period	P1-3	\$425.9M	\$426.7M			4.1	
Wheel-Trans Revenue	Actual vs. Budget	Period	P1-3	\$1.5M	\$1.5M			4.2	
W-T Operating Expenditure	Actual vs. Budget	Period	P1-3	\$28.7M	\$29.6M			4.2	
Capital Expenditure – Base	Actual vs. Budget	Period	P1-3	\$126.0M	\$222.5M			4.3	
Capital Expenditure – TYSSE	Actual vs. Budget	Period	P1-3	\$61.3M	\$108.1M			4.3	
Capital Expenditure – SSE	Actual vs. Budget	Period	P1-3	\$0.6M	\$7.1M			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

Modernization of the TTC is primarily about renewing vehicles and infrastructure, adopting modern business practices and transforming our culture; however, it’s equally important that we be open to new ideas. The TTC is now very much open for business, receptive to doing things differently to the ultimate benefit of our riders. To that end, we actively seek out best practice from across the globe. Through our membership in various benchmarking and industry peer groups, we have changed the way we overhaul our escalators, adopting best practice from elsewhere to reduce the amount of downtime. We have also introduced fresh thinking via recruitment of external candidates to key positions, and we are increasingly using industry proven products, rather than home-grown solutions. Finally, we are actively talking with academics and industry experts about ways to squeeze more capacity out of our network today, as we wait for new infrastructure to be built.

Underlying all of our efforts toward achieving modernization is our Five-Year Corporate Plan. The TTC’s Corporate Plan guides and commits us to getting better at keeping our promises and we are taking steps to do just that through better co-ordination with the City, improved project management tools, and a re-examination of our processes. One excellent example – in a few weeks, we will complete the modernization of Union Station – before the Pan Am Games, just as we promised. This work has involved a comprehensive upgrade to one of our busiest stations and complements the second platform that we opened last year. Another example – by the end of 2015, we will install PRESTO smartcard readers on all of our streetcars and 11 more subway stations and by the end of 2016, we will complete the roll-out of PRESTO to our bus fleet and the remainder of the subway, a year ahead of schedule.

We have had well-publicized setbacks with other projects, most notably the Toronto-York Spadina Subway Extension (TYSSE). In this case, it isn’t well-understood that substantial progress continues to be made with this project. The TTC recently hosted a media tour to showcase the progress being made on this major addition to the region’s transit infrastructure. The YYSSE extends the existing Spadina line north from the current Downsview Station, through six new stations to Vaughan Metropolitan Centre in York Region. Tunnels are complete, the rails are largely installed, and most of the stations are well advanced to the extent that the project is now 70 per cent complete. We are now turning our focus to the installation of the systems critical to subway operations, such as signals, power, communications, fire safety, and ventilation. One stop on the new line is located at York University. The new station sits in a spectacular position, right in the middle of the campus. I recently met with senior officials, including the university’s president, and heard first-hand just how important direct subway service to downtown Toronto is to the future development of the university.

#### Delivery of Major Projects

Achieving progress on our major initiatives is a key corporate commitment. My report will henceforth contain more detail about our major projects so that Board members continue to be kept fully apprised on progress in a fast-moving environment. Specific detail can be found from page 26.

- YYSSE (see page 29)

At the time of writing, the new Bechtel project management team has been in place for four weeks, reporting directly to me. Early achievements include on-time deployment of additional staff to strengthen both the construction effort and the evaluation of claims, plus “reset” meetings at CEO level with the various contractors.

As previously briefed to the Board, 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 29)

Very good progress is being made on all aspects of this transformational project. Following our request to PRESTO/Metrolinx to accelerate implementation to the end of 2016 (one year earlier than originally scheduled), I am pleased to report that everything remains on track for the conversion of 10 more 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.

- ATC (see page 29)

As previously briefed to the Board, contractual changes have now been made to enable this project to proceed with far greater certainty. Work is progressing well and the ATC team has assisted line colleagues in undertaking work on the existing signaling system to strengthen its resilience in advance of the Pan Am/Parapan Am Games.

- New Streetcar Introduction (see page 27)

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 convert the 509 Harbourfront, 510 Spadina, and 511 Bathurst routes.

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.

- 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 is planned to engage staff at supervisory and foreperson level, these positions being critical to our mission to change the prevailing culture at the TTC and to embed accountability at the front line.

- Accessibility Matters

Good progress continues to be made on Easier Access projects at Ossington, St. Clair West, Woodbine, and Coxwell Stations.



- Pan Am/Parapan Am Games

As briefed to the Board in April, the TTC's plans for the upcoming games are very well advanced. These plans will deliver enhanced service backed by extensive contingency plans, a company-wide team of games ambassadors and enhanced ticketing options for visitors to our city.

### 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 as does the lost time injury rate for our staff.

### Operational Performance

Subway performance on Lines 1 and 2 improved, albeit Line 1 punctuality remained below target largely due to infrastructure and weather related factors. Lines 2 and 4 were at or above target while ongoing equipment issues affected performance on Line 3.

At the time of writing, subway performance shows substantial improvement, largely due to the positive impact of timetable changes to strengthen operational resilience. Double step backs (a process whereby crews swap trains at terminal stations to keep service moving) have proved highly successful. Coupled with adjustments to run times, an ongoing, relentless focus on root cause analysis to eliminate repeat failures is bearing fruit.

The SRT upgrade program is now getting underway to keep the SRT running until it is replaced by the Scarborough subway.

Bus punctuality increased to above target. Streetcar and Wheel-Trans punctuality each remained below target, although streetcar performance improved period-over-period. Our route review program continues, building on the initial success of work already done to improve service on the 512 St. Clair and 29 Dufferin routes. Early results from this work have been shared with the Board and clearly demonstrated what can be done with more realistic schedules, additional supervisory resources, and a determination to drastically improve customer service through elimination of bunching, gapping, and consequential short-turns.

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

Elevator availability continued to achieve target; escalator availability remained below target due to flooded escalator pits at four subway stations. TVM/PVM availability was above target.

## Financial Commentary

On the financial side, customer journeys (ridership) to the end of March were 1.9 million (1.4%) below budget and passenger revenue was \$7.1 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. During March, ridership was 1.8% below budget. The results for April are expected to be slightly better but still below budget. As with all fare increases, some initial sluggish ridership results were expected. It is too soon to determine whether the March/April results are 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 above 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**

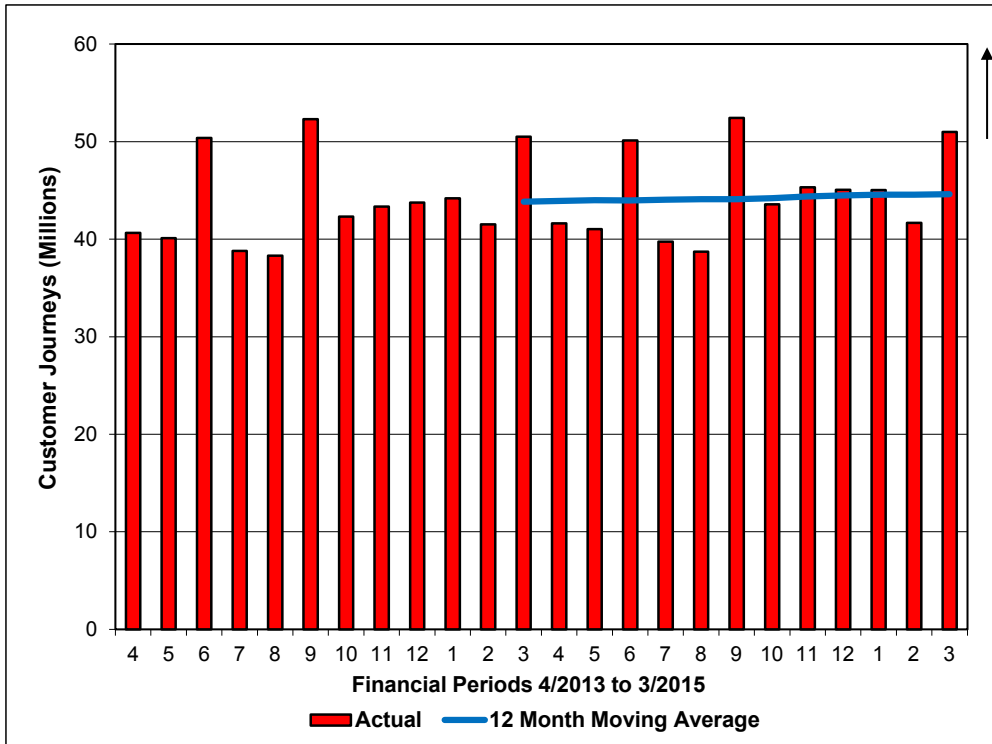
The overall customer satisfaction in Q1 2015 (75%) was consistent with the previous quarter (72%) and the two-year average score (74%). Occasional TTC customers (82%) continue to be more satisfied with the services than frequent TTC users (72%). Customer satisfaction with the quality of announcements 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.

