



STAFF REPORT INFORMATION ONLY

Chief Executive Officer's Report – March 2016 Update

Date:	March 23, 2016
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 Summary

There are no financial impacts associated with this report.

Accessibility/Equity Matters

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

Decision History

The Chief Executive Officer's Report, which was created in 2012 to better reflect the Chief Executive Officer's goal to completely modernize the TTC from top to bottom, has been transformed to be more closely aligned with the TTC's seven strategic objectives – safety, customer, people, assets, growth, financial sustainability, and reputation.

Issue Background

For each strategic objective, updates of current and emerging issues and performance are now provided, along with a refreshed performance dashboard that reports on the customer experience. This information is intended to keep the reader completely up-to-date on the various initiatives underway at the TTC that, taken together, will help the TTC achieve its vision of a transit system that makes Toronto proud.

Contact

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Attachments

1. Chief Executive Officer's Report – March 2016 Update
2. TTC Corporate Plan – Achievements 2013 – Feb 2016
3. New Major Projects

Chief Executive Officer's Report

**Toronto Transit Commission
March 2016 Update**

WOODBINE

**Line 2 (Bloor-Danforth) turned 50 Feb 25.
Here, from the Toronto Star, TTC staffer
Ed Brown on the ceremonial first train.**



Introduction

The Chief Executive Officer's Report, which was created in 2012 to better reflect our work to completely modernize the TTC from top to bottom, has been transformed to be more closely aligned with the TTC's seven strategic objectives – safety, customer, people, assets, growth, financial sustainability, and reputation. For each of these objectives, updates of current and emerging issues and performance are now provided, along with a refreshed performance dashboard that reports on the customer experience. This information is intended to keep you completely up-to-date on the various initiatives underway at the TTC. It is a work in progress that will continue to evolve over the coming months and will help us achieve our vision of a transit system that makes Toronto proud.

One of our seven strategic objectives, Reputation, involves creating an organization that is transparent and accountable, well-regarded by stakeholders and peers, and in which employees are proud to play a part. Through my monthly commentary, I will keep you up-to-date on the key activities that I and my management team are involved in as we work to transform the TTC.



Andy Byford
Chief Executive Officer
Toronto Transit Commission

Our Vision: A transit system that makes Toronto proud.

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A momentous change this year includes new PRESTO-enabled fare gates, with Main Street Station kicking things off.

1. TTC Performance Scorecard

TTC Performance Scorecard







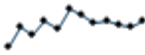





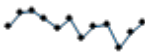






Key Performance Indicator	Description	Latest Measure	Current	Target	Current Status	Annual Trend	Page
Safety and Security							
Lost Time Injuries	Injuries / 100 Employees	Jan 2016	2.58	2.23	✘		15
Customer Injuries	Injuries / 1M Boardings	Jan 2016	1.01	0.64	✘		15
Offences against Customers	Assault, theft, other	Jan 2016	45	25	✘		16
Offences against Staff	Assault, threat, other	Jan 2016	38	35	✘		16
Customer: Journeys							
	TTC Customer Trips	Jan 2016	43.5M	45.0M	✘		19
	TTC Customer Trips	Ytd to Jan	43.5M	45.0M	✘	NA	19
	PRESTO Customer Trips	Jan 2016	1.6M	1.0M	✔		20
	Wheel-Trans Customer Trips	Jan 2016	0.30M	0.28M	✔		20
	Wheel-Trans Customer Trips	Ytd to Jan	0.30M	0.28M	✔	NA	20
Customer: Satisfaction							
	Customer Satisfaction Score	Q4	72%	72%	○		21
Customer: Environment							
	Station Cleanliness	Audit Score	Q4	77.7%	✔		24




✔ On Target
 ○ Target at risk at current trend
 ✘ Off Target

Bolded target values indicate the KPI target is under development.
 Interim target is based on the comparable prior period.

Key Performance Indicator	Description	Latest Measure	Current	Target	Current Status	Annual Trend	Page
Train Cleanliness	Audit Score					Data will be available Q2 2016	
Streetcar Cleanliness	Audit Score					Data will be available Q2 2016	
Bus Cleanliness	Audit Score					Data will be available Q2 2016	

Customer: Service Performance

 Subway								
1	Yonge-University	Delay Incidents	Q4	1,914	<10% 2014			25
		Delay Minutes	Q4	3,078	<10% 2014			25
		Trains per Hour in AM Peak	Jan 2016	23.6	25.5			26
2	Bloor-Danforth	Delay Incidents	Q4	2,677	<10% 2014			27
		Delay Minutes	Q4	3,772	<10% 2014			27
		Trains per Hour in AM Peak	Jan 2016	24.1	25.5			28
3	Scarborough	Delay Incidents	Q4	127	<10% 2014			29
		Delay Minutes	Q4	671	<10% 2014			29
		Trains per Hour in AM Peak	Jan 2016	13.0	13.3			30

 On Target
  Target at risk at current trend
  Off Target

Bolded target values indicate the KPI target is under development. Interim target is based on the comparable prior period.

Key Performance Indicator	Description	Latest Measure	Current	Target	Current Status	Annual Trend	Page
4 Sheppard	Delay Incidents	Q4	184	<10% 2014	✗		31
	Delay Minutes	Q4	509	<10% 2014	✗		31
	Trains per Hour in AM Peak	Jan 2016	10.7	10.9	✗		32
Streetcar	On-Time Departure	Jan 2016	39.8%	31.4	✓		33
	Short Turns	Jan 2016	1,506	<50% 2015	✓		33
Bus	On-Time Departure	Jan 2016	74.3%	73.6	✓		34
	Short Turns	Jan 2016	1,740	<50% 2015	✓		34
Wheel-Trans	% Within 10 Minutes of Schedule	Jan 2016	87.4%	90%	✗		35

People


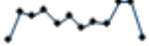
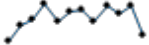


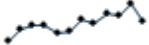


Employee Absence	Absenteeism Rate	Jan 2016	6.84%	< 6.50%	✗		37
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Assets: Vehicle Reliability


Subway	T1	Mean Distance Between Failures	Jan 2016	307,137 km	300,000 km	✓		39
	TR	Mean Distance Between Failures	Jan 2016	791,240 km	772,485 km	✓		39

On Target
 Target at risk at current trend
 Off Target

Bolded target values indicate the KPI target is under development. Interim target is based on the comparable prior period.




Key Performance Indicator	Description	Latest Measure	Current	Target	Current Status	Annual Trend	Page
 Streetcar							
CLRV	Mean Distance Between Failures	Jan 2016	3,870 km	4,500 km	✗		40
ALRV	Mean Distance Between Failures	Jan 2016	2,091 km	3,500 km	✗		40
New Streetcar	Mean Distance Between Failures	Jan 2016	12,044 km	35,000 km	✗		41
 Bus	Mean Distance Between Failures	Jan 2016	8,525 km	8,100 km	✓		42
 Wheel-Trans	Mean Distance Between Failures	Jan 2016	10,841 km	11,000 km	✗		42

Assets: Equipment Reliability


Elevators	Percent Available	Jan 2016	98.9%	98.0%	✓		43
Escalators	Percent Available	Jan 2016	97.2%	97.0%	✓		43

Financials

TTC Revenue	Actual vs. Budget	Year-End 2015	\$1,179M	\$1,207M	✗	Section 3.5
TTC Operating Expenditure	Actual vs. Budget	Year-End 2015	\$1,651M	\$1,1689M	✓	Section 3.5
Wheel-Trans Revenue	Actual vs. Budget	Year-End 2015	\$6.5M	\$6.2M	✓	Section 3.5
W-T Operating Expenditure	Actual vs. Budget	Year-End 2015	\$117.7M	\$115.3M	✗	Section 3.5

 On Target
  Target at risk at current trend
  Off Target

Bolded target values indicate the KPI target is under development. Interim target is based on the comparable prior period.

Key Performance Indicator	Description	Latest Measure	Current	Target	Current Status	Annual Trend	Page
Capital Expenditure – Base	Actual vs. Budget	Year-End 2015	\$882M	\$1,075M	✘	Section 3.5	
Capital Expenditure – TYSSE	Actual vs. Budget	Year-End 2015	\$406M	\$444M	✘	Section 3.5	
Capital Expenditure – SSE	Actual vs. Budget	Year-End 2015	\$15.1M	\$50.3M	✘	Section 3.5	
Operator Efficiency	Crewing Efficiency	Jan 2016	87.17%	87.15%	✘		53

✔ On Target
- Target at risk at current trend
✘ Off Target

Bolded target values indicate the KPI target is under development. Interim target is based on the comparable prior period.



The re-signalling of Line 1 is a cornerstone of the TTC's modernization efforts.

2. CEO Commentary

CEO Commentary and Current Issues

General Overview

This month's report includes data to the end of January 2016.

At the start of the penultimate year of the inaugural TTC Five-Year Corporate Plan, I have included, as a one-off, an appendix to this CEO report, that lists just how much has been achieved in the first three years. A second appendix lists the major projects and programs that are currently in play – work that we are doing in addition to day-to-day service delivery and execution of major projects.

I have included these documents so that Board members, the public, customers and stakeholders can see the progress we are making across all seven of our strategic objectives. I knew when we launched the Corporate Plan back in 2013, that top-to-bottom modernization of all aspects of our infrastructure, processes and culture within five years was a huge challenge, but it was one that I was certain that we could meet and with 21 months to go, everything remains on track.

Last month saw the TTC celebrate the 50th anniversary of Line 2 (Bloor-Danforth). As soon as we complete resignalling work on Line 1 (Yonge-University), our attention will shift to Line 2 and we should take the opportunity to deliver total route modernization, i.e. replacement of fleet and signals as part of a comprehensive line upgrade.

Safety & Security

Safety and security indicators were largely stable with no major incidents.



Customer: System Performance

Subway performance was generally satisfactory during the period.

Surface modes continue to show strong improvement, particularly in terms of continued reduction in the number of unforced short turns, and in on-time departures, which is markedly up on streetcar routes.

Financials

On the financial side, of particular note, the 2015 year-end net Operating Budget surplus (operating expenses less revenue less City Operating Subsidy) is approximately \$8 million. Capital expenditures were below budget in 2015 for a host of reasons (see Section 3.5).