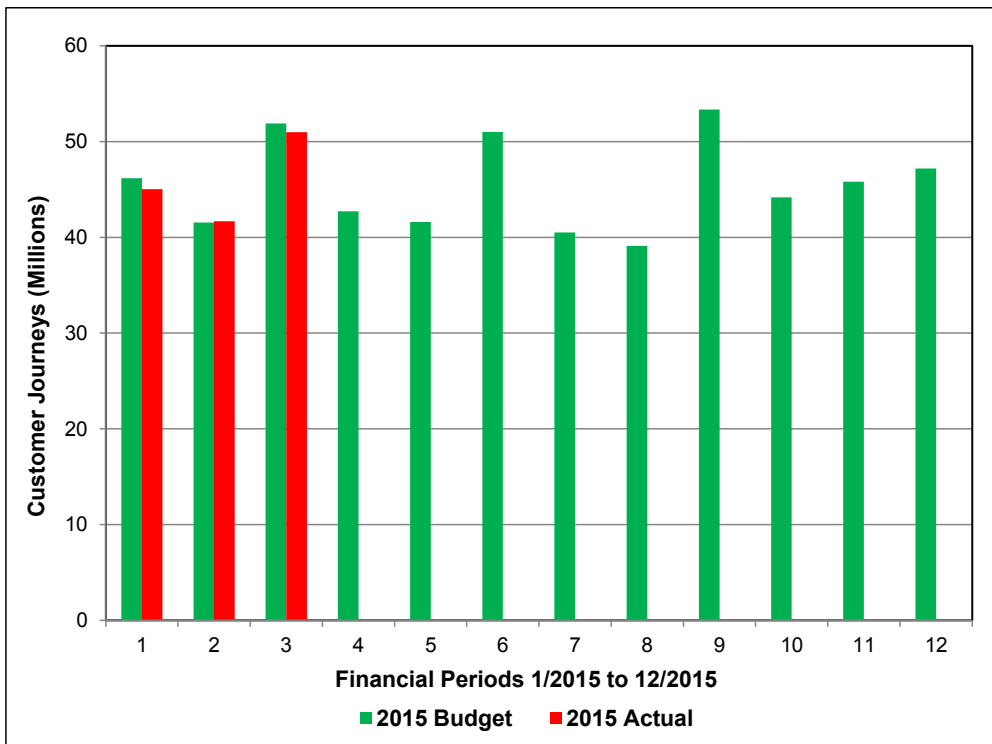
Pride in the TTC and what it means to Toronto (67%) was consistent with the previous quarter (66%) and the same time period last year (68%).

### 2.3 – Customer Journeys



There were 50.982M customer journeys (ridership) taken during Period 3 2015, which was 0.491M (1.0%) more than the 50.491M journeys taken during the comparable period in 2014.

The annual number of customer journeys taken to the end of Period 3 2015 was 535.310M, which was 9.226M (1.8%) more than the 526.084M annual journeys taken to the end of the comparable period in 2014.

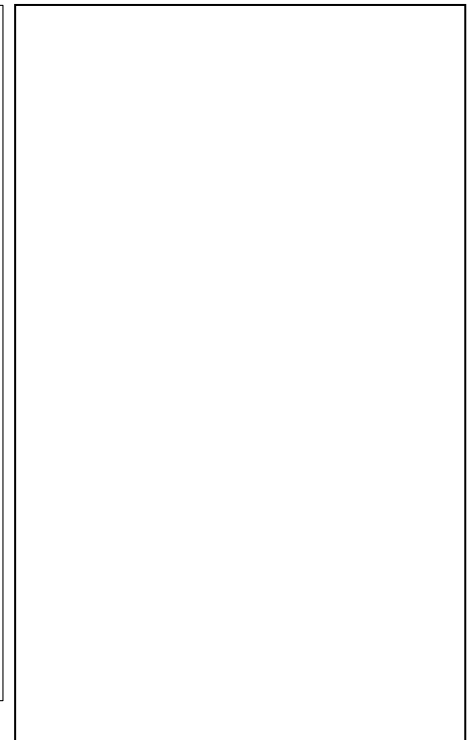
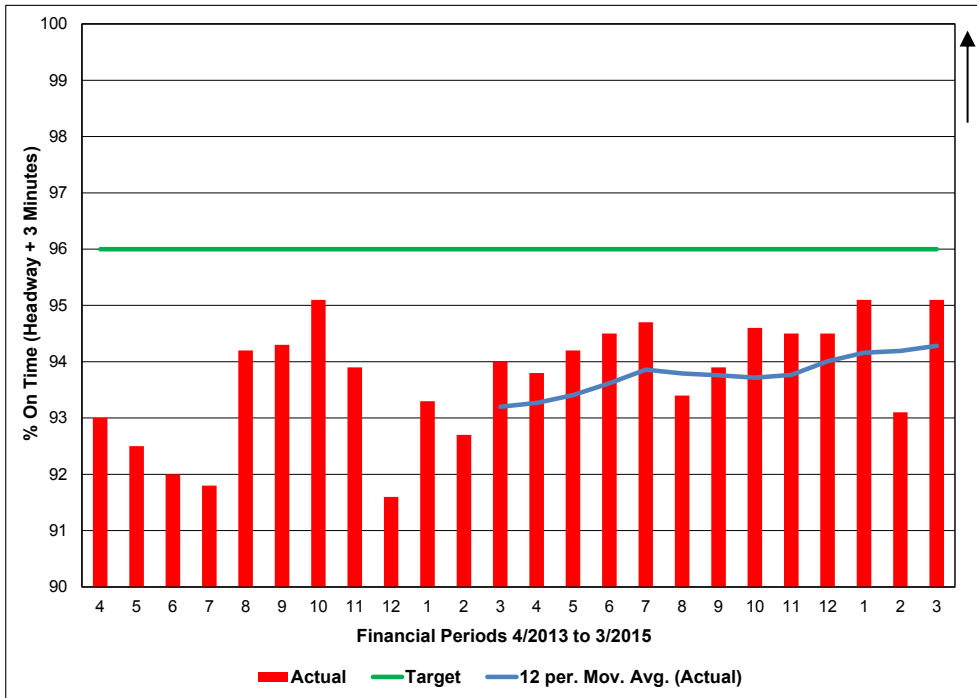


There were 50.982M customer journeys taken during Period 3 2015, which was 0.910M (1.8%) less than the budget of 51.892M journeys.

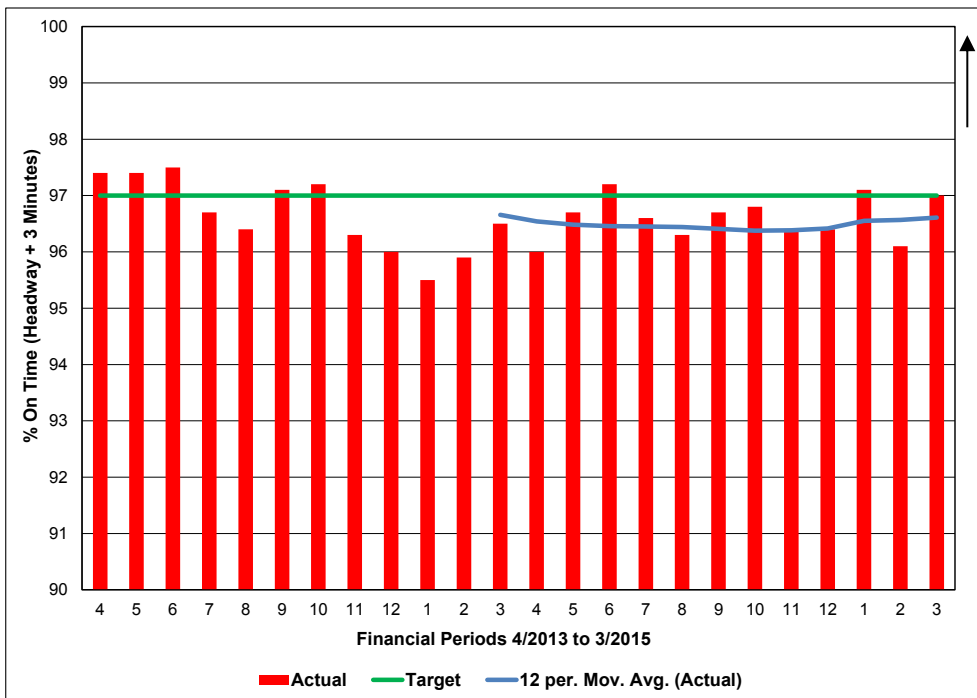
The number of customer journeys taken year-to-date to the end of Period 3 2015 was 137.691M, which was 1.901M (1.4%) less than the budget of 139.592M journeys.