Customer journeys (ridership) to the end of February were 4 million (4.6%) below budget and passenger revenue was \$10 million (5.3%) below budget. Also of note is that ridership to the end of February was 1.4 million (1.7%) below the 2015 comparable actual. These results are far below expectations. A review of possible causal factors was undertaken, including consideration of actions that may be required to mitigate further losses for the remainder of the year. An update on 2016 ridership will be submitted to the March TTC Board meeting.

Delivery of Major Projects

- TYSSE

Good physical progress continues to be made. Track installation will be completed this month (March) and systems installation is progressing well. The TYSSE and ATC (automatic train control) project teams continue to work closely together to ensure synergy between their respective work, the timing of which is critical to opening the TYSSE with state-of-the-art signaling under ATC operation.

Commercial discussions continue with our General Contractors as part of the commercial reset of the project.



- PRESTO

PRESTO take up on streetcars shows strong growth as customers get used to the ease and flexibility of the system. Work to equip the bus and Wheel Trans fleets is well under way and on target for 2016 completion.

New paddle style gates are now in use at Main Street Station. They have been temporarily equipped with magnetic swipe readers to accommodate Metropasses until these are phased out. PRESTO will go live on the new gateline shortly, once our PRESTO partners have conducted some final tests.

- Automatic Train Control

The project continues on schedule and on budget. We hosted the media on a trackwalk between St George and Lawrence West during a planned subway closure to demonstrate, inter alia, ATC cable installation along that stretch of line. In addition to installation of equipment, work is progressing on a solution for the TTC's work car fleet to make sure that is compatible with the new signaling system, once that goes live.

- New Streetcar Deployment

At the time of writing, 16 new vehicles are now in service. The program still anticipates a ramp up in delivery from the end of March of four cars per month, that will take effect in April.

- Culture Change

Work continues to transform TTC culture. The Change Team is almost up to its full complement and team members are being assigned to help facilitate key change programs. Line teams continue to analyze and respond to the output from our inaugural Employee Engagement Survey, thereby demonstrating that the results of the exercise are being addressed.



- Accessibility Matters

Work continues to progress well on our current Easier Access projects.

A handwritten signature in black ink that reads "Andy Byford". The signature is written in a cursive, flowing style.

Andy Byford
Chief Executive Officer, Toronto Transit Commission

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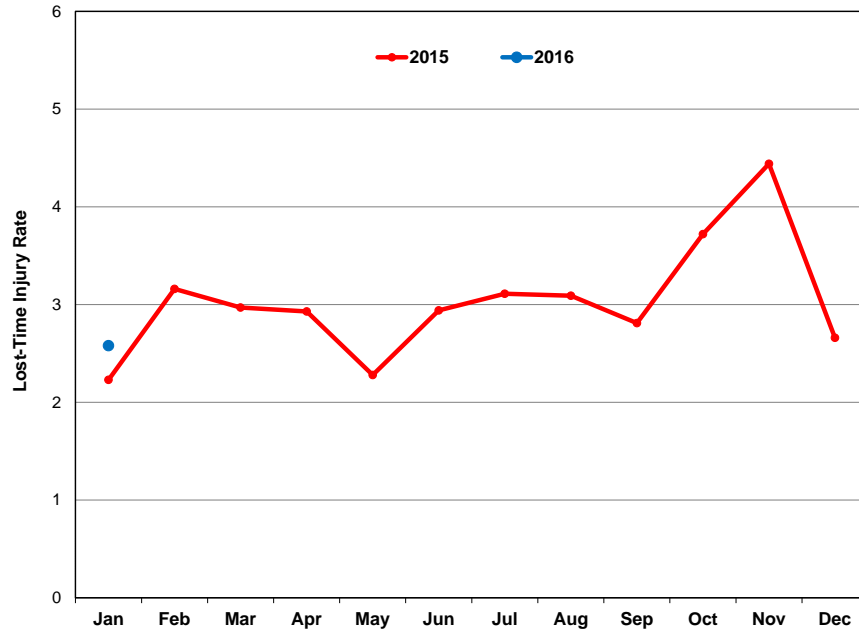
A man with grey hair and glasses, wearing a white uniform with a "SUPERVISOR" patch and a blue lanyard, is talking on a black telephone. He is sitting at a desk in a control room with multiple computer monitors. In the background, another man in a dark suit is smiling. The room has a whiteboard and a clock on the wall.

Improved route management, as seen here at Roncesvalles Division, is key to better streetcar performance, which we are seeing weekly.

3.1 Safety & Security

Safety and Security

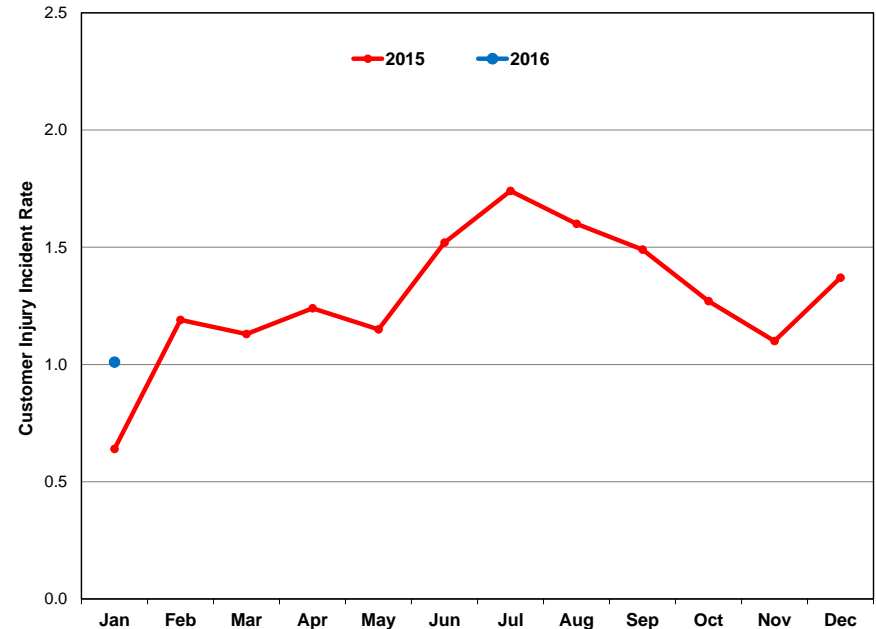
Lost-Time Injuries (injuries per 100 employees)



The lost-time injury rate (LTIR) increased in January 2016. The rate of 2.58 injuries per 100 employees was 16% higher than the corresponding rate of 2.23 for January 2015.

The moving annual LTIR to the end of January 2016 was 3.06, which was 6% lower than the corresponding rate of 3.26 to the end of January 2015.

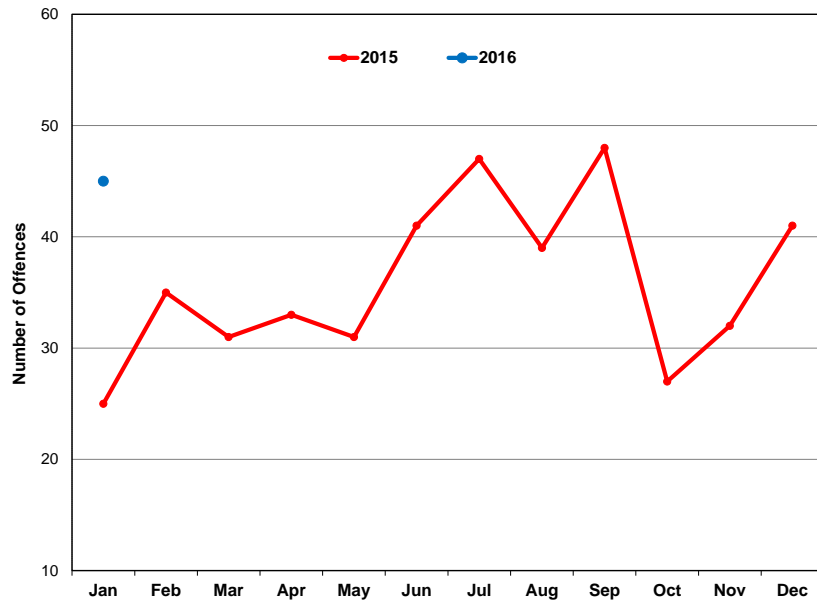
Customer Injury Incidents (injury incidents per 1M vehicle boardings)



The customer injury incident rate increased in January 2016. The rate of 1.01 injury incidents per 1 million vehicle boardings was 58% higher than the corresponding rate of 0.64 for January 2015.

The moving annual customer injury incident rate to the end of January 2016 was 1.32, which was 4% higher than the corresponding moving annual rate of 1.27 to the end of January 2015.

Offences Against Customers



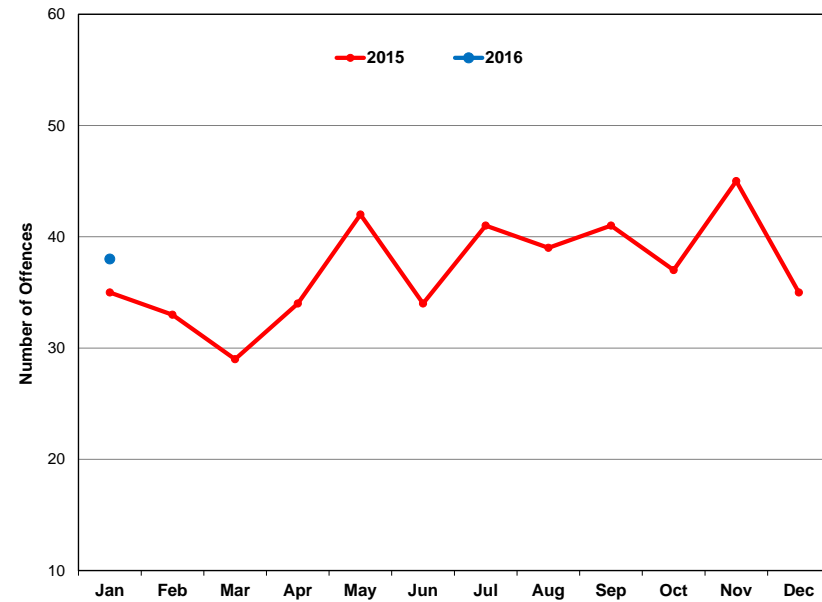
Total offences against customers increased in January 2016 for the third consecutive month to 45.

Year-to-date to January, there was an 80% increase (+20 incidents) in crimes against customers compared with the corresponding period in 2015.

This includes: 100% more robberies (+2 incidents), 47% more assaults (+8 incidents); 125% more sexual assaults (+5 incidents); no change in thefts/robberies; and an incalculable increase in 'other' incidents (+5 incidents from 0 incidents).

The trends in the number of offences need to be read in the context of overall annual system boardings, which are in excess of 800 million.

Offences Against Staff



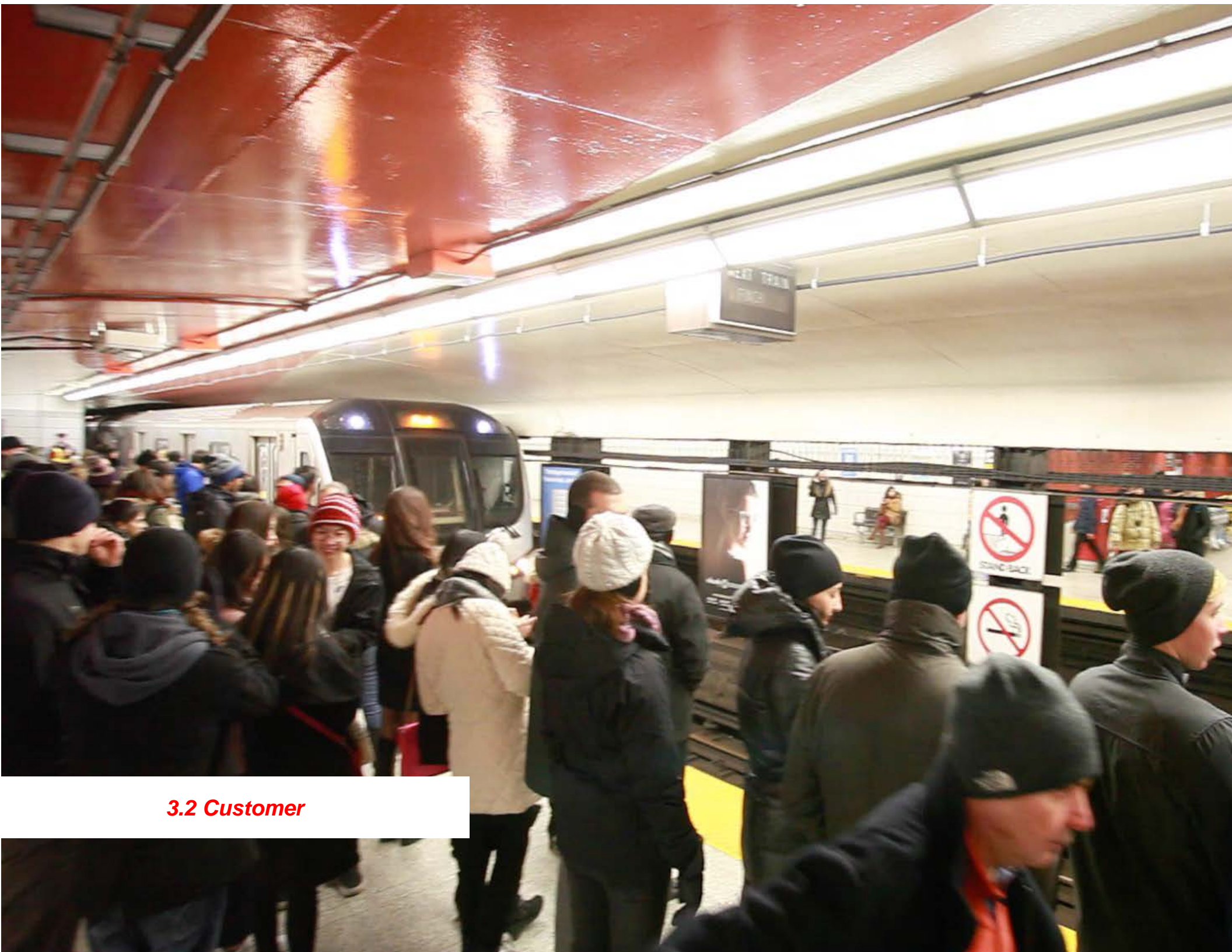
Total offences against staff increased in January 2016 to 38.

Year-to-date to January, there was a 9% increase (+3 incidents) in crimes against staff compared with the corresponding period in 2015.

This includes: 16% more assaults (+3 incidents); 71% more threats (+5 incidents); and 5% less 'other' incidents (-5 incidents).

The trends in the number of offences need to be read in the context of overall annual system boardings, which are in excess of 800 million.

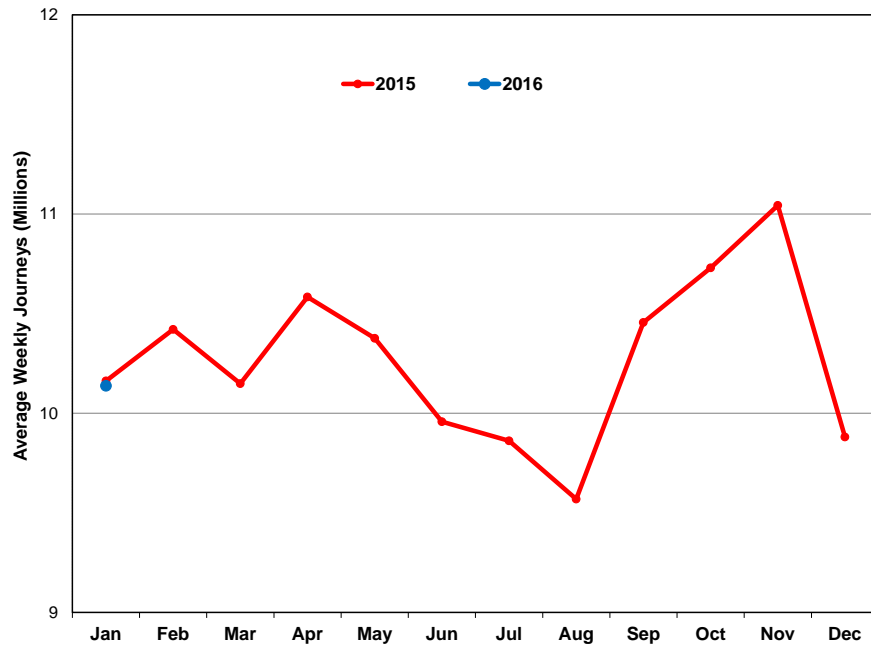
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3.2 Customer

Customer: Journeys

TTC: 2016 Actual vs. 2015 Actual

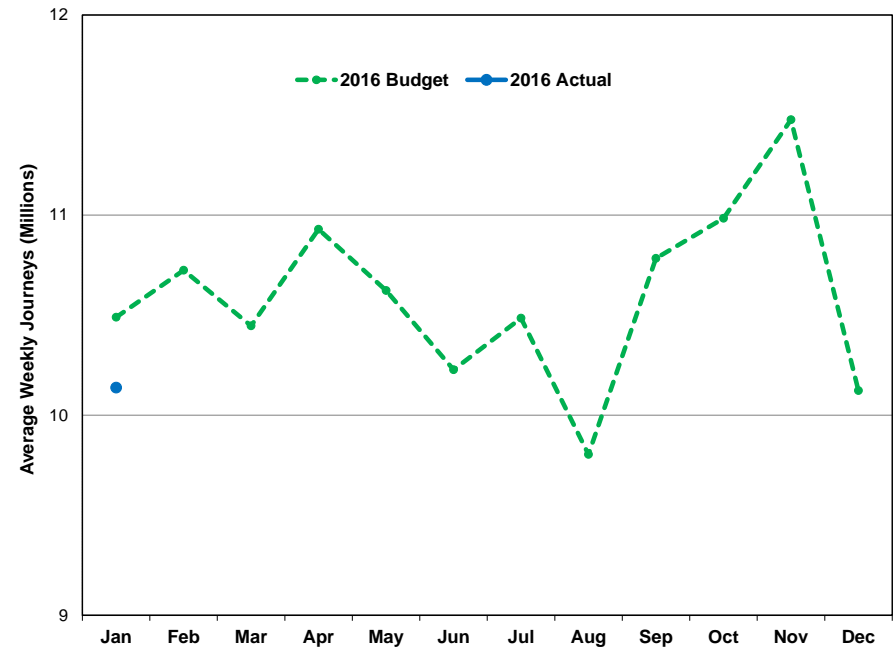


There were 43.5M customer journeys (ridership) taken during January 2016, which was 0.1M (0.2%) less than the 43.6M journeys taken during January 2015.

The annual number of customer journeys taken to the end of January 2016 was 536.0M, which was 0.8M (0.1%) less than the 536.8M annual journeys taken to the end of January 2015.

Average weekly ridership in January 2016 was below the prior year comparable for the eighth consecutive month.

TTC: 2016 Actual vs. 2016 Budget

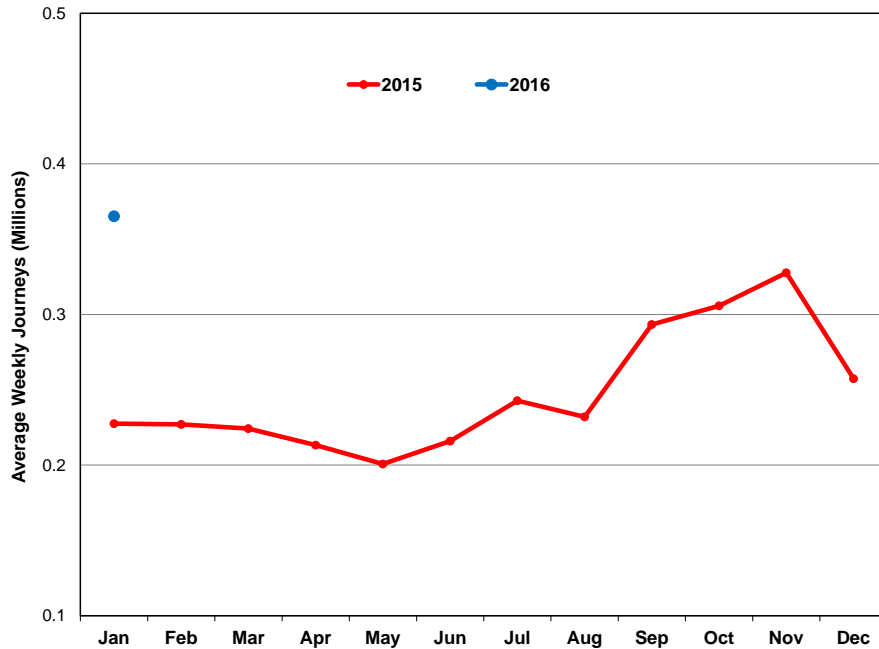


There were 43.5M customer journeys taken during January 2016, which was 1.5M (3.3%) less than the budget of 45.0M journeys.