## 2.4 – Punctuality – Subway

### Line 1 (Yonge-University)



### Line 2 (Bloor-Danforth)

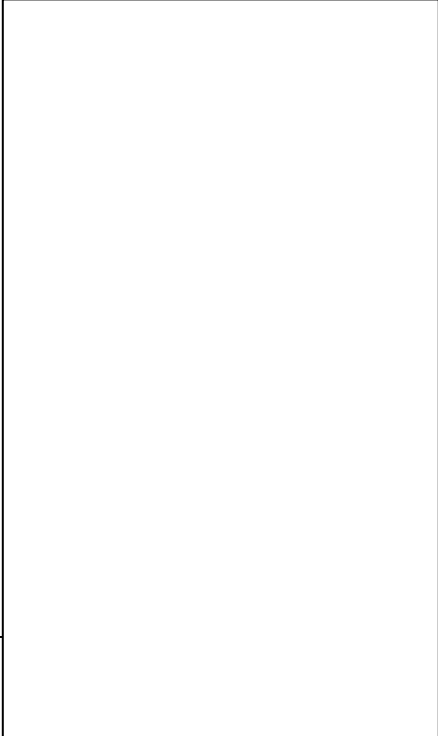
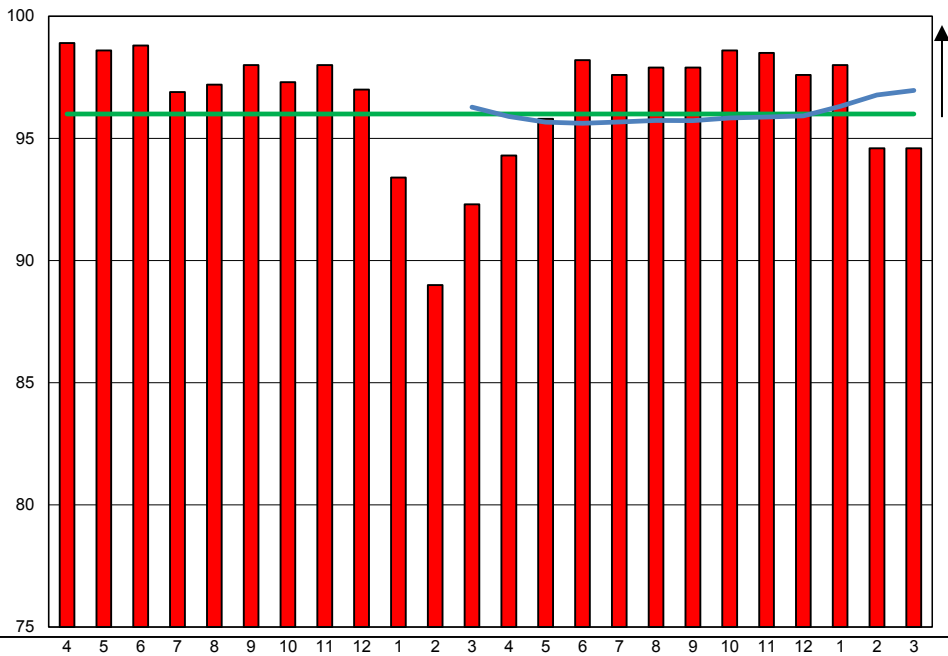


Performance in Period 3 achieved target.

A number of unusual 'outlier' incidents were experienced, including closures/turnbacks at Kennedy Station due to a Hydro Transformer fire. Weather conditions and the use of heaters at track level caused a high number of delays. A program is being developed to identify 'right sized/positioned' heaters for the 2015/16 winter season.

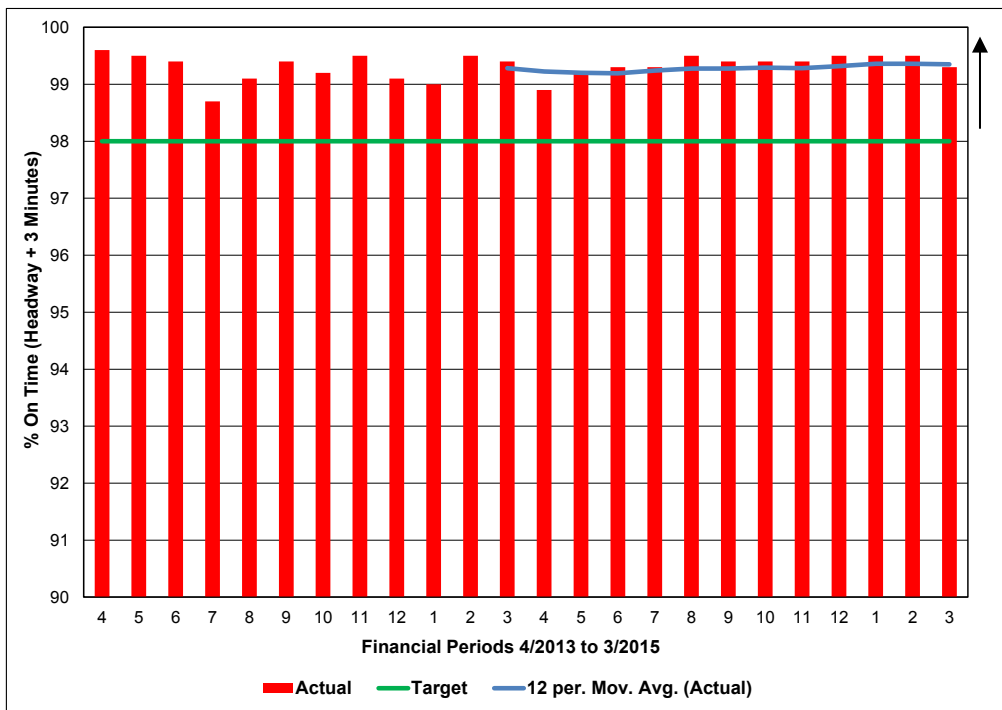
Schedule changes involving weekday off-peak hours and weekends should improve performance in in Period 5.

### Line 3 (Scarborough)



### Line 4 (Sheppard)

% On Time (Headway + 3 Minutes)



Performance in Period 3 remained well above target.

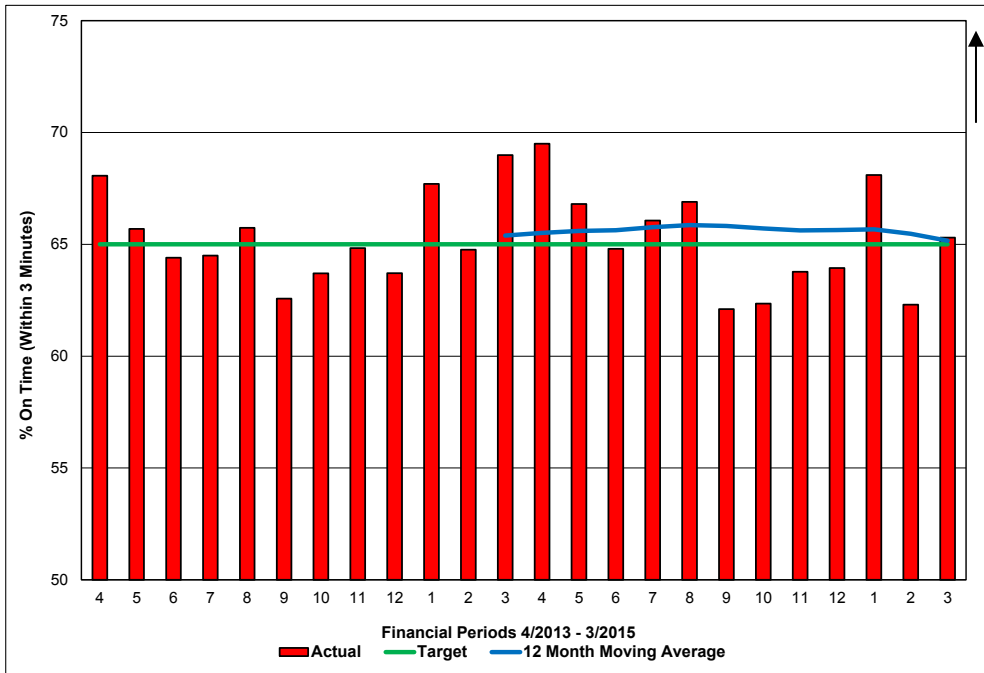
The relatively low volume of delay incidents and a high level of resilience in the ability to maintain headway performance when incidents occur are factors that contribute to consistently good performance on this line.