Average weekly ridership in January 2016 was below budget for the eleventh consecutive month.

Customer: Journeys

PRESTO: 2016 Actual vs. 2015 Actual

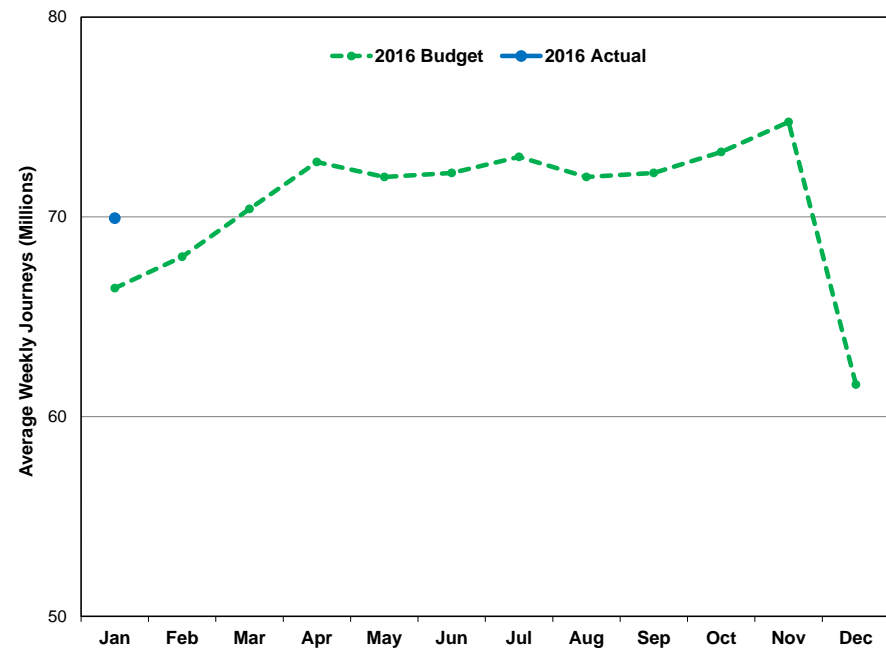


There were 1.6M customer journeys (ridership) taken using the PRESTO Farecard in January 2016, which was 0.6M (60%) more than the 1.0M journeys taken during January 2015.

The annual number of customer journeys taken to the end of January 2016 was 13.5M, which was 3.5M (35.0%) more than the 10.0M annual journeys taken to the end of January 2015.

Note:
PRESTO ridership is included in TTC ridership totals

Wheel-Trans: 2016 Actual vs. 2016 Budget.

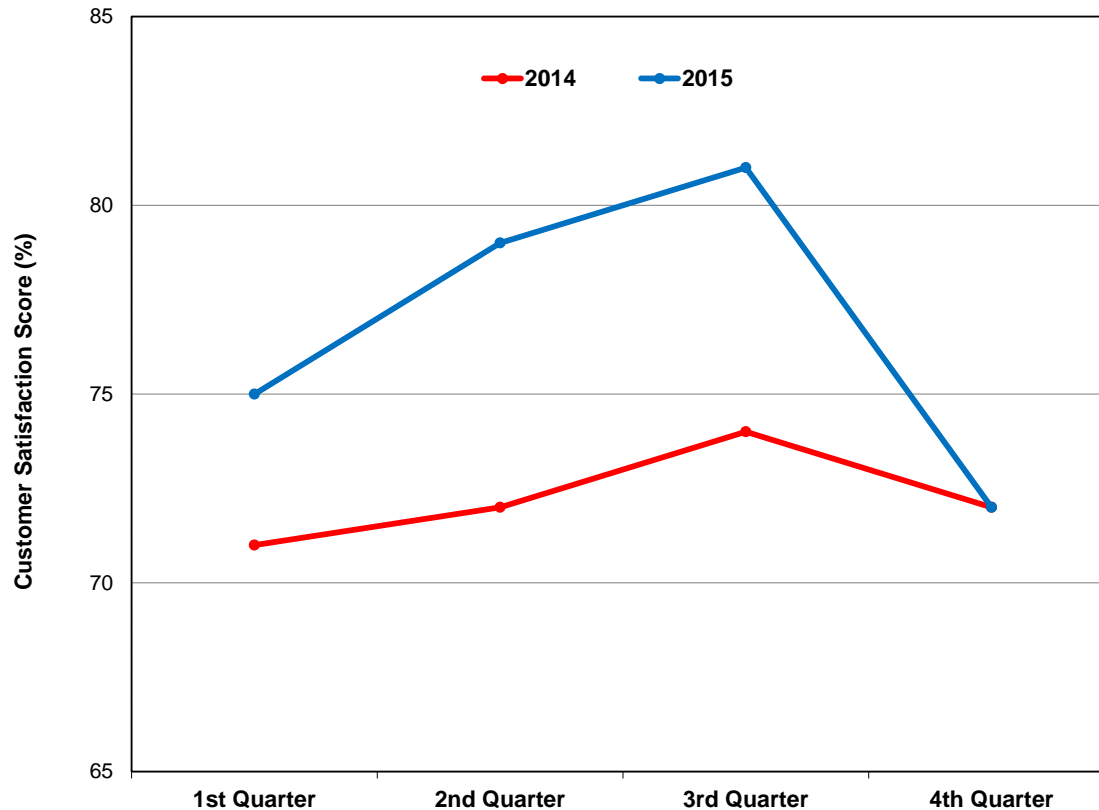


There were 0.30M customer journeys taken during January 2016, which was 0.015M (5%) more than the budget of 0.285M journeys.

Note:
Wheel-Trans ridership is not included in TTC ridership totals.

Customer: Satisfaction

Customer Satisfaction Score



2015 proved to be an exceptional year for the TTC. Customer satisfaction reached an all-time high in Q3 of 81% and the year over year average was significantly higher than 2014 (77% versus 72%), despite the significant decline in Q4 (72%, down 9 points from Q3). The decline in satisfaction is directly linked to the decline of three key drivers of customer satisfaction; customer perceptions of wait times, trip duration and crowding. There were two notable factors that likely played a major role in affecting customer perceptions of our service; over the last three years there has been a noticeable decline in satisfaction in the fourth quarter of each year, suggesting seasonality has an effect. The other major factor,

specific to 2015, was the discontinuation of additional service and increased customer service support staff presence during the Pan Am Games.

Pride in the TTC and what it means to Toronto did not decline as significantly and the Q4 2015 score was higher than the result observed a year ago (71% versus 66%, respectively).

Perceptions of value for money remain high, with 95% of TTC customers providing 'average', 'good', and 'excellent' ratings.

Commentary on Improvement in Customer Satisfaction

The 2016 Customer Charter has been unveiled with 35 time-bound commitments that include improved service reliability, increased accessibility, cleaner stations, and continued transparency in reporting and explaining delays. The Charter has evolved in 2016, with promises tracked by quarter rather than by category and core actions have been developed into overall commitments. The results will be same – delivering a transit system that makes Toronto proud. The 2016 Customer Charter is the fourth released by the TTC, adding to the 110 promises that have already been delivered since the Charter was first unveiled in 2013. The Customer Charter 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 ttc.ca.

Ongoing overall commitments in 2016 include providing reliable and on time service, measured through daily and monthly scorecards to ensure performance improves over last year, continuing to improve accessibility by making sure ramps and stop announcements on our vehicles are working properly, communicating clearly with our customers, local businesses and communities in the occurrence of any planned or unplanned events, and making sure customers feel safe and secure while riding aboard vehicles and while in stations.

The first Meet the Managers session of 2016 is planned for Kipling station. Meet the Managers allows customers and managers to interact face-to-face and for managers to gain additional insight into the challenges and opportunities experienced by customers while travelling on the TTC. Future sessions this year will be held at Main, Bloor/Yonge, Kennedy, Eglinton, Sheppard, Finch, Downsview, St. George, St. Clair West, Ossington, and Union stations.

The TTC Customer Liaison Panel continues to meet on a monthly basis 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 panel continues to work on a number of important issues including new fare payment methods, the customer charter, uniforms, and wayfinding.

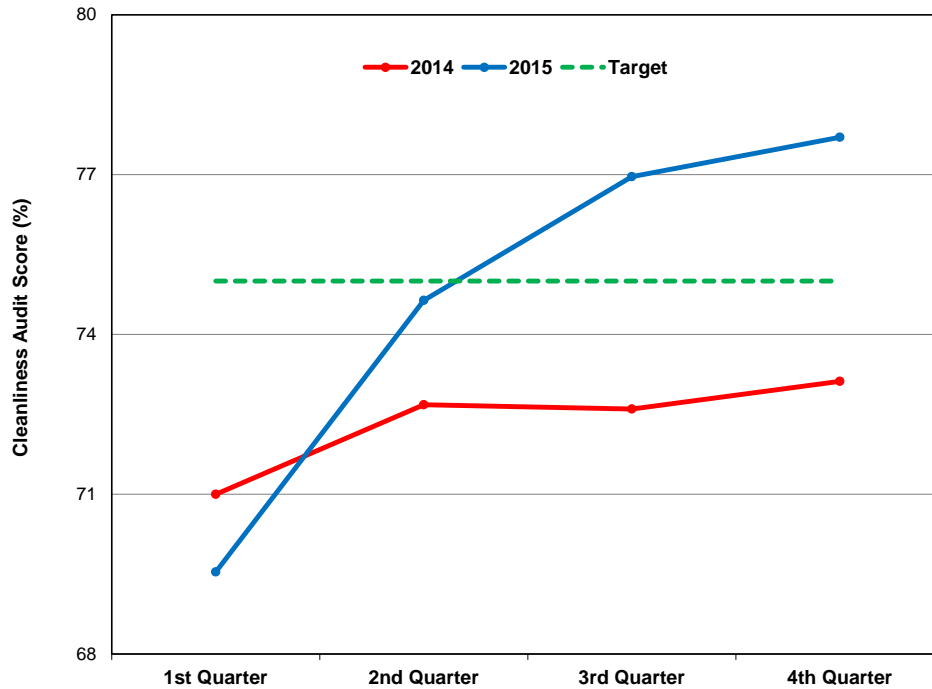
In February, transit ambassadors were deployed at several subway stations to welcome and assist customers and spectators during the NBA All-Star 2016 festival and game. Ambassadors provided information to customers traveling to and from the games and assisted visitors who were unfamiliar with the city in finding their way.

The first-ever Rewards and Recognition Event was held on February 17 to honour staff achievement in the areas of Leadership, Customer Service, Safety, and Teamwork. The 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 2015 Employee of the Year award was presented jointly to Subway Operators Patrick McLaughlin, John Bethune, and Neil Preece, who went above and beyond, volunteering their time to review subway delays on Line 2 (Bloor-Danforth). Their work has resulted in a reduction in delays and a more comfortable ride for TTC customers. CEO Andy Byford also presented the CEO Special Award to Sho Kalache, in recognition of her work coordinating all aspects of TTC's involvement in last summer's Pan Am/Parapan Am Games.

Increased service at peak times and improved service reliability on many bus routes started on February 14 as part of Toronto City Council's \$95 million investment in TTC service. "These service improvements are the type of sensible and caring investments expected by Toronto residents. We need a reliable transit system so people can get to work on time and get home faster to spend more time with their families," said Mayor John Tory. "This year we will continue to make bus service on many of our routes more frequent and reliable," said TTC Chair Josh Colle.

Customer: Environment

Station Cleanliness



Performance in Q4 2015 was 77.7% and was above target for the second consecutive quarter. Overall performance has improved for three quarters in a row.

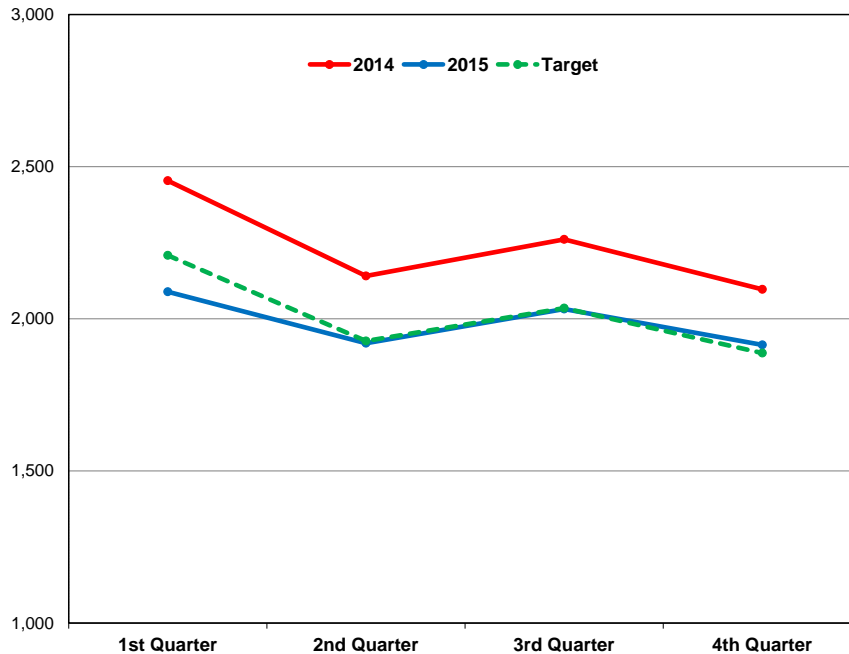
The unseasonably warm weather in Q4 2015 facilitated further improvements of the gains that were first achieved in Q3 2015, when additional resources were invested before and during the Pan Am and Parapan Am Games.

Customer: Service Performance



Subway

Line 1: Delay Incidents



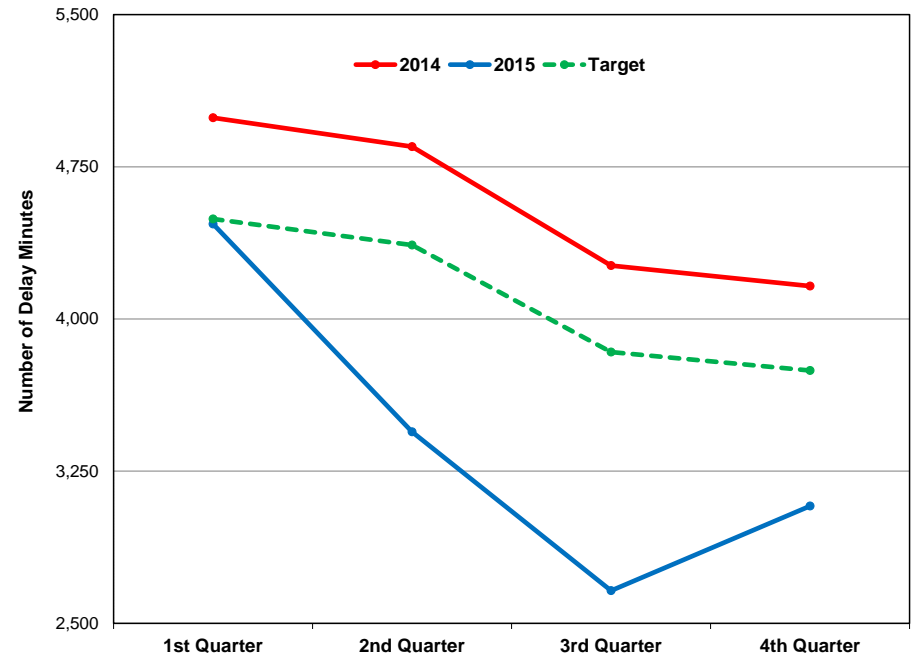
The number of delay incidents decreased in Q4 2015 for the third consecutive quarter to 1,914; however, performance did not achieve target. Overall in 2015, performance achieved the annual target of a 10% reduction in delay incidents from the 2014 baseline.

All major delay categories were reduced in 2015 but there were noteworthy reductions in rolling stock incidents stemming from improved reliability with the Toronto Rocket train and from a 37% reduction in Fire/Smoke Plan B incidents. Speed control-related incidents generated 29% of delays in 2015; the Speed Control Program is expected to result in further reductions in 2016.

Note:

The quarterly performance target is based on a 10% or more reduction in delay incidents, year-over-year.

Line 1: Delay Minutes



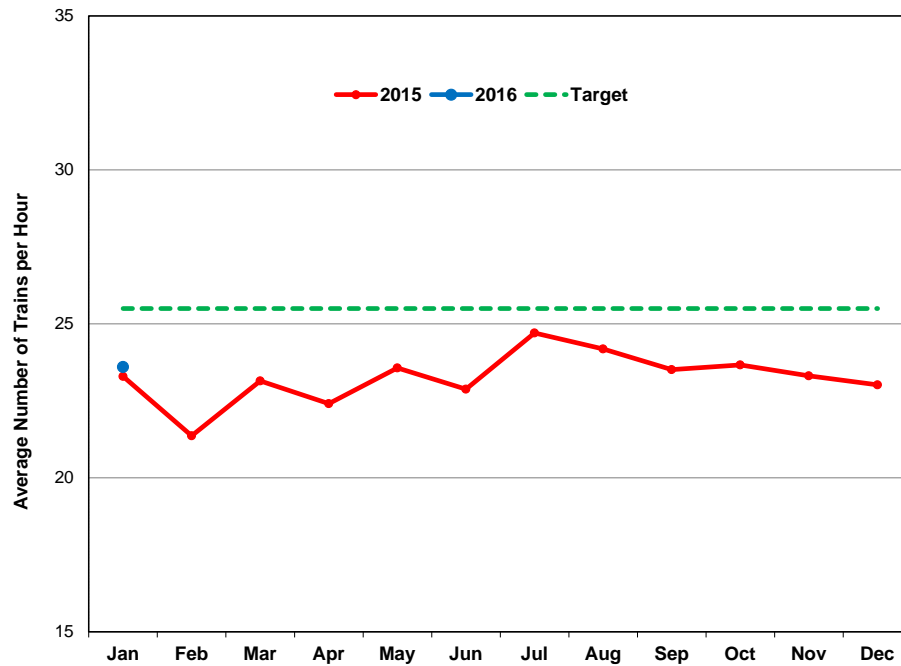
The number of delay minutes increased in Q4 2015 for the first time in three quarters to 3,078; however, performance in Q4 2015 achieved target for the fourth consecutive quarter. Overall in 2015, delay minutes decreased 25% from the 2014 baseline.

In 2015, Fire/Smoke Plan B delays were reduced by 480 minutes, or 33%, and the increasing reliability of the Toronto Rocket trains helped to generate a reduction of 407 minutes, or 22.7%, from 2014 levels.

Note:

The quarterly target is based on a 10% or more reduction in delay minutes, year-over-year.

Line 1: Trains per Hour in Morning Peak

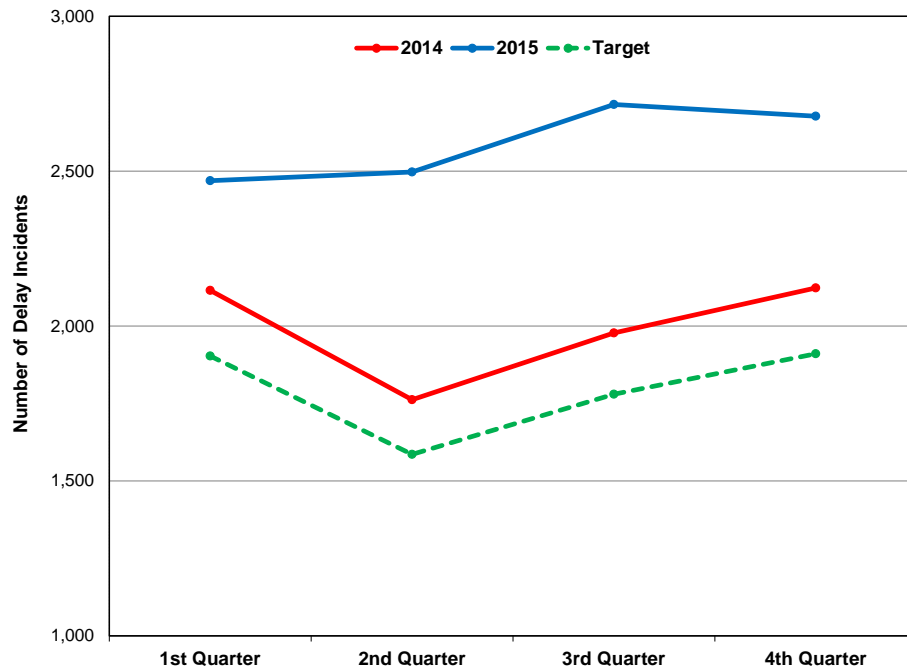


The daily average number of trains per hour in the morning peak service period increased in January 2016 to 23.6, which was 93% of what was scheduled. Overall monthly performance continued to remain below target.