Financial Periods 4/2013 to 3/2015

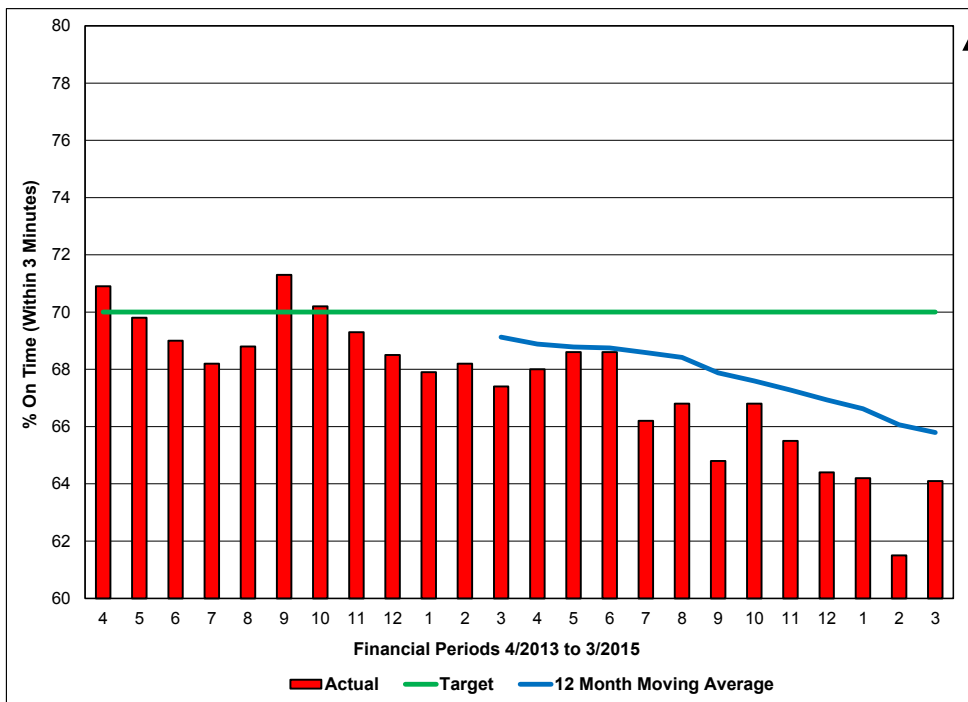
■ Actual   
 — Target   
 — 12 per. Mov. Avg. (Actual)

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

### 2.5.1 – Bus



### 2.5.2 – Streetcar

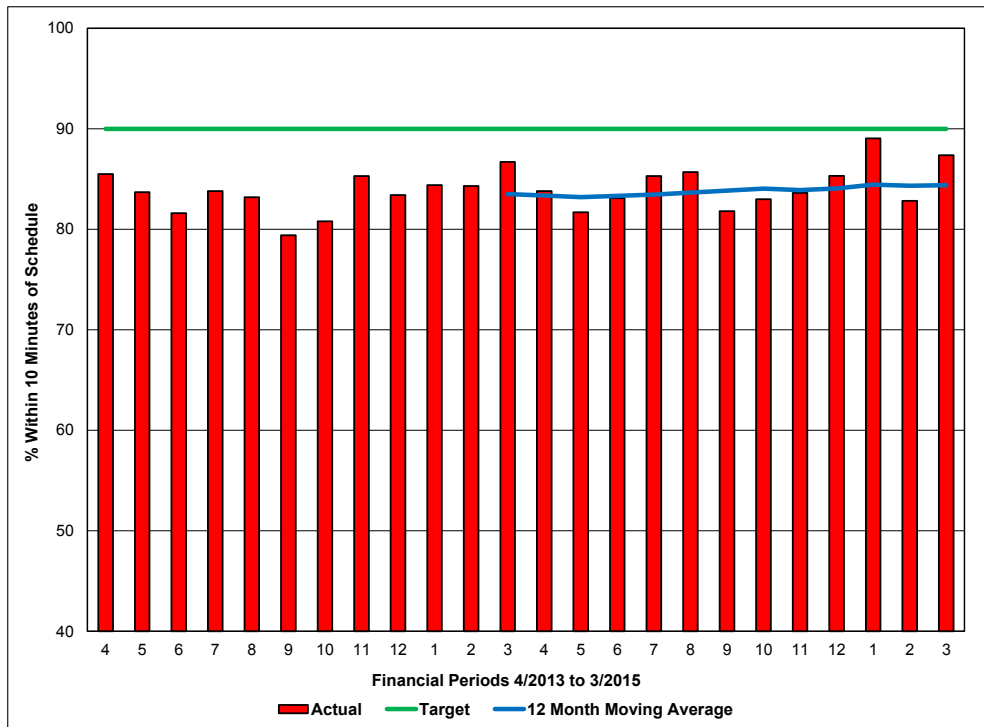


Performance increased in Period 3 for the first time in five periods but remained well below target.

Service Improvements on 504 King and 512 St. Clair continue to have a positive effect on route performance and have resulted in a significant increase in completed trips.

Reductions in short turns on 505 Dundas, 506 Carlton, and 511 Bathurst have been achieved. Improved schedules for 505 Dundas and 506 Carlton are expected to be implemented in the summer.

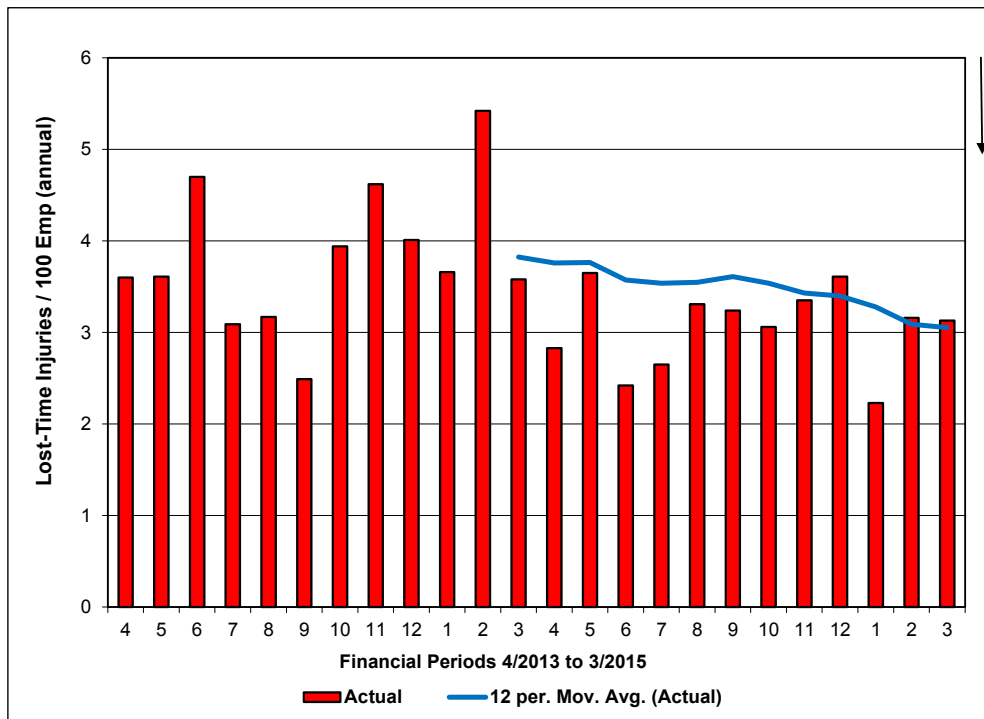
### 2.5.3 – Wheel-Trans



Performance increased in Period 3 but continued to remain below target.

### 2.6 – Safety and Security

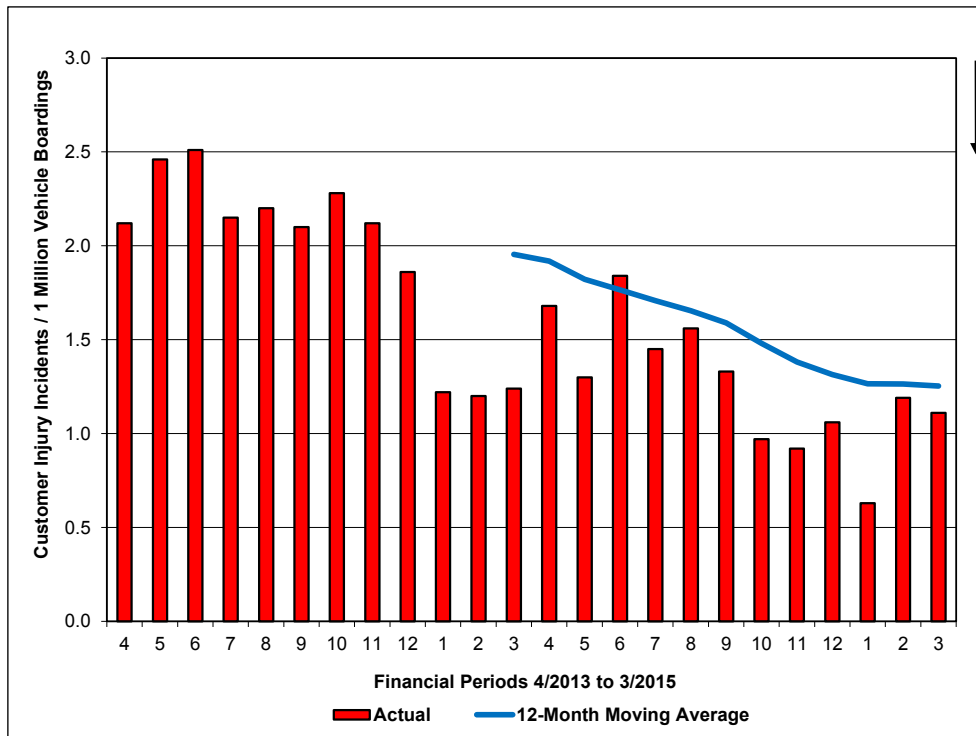
#### 2.6.1 – Lost-Time Injuries (Annual Injuries / 100 Employees)



The annualized lost-time injury rate (LTIR) for Period 3 2015 was 3.13 lost-time injuries per 100 employees, which was 13% lower than the corresponding rate of 3.58 for Period 3 2014.