As delay incidents continue to trend favourably, peak trains per hour will improve.

Note:
Data are based on weekday service from Monday to Friday.

Line 2: Delay Incidents



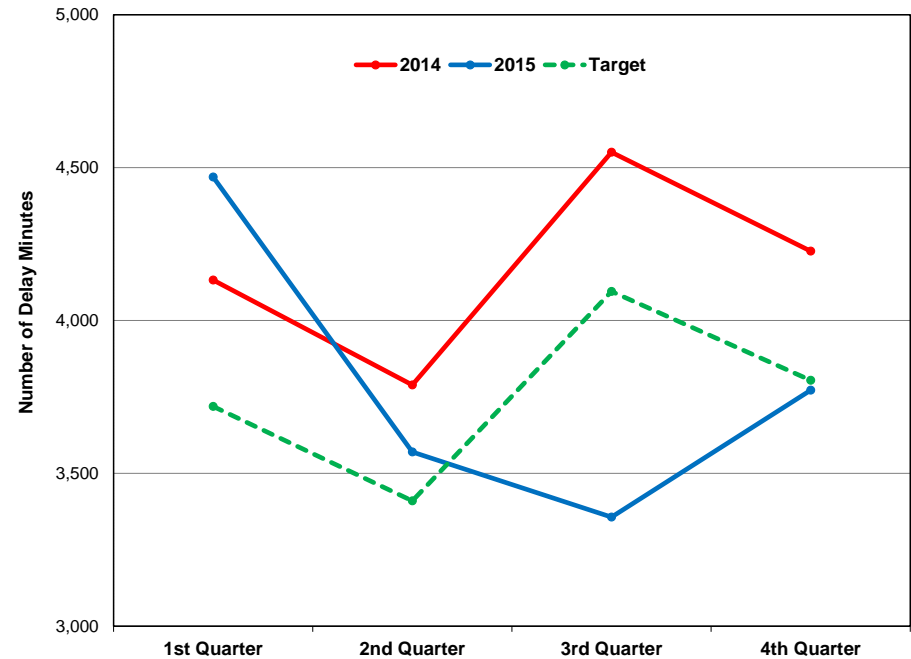
The number of delay incidents decreased in Q4 2015 to 2,677; however, performance in Q4 2015 did not achieve target for the fourth consecutive quarter. The number of delay incidents increased since Q2 2014 as speed control was gradually implemented. Full implementation was completed by Q2 2015 and the number of delays subsequently levelled out during the last half of 2015.

A strategy is being developed to modify the overall Speed Control Program, primarily to reduce the current level of incidents.

Note:

The quarterly performance target is based on a 10% or more reduction in delay incidents, year-over-year.

Line 2: Delay Minutes



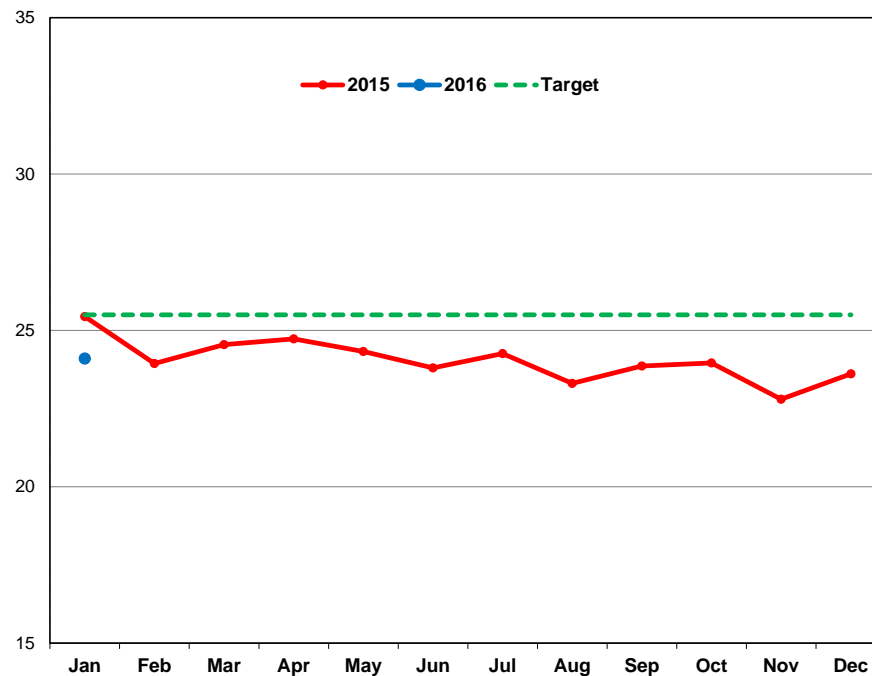
The number of delay minutes increased in Q4 2015 for the first time in three quarters to 3,772; however, performance in Q4 2015 achieved target for the second consecutive quarter. Overall in 2015, there was a 9% decrease in delay minutes; however, total delay minutes were higher than for Line 2.

Rolling stock incidents increased 46% in Q4 2015; however, there was a significant reduction in delay minutes for these incidents. This indicates that remedial actions taken when incidents occur are successful at clearing delays in less time than in previous quarters.

Note:

The quarterly target is based on a 10% or more reduction in delay minutes, year-over-year.

Line 2: Trains per Hour in Morning Peak



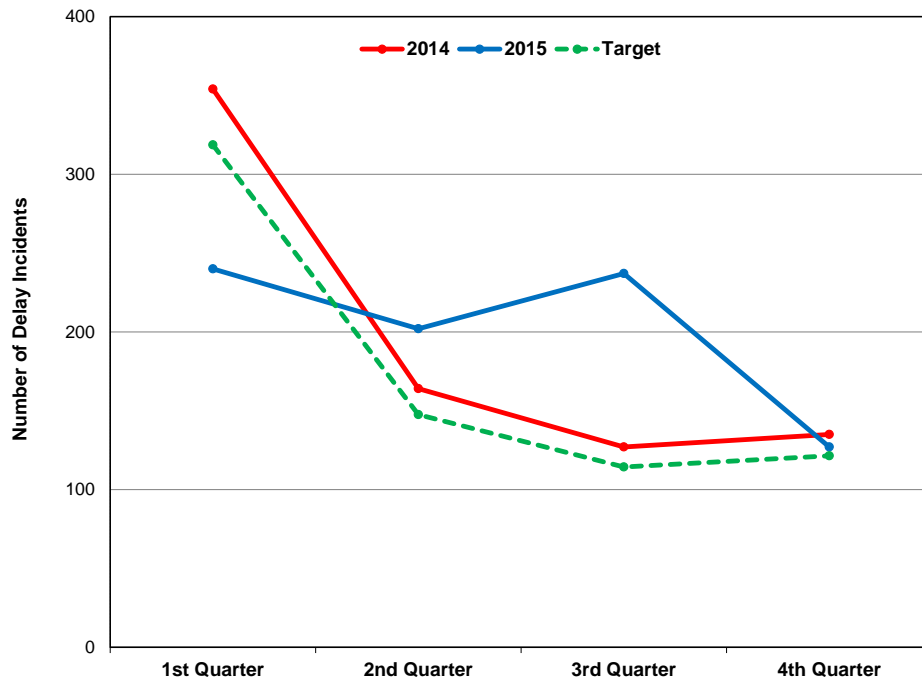
The daily average number of trains per hour in the morning peak service period increased in January 2016 to 24.1, which was 95% of what was scheduled. While overall monthly performance remained below target, this measure has continued to improve, with performance now above 24 TPH after five consecutive months below this level.

Headway adherence remains at strong levels and plans are under development to bring about large scale reductions in the amount of speed control delay incidents, which is the most frequent category of delay and a definite drag on overall performance.

Note:

Data are based on weekday service from Monday to Friday.

Line 3: Delay Incidents



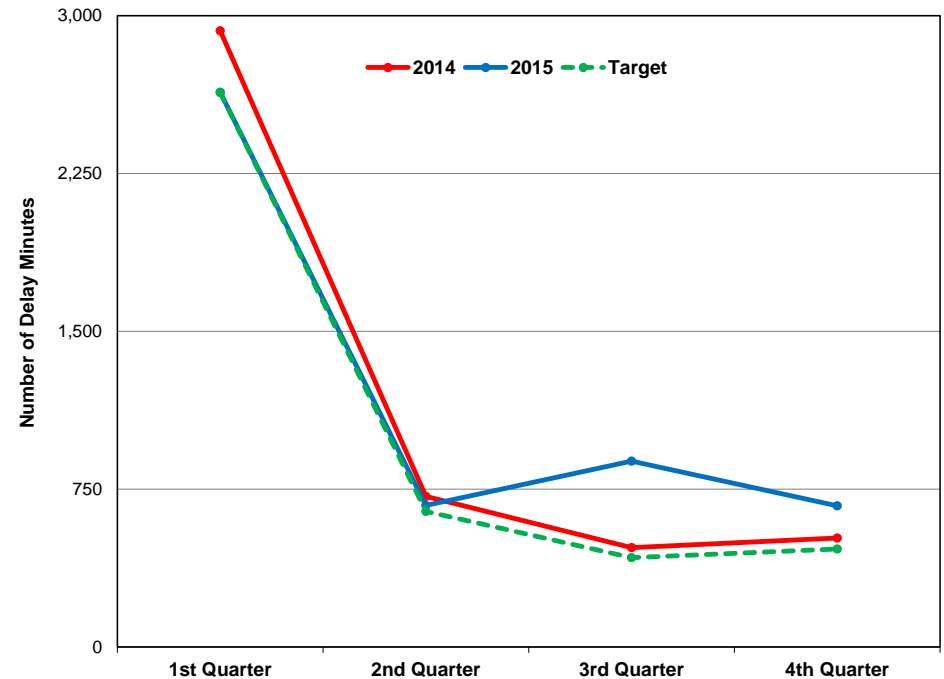
The number of delay incidents decreased in Q4 2015 to 127; however, performance in Q4 2015 did not achieve target for the third consecutive quarter. Of note is that the the number of incidents was below 2014 levels for the first time since Q1 2015. Overall in 2015, the number of incidents increased 3% from the 2014 baseline.

Work continues on improving SRT train reliability, with an accelerated car overhaul program in place, as well as work on the guideway including optimizing the car / reaction rail interface, and working proactively to eliminate the sources of timed-outs.

Note:

The quarterly performance target is based on a 10% or more reduction in delay incidents, year-over-year.

Line 3: Delay Minutes



The number of delay minutes decreased in Q4 2015 to 671; however, performance in Q4 2015 did not achieve target for the third consecutive quarter. Overall in 2015, there was a 5% increase in delay minutes from the 2014 baseline.

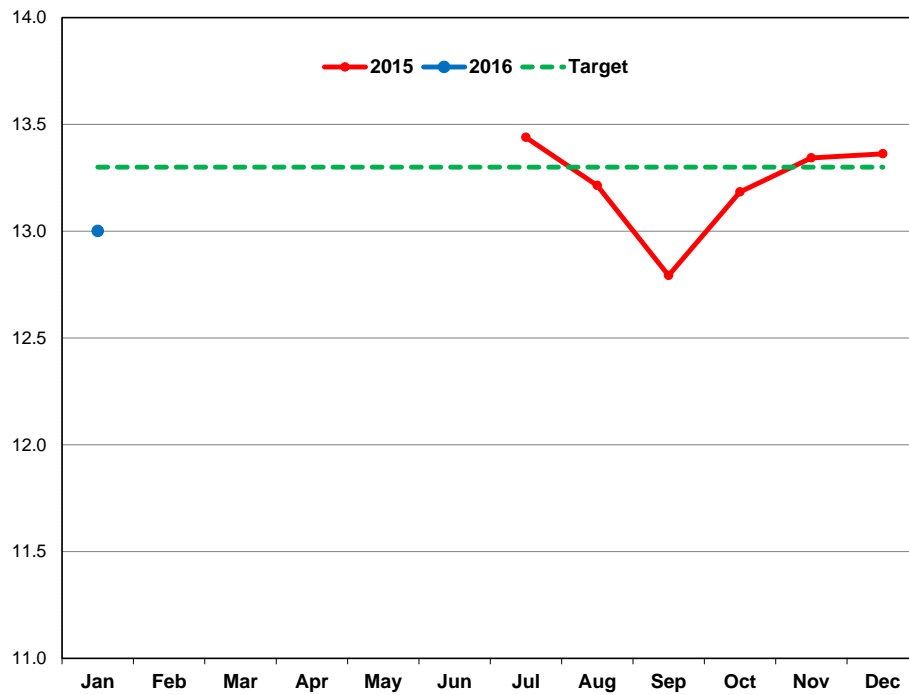
Equipment delays, attributed to rolling stock and rail Infrastructure issues, more than doubled from 2014 levels and represented 74% of the total 2015 delay minutes.

To mitigate this problem, the Car Overhaul Program is being accelerated and infrastructure work on the guideway is already improving performance. As the SRT revitalization program continues into 2016, these incidents are expected to improve.

Note:

The quarterly target is based on a 10% or more reduction in delay minutes, year-over-year.

Line 3: Trains per Hour in Morning Peak



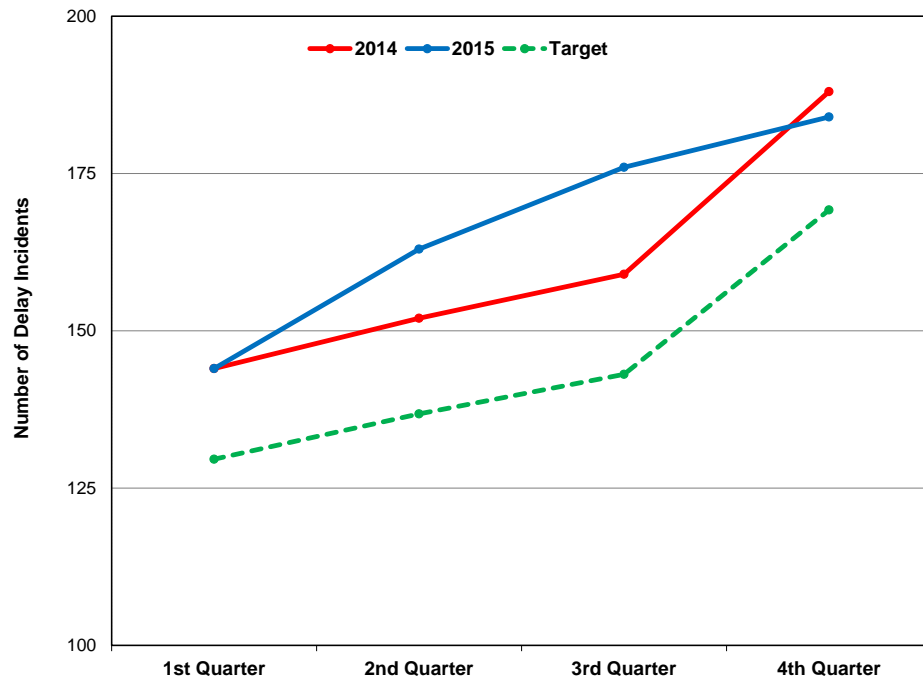
The daily average number of trains per hour in the morning peak service period decreased in January 2016 to 13.0, which was 98% of what was scheduled.

Combined with a headway performance over 98%, this represents a very reliable level of service.

Note:

Data are based on weekday service from Monday to Friday.

Line 4: Delay Incidents



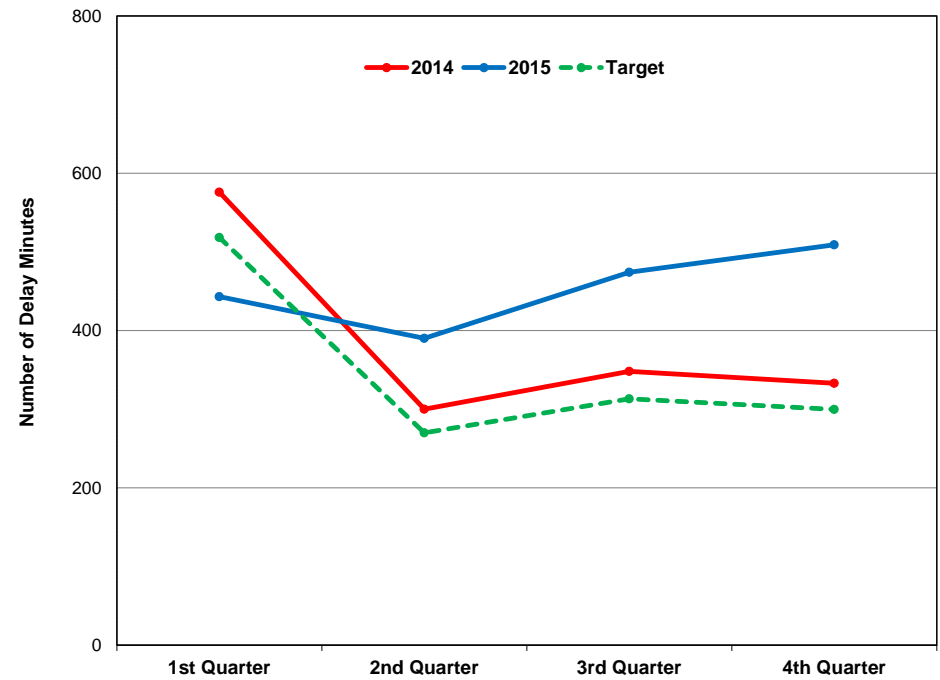
The number of delay incidents increased in Q4 2015 for the third consecutive quarter to 184. Performance in Q4 2015 did not achieve target for the fourth consecutive quarter; however, the number of incidents was below 2014 levels for the first time since Q1 2015. Overall in 2015, there was a 4% increase in delay incidents from the 2014 baseline.

In 2015, there was a 29% increase in equipment incidents; Rolling Stock incidents made up the greatest proportion of these incidents. Speed Control incidents also showed a notable increase (18%), consistent with the other Speed Control lines. Options are being investigated for how best to move forward with Speed Control in light of very high delay incident and delay minute levels across the system.

Note:

The quarterly performance target is based on a 10% or more reduction in delay incidents, year-over-year.

Line 4: Delay Minutes



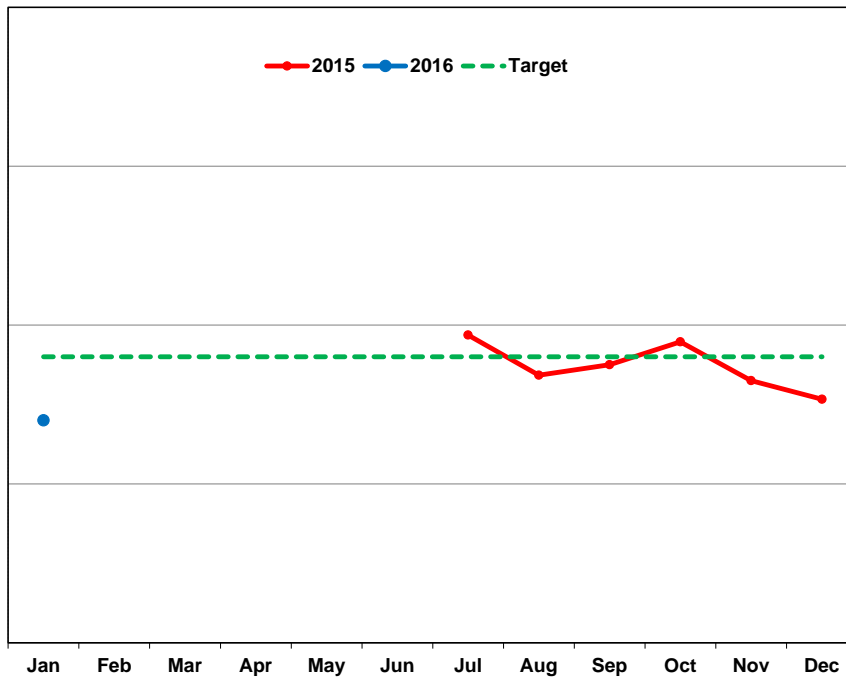
The number of delay minutes increased in Q4 2015 for the second consecutive quarter to 509. Performance in Q4 2015 did not achieve target for the third consecutive quarter. Overall in 2015, there was a 17% increase in delay minutes from the 2014 baseline.