The moving annual LTIR to the end of Period 3 2015 was 3.05, which was 20% lower than the corresponding rate of 3.82 to the end of Period 3 2014.

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



The customer injury incident rate for Period 3 2015 was 1.11 injury incidents per 1 million vehicle boardings, which was 10% lower than the corresponding rate of 1.24 for Period 3 2014.

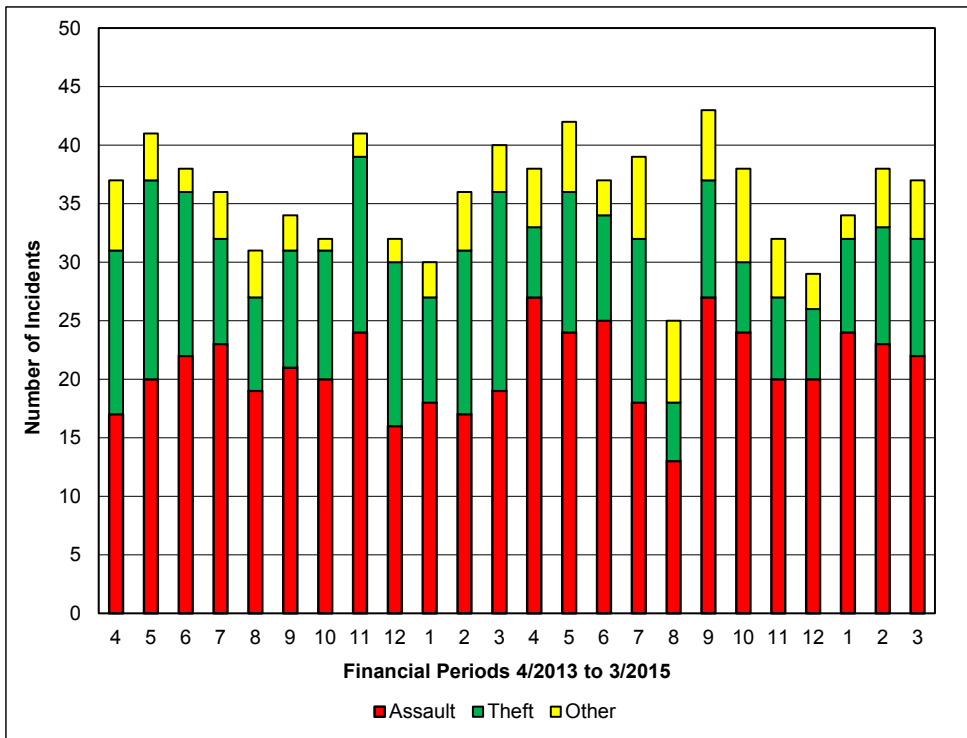
The moving annual customer injury incident rate to the end of Period 3 2015 was 1.25, which was 36% lower than the corresponding rate of 1.96 to the end of Period 3 2014.

### 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.



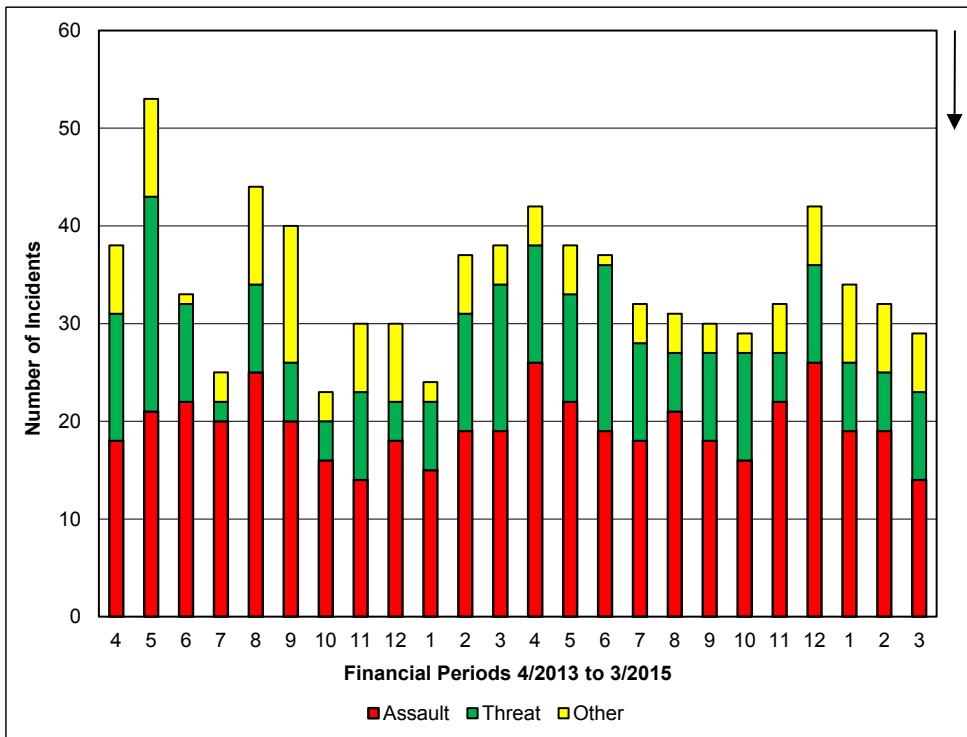
### 2.6.4 – Offences Against Customers



Total offences against customers decreased in Period 3.

Year-to-date to Period 3, there were three more offences (109 vs. 106) compared with the corresponding period in 2014. This includes 15 more assaults (69 vs. 54), 12 fewer thefts/robberies (28 vs. 40), and the same number of 'other' offences (12).

### 2.6.5 – Offences Against Staff

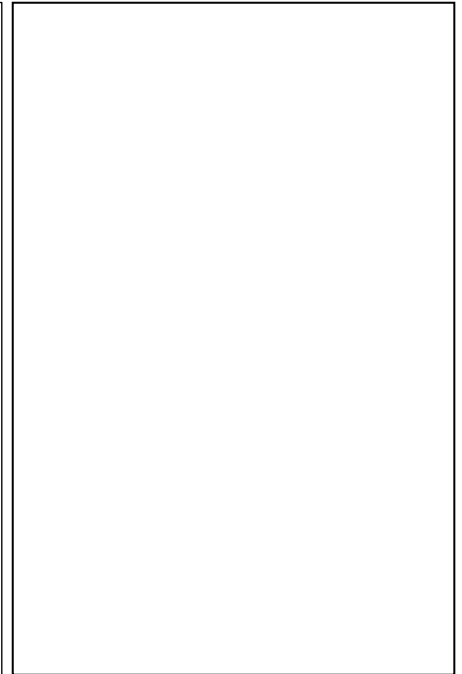
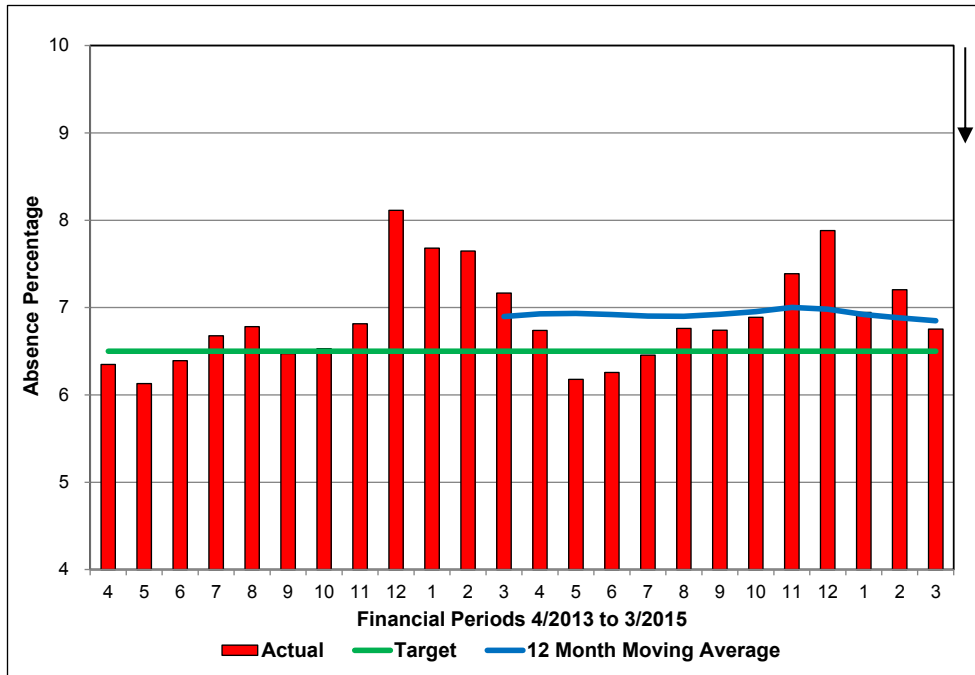


Total offences against staff decreased in Period 3.

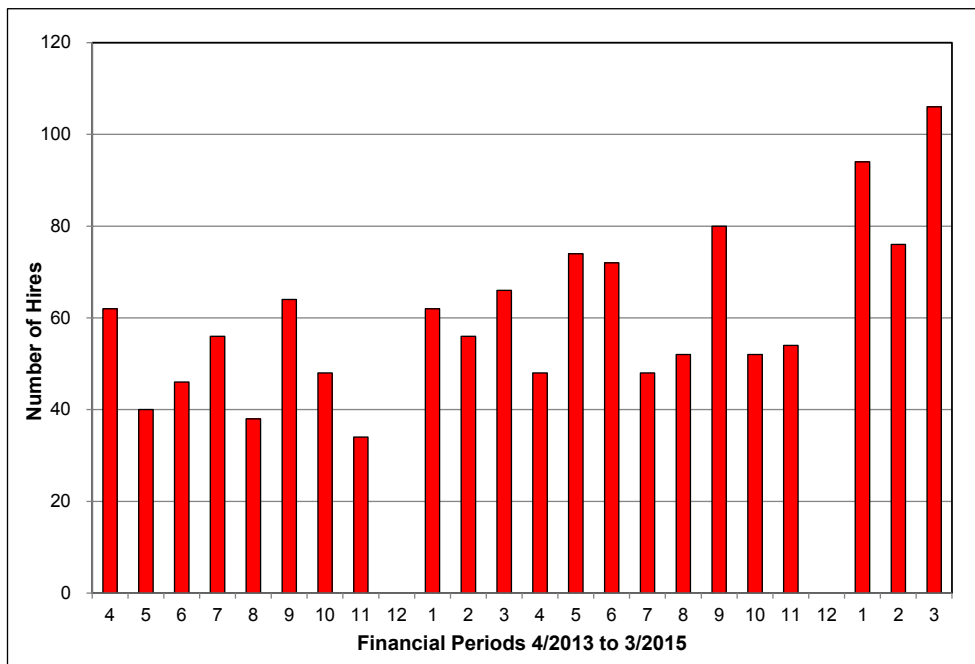
Year-to-date to Period 3, there were four fewer offences (95 vs. 99) compared with the corresponding period in 2014. This includes one fewer assault (52 vs. 53), 12 fewer threats (22 vs. 34), and nine more 'other' offences (21 vs. 12).

## 2.7 – People

### 2.7.1 – Attendance



### 2.7.2 – Operator Hires

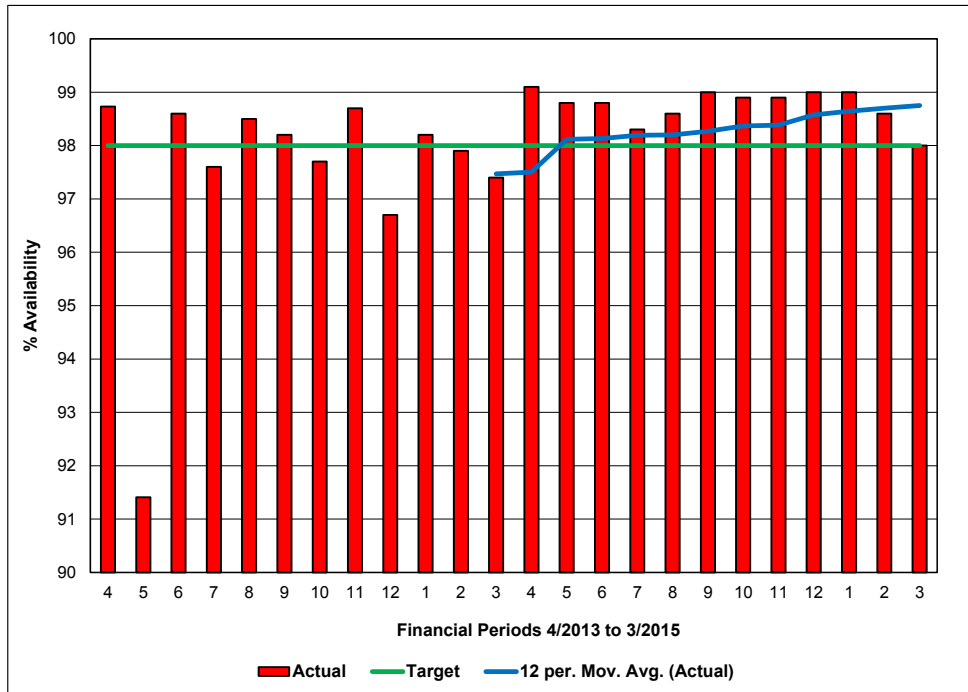


In Period 3, 106 Operators were hired and began training.

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

## 2.8 – Device Availability

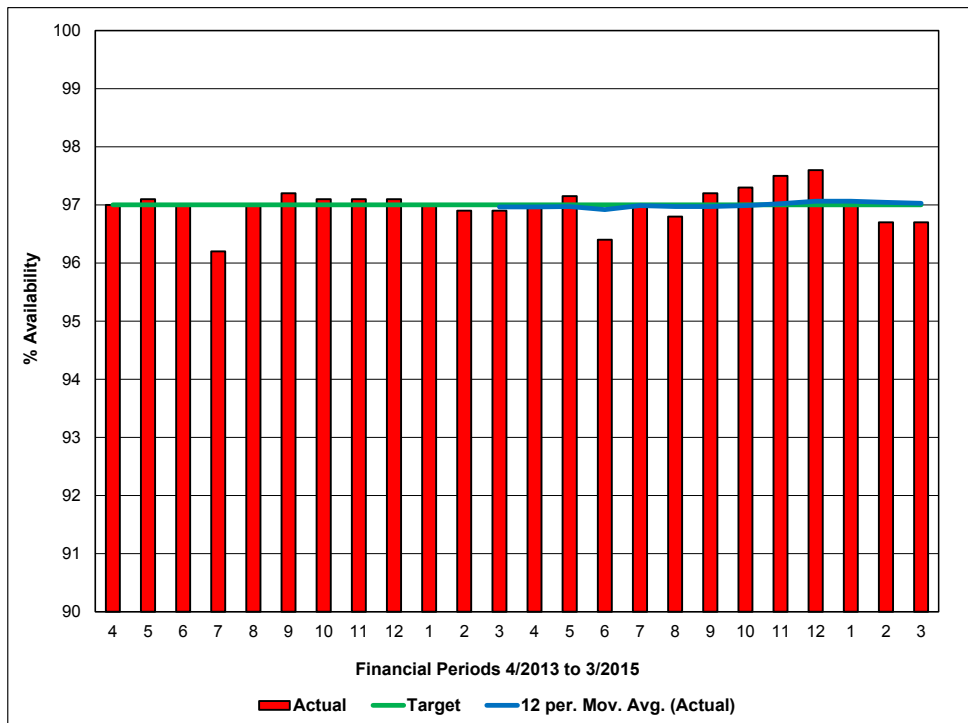
### 2.8.1 – Elevator Availability



Performance in Period 3 remained on target.

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

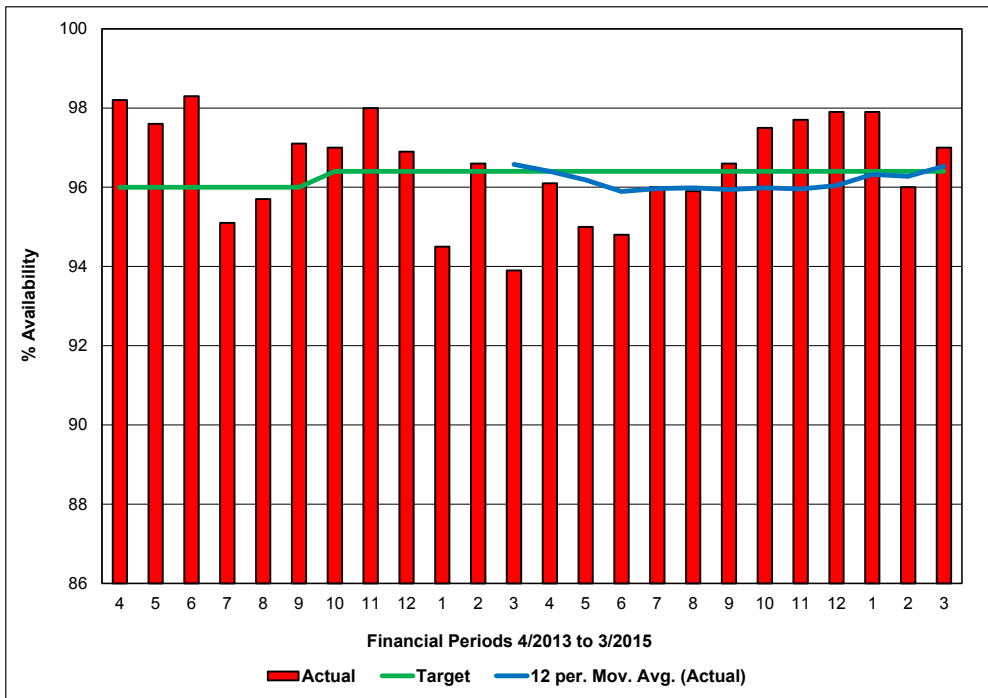
### 2.8.2 – Escalator Availability



Performance in Period 3 was below target for the second consecutive period.

The decreased performance was attributable to flooding at four subway stations, affecting five escalators.

### 2.8.3 – Fare Purchase Opportunity

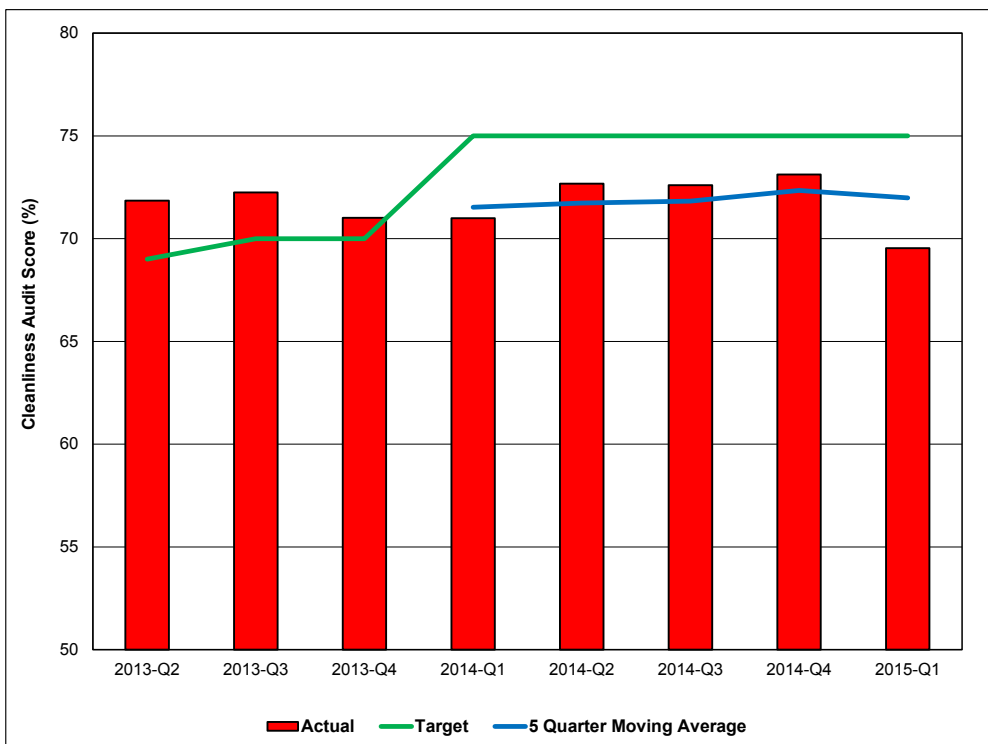


Performance in Period 3 increased to above target.

The improved performance was due to a reduction in power outages on Pass Vending Machines 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.

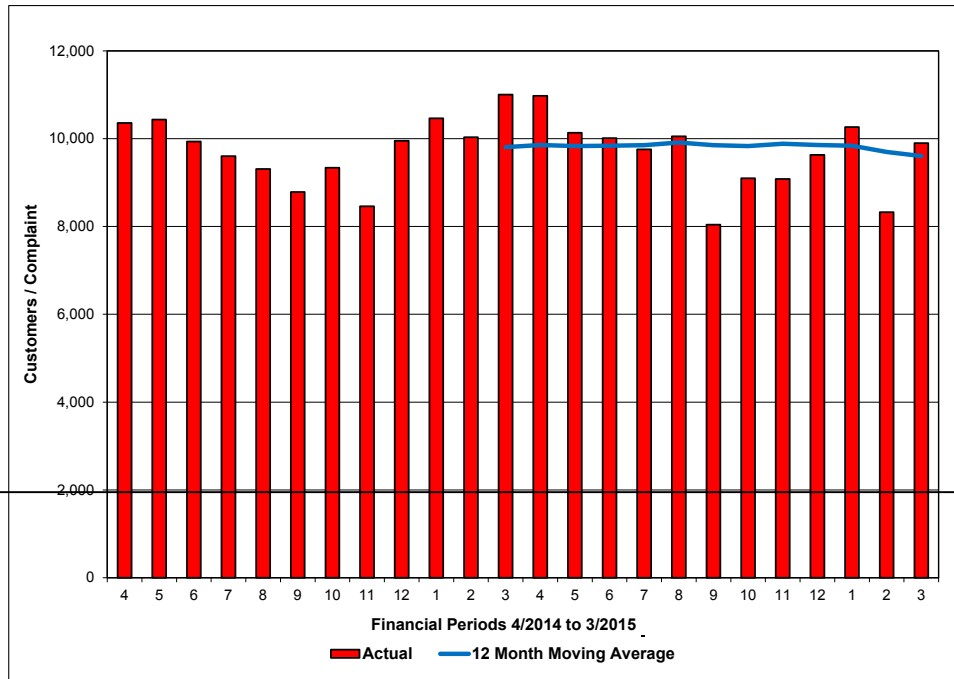
### **2.9.4 – Staff Helpfulness MSS**

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

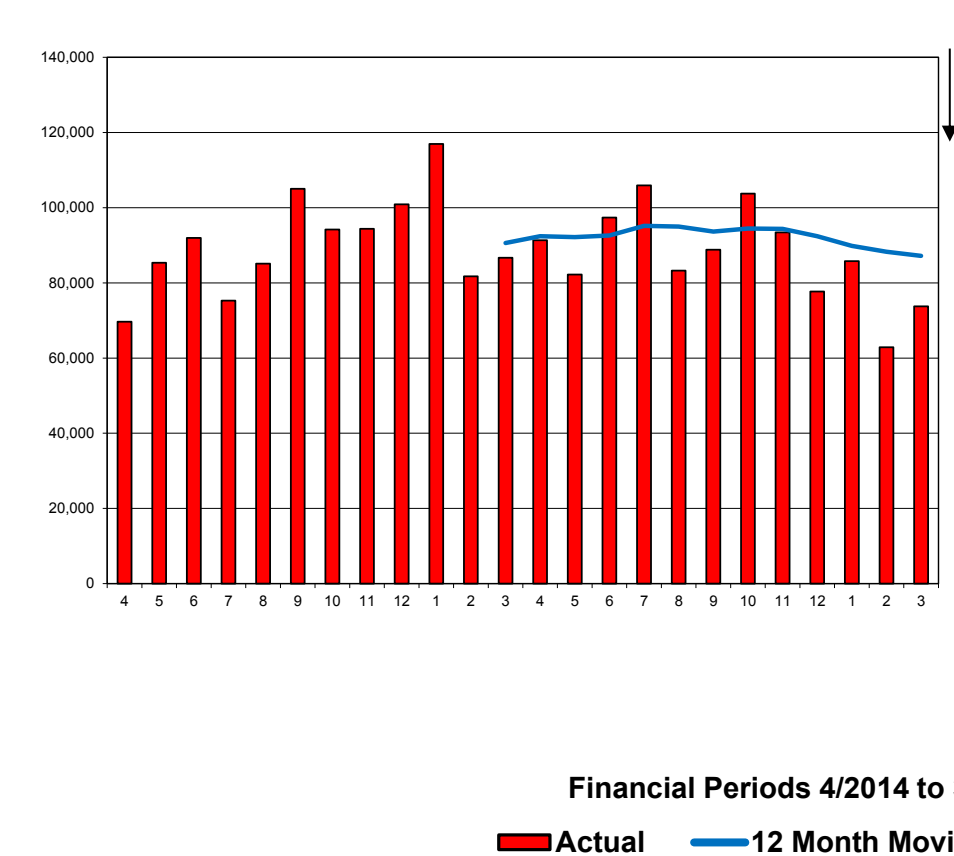
This section provides information on various customer-related issues, including trends for customer complaints and compliments, customer satisfaction improvement initiatives, and major closures.

#### 3.1 – Customer Complaints



Customers per complaint is once again trending favourably after a slight dip last period.

#### 3.2 – Customer Compliments



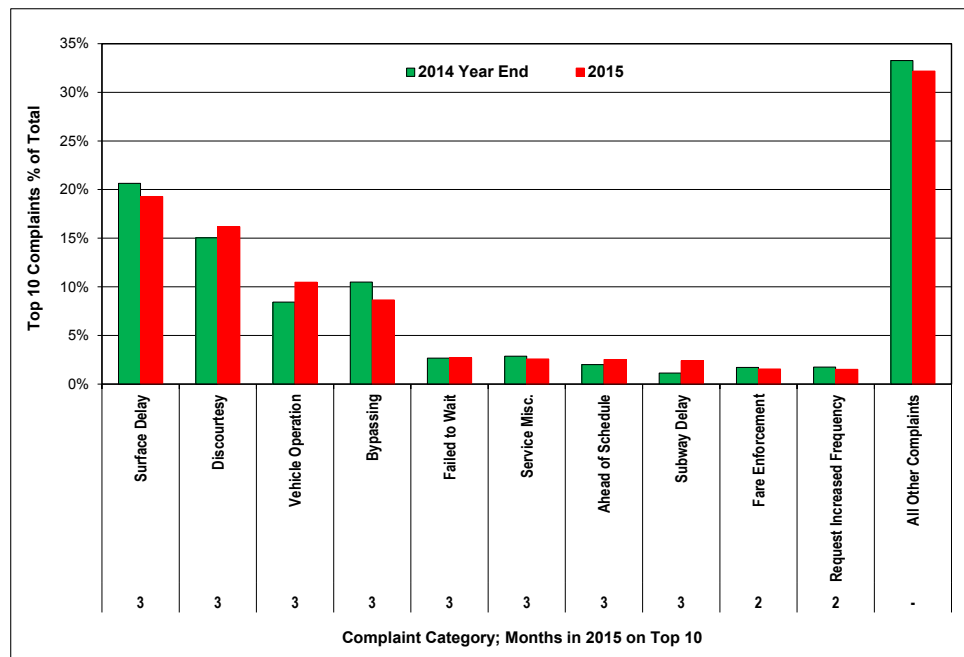
Customers per compliment continue to trend positively, being significantly better than the 12 month average.

Customers / Compliment

Financial Periods 4/2014 to 3/2015

Actual 12 Month Moving Average

### 3.3 – Top Ten Complaints



Surface Delay complaints continue to be fewer compared with 2014. Discourtesy and Vehicle Operation complaints are slightly higher than in 2014.

### 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, Sheppard, Wellesley, and Yorkdale.

Recruitment of new members to serve on the TTC Customer Liaison Panel began in April. 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. New members will build on their legacy, serving as a sounding board and working to find solutions to improve the TTC customer experience. TTC customers interested in participating on the Customer Liaison Panel can apply online until May 17.

The new Customer Relationship Management (CRM) system, which will provide significant improvements in the ways TTC manages Customer Service Communications, was launched in May. The old system (CSCDB), which was implemented in 2000 and was used for over 15 years with few changes, was not flexible and was not able to change as new business processes were modified or introduced.

The new CRM system enables quick adjustments to be implemented in order to meet changing business needs and customer expectations. It will also make it easier to quickly access and share customer feedback to best understand the voice of the customer – thus improving the ability to identify and implement customer-friendly changes. The new system will have a higher level of automation that will reduce the amount of effort required to route and resolve Customer Service Communications. Reporting will be more robust – it will be easy to identify trends and monitor performance.

### 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 1 (Yonge-University)	May 23/15 – May 24/15	Automatic Train Control (ATC)
	Bloor Stn to Lawrence Stn	June 6/15 – June 7/15	Project
Subway	Line 1 (Yonge-University)	May 30/15 – May 31/15	Infrastructure Maintenance
	Downsview Stn to St Clair W Stn		
Subway	Line 2 (Bloor-Danforth)	June 13/15	Infrastructure Maintenance
	Kennedy Stn to Woodbine Stn		
Subway	Line 3 (Scarborough)	June 20/15 – June 21/15	Infrastructure Maintenance
	Kennedy Stn to McCowan 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

#### 2015 Year-to-Date Results

To the end of Period 3 (April 4), total revenues were \$6.3 million (2.1%) below budget primarily due to 1.9 million (1.4%) fewer customer journeys than planned and a lower average fare (2.22¢ or 1.1%) stemming from marginally higher total monthly pass sales.

Over the same time period, expenses were marginally below budget (\$0.8 million or 0.2%) largely due to the reductions in certain non-labour expenses offsetting the earlier impact of the harsher winter weather and the oversupply of Operators which is being addressed.

#### 2015 Year-End Projections

##### 2015 TTC Operating Budget

Customer Journeys (Ridership)	542	545	(3)
Revenue	\$1,199.2	\$1,206.7	(7.5)
Expenses	\$1,681.9	\$1,689.4	(7.5)
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: \$8.2 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: \$0.7 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.

**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: \$0.5 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 3 (April 4), total revenues were marginally above target (\$8K or 0.6%). This reflects slightly higher revenues from 32K (3.9%) more customer journeys partially offset by a lower average fare (\$0.06 or 3.3%).

Over the same period, expenses were \$0.9 million (3.2%) 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
<b>2015 Wheel-Trans Operating Budget</b>			
Customer Journeys (Ridership)	3.246	3.246	-
Revenue	\$6.2	\$6.2	-
Expenses	\$115.3	\$115.3	-
Subsidy Required	\$109.1	\$109.1	-
Subsidy Available*	\$109.1	\$109.1	-
Surplus/(Shortfall)	-	-	-

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

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

**4.3 - Capital Program****2015 Year-to-Date Results**

Capital expenditures to Period 3 typically reflect lower project activity as early efforts are focussed on setting up schedules and tendering work. Other current period activity includes settlement of 2014 accrued contract payments and continued progress on vehicle and construction contracts already in place.

## 2015 Year-End Projections

(millions)	Projected	Budget*	Variance
<b>2015 Capital Program Budget</b>			
Base Program	\$1,158.8	\$1,075.1	\$83.7
Toronto-York Spadina Subway Extension (TYSSE)	\$385.0	\$444.2	(\$59.2)
Scarborough Subway Extension (SSE)	\$47.8	\$50.3	(\$2.5)

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

### Base Capital Program Expenditures: \$83.7 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: \$39.9 million under

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

#### Bridges and Tunnels: \$17.2 million over

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

Union Station slippage from prior year (+\$0.8M) and estimated cost increases (+\$1.3M) based on actual experience now that Union is near completion; Lawrence Bus Loop acceleration of funds from 2016 (+\$1.6M) as work is anticipated to be undertaken during the 2015 construction season; and scope increase (+\$0.7M) for added waterproofing system.

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

Slippage for the work that is determined by the City.

#### **Purchase of Buses: \$10.4 million over**

Slippage in bus 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.

### TYSSE Program Expenditures: \$59.2 million under

The variance reflects less-than-anticipated stations and systems contracts activity due to severe winter weather, which is partially offset by slippage of Rail Vehicle and Property related payments from 2014 to 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
  - 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**

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

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.

The TTC continues to work with Bombardier to expedite deliveries while ensuring that all quality and safety objectives are met. The most recent car (4406) began customer service on April 1, 2015. Final acceptance of the next vehicle (4407) is anticipated for mid-May 2015. The following vehicle (4408) is undergoing in-plant testing for delivery. Production in Thunder Bay continues to be impacted beyond car 4408 due to the supply chain and production issues.

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 TTC staff, a revised schedule was issued April 30, 2015. Bombardier has committed to completing the delivery of 30 new streetcars by year end 2015, and completion of the base contract order of 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 in writing from parts suppliers, and details on production equipment improvements for both of their plants in Thunder Bay and Mexico. The proposed revised schedule will be considered upon acceptance of the recovery plan and negotiation of commercial terms in accordance with the contract.

A detailed report on the history of the contract with Bombardier, present status, and moving forward plans will be the subject of a future TTC Board report.

### **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 will have staged occupancy of the facility starting July 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 via Leslie Street will be open to general traffic in summer 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 April 23, 2015 and the next is scheduled for early June, 2015. Safety walks to identify specific concerns to cyclists and pedestrians are planned after every new construction stage and as required. The next walk will be arranged for spring 2015.

The Community Liaisons have continued their outreach efforts by continuing to hold one-on-one meetings with local businesses and residents and responding to emails, phone calls and walk-in questions and concerns from the community. The next issue of the project e-newsletter will be posted in Summer 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. The centre platform elevator was placed into service and escalator installation is ongoing. 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 the contract award is expected by Q2 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)**

The Automatic Train Control System (ATC) is under installation on Line 1 with a scheduled completion date of 2020. The ATC project has two components: upgrading the existing signal system to improve reliability, and increase customer carrying capacity with more trains on the line and more frequent service.

Approval was received at the March 26, 2015 Board meeting to transfer the signal system upgrade from Ansaldo STS Canada Inc. to Alstom Power Transport Canada Inc. (Alstom) for Line 1 including TYSSSE and to consolidate the work and responsibility of four contracts and two companies into a single contract with Alstom. Work is well underway with the completion date of 2020 and budget of \$562.8 million maintained.

Phase 2 of the project involves installation of ATC on TYSSSE. Plans have been developed and coordinated with the new Bechtel project management team to ensure the ATC system is fully operational by the end of 2017.

Updates on the ATC project will be provided to the Board on a quarterly basis beginning in June 2015.

#### **5.5 Toronto-York Spadina Subway Extension (TYSSSE)**

The TYSSSE 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 has already commenced with additional construction management staff being deployed to various site offices as a top priority. Furthermore, as part of the project reset over the next 120 days, Bechtel will re-establish baseline schedule, budget, and relationships with contractors.

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.