Equipment delays were a major source of the total 2015 delay minutes. Of note is the encouraging improvement in Speed Control delay minutes, which decreased 25% in 2015.

Note:

The quarterly target is based on a 10% or more reduction in delay minutes, year-over-year.

Line 4: Trains per Hour in Morning Peak



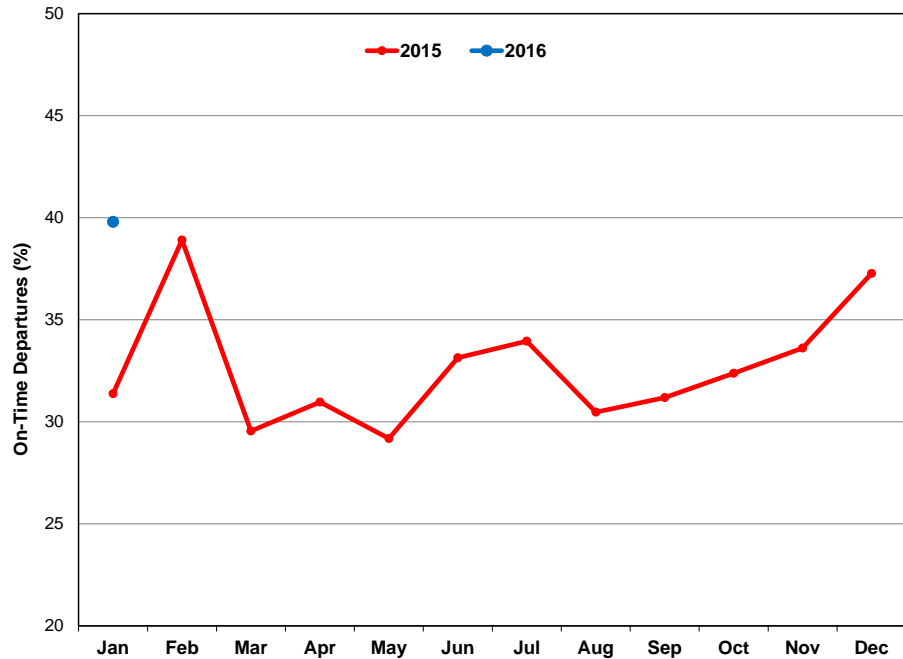
The daily average number of trains per hour in the morning peak service period decreased in January to 10.7, which was over 98% of what was scheduled.

With a relatively low number of delay incidents, it is anticipated that morning peak trains per hour will remain relatively high. Along with good headway adherence, overall service quality is very strong.

Note:

Data are based on weekday service from Monday to Friday.

On-Time Performance

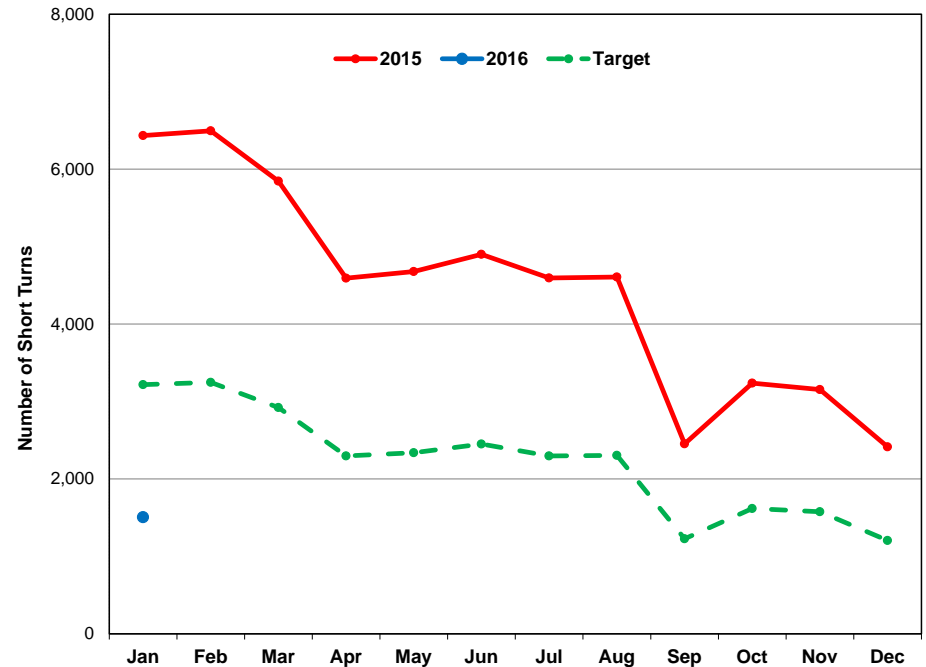


On-time performance increased in January 2016 for the fifth consecutive month to 39.8% and has shown steady improvement since August 2015.

The increase was mainly due to improved performance on the 01 Queen route.

Note: This KPI measures adherence to scheduled (-1 to +5 minutes) departure times from end terminals.

Short Turns



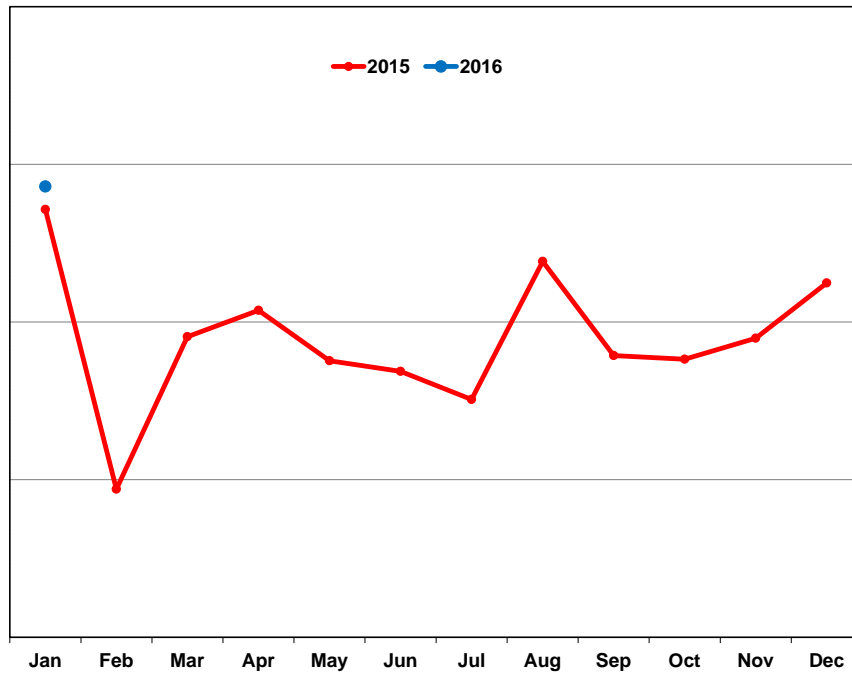
The number of short turns decreased in January for the third consecutive month to 1,506, falling to the lowest level in the past two years. Overall performance has achieved target for 11 consecutive months.

Note: Data are based on all seven days of service from Sunday to Saturday.



Bus

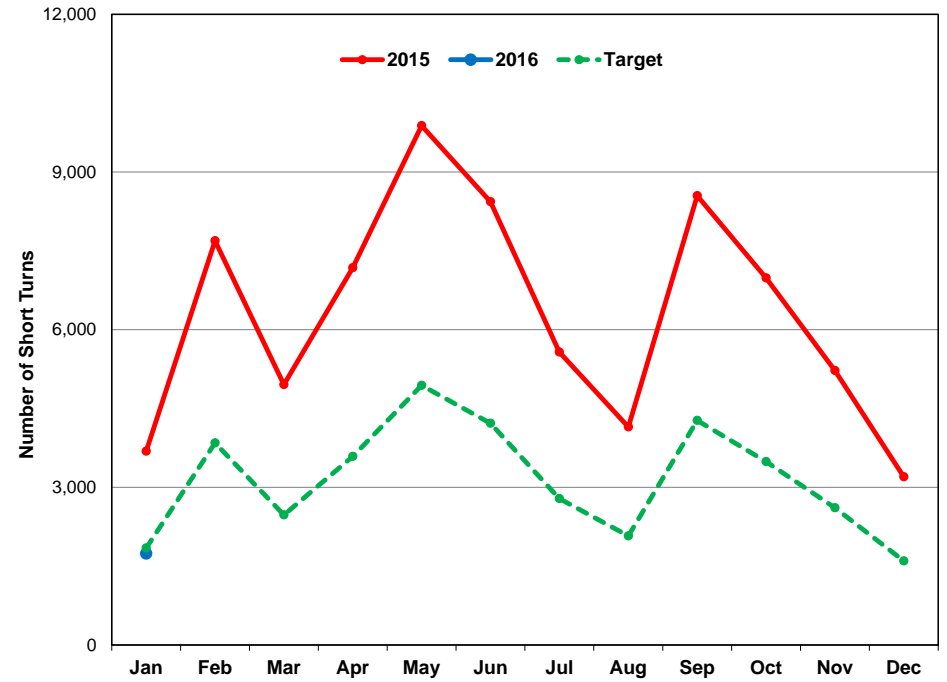
On-Time Performance



On-time performance increased in January 2016 for the third consecutive month to 74.3%.

Note:
This KPI measures adherence to scheduled (-1 to +5 minutes) departure times from end terminals.

Short Turns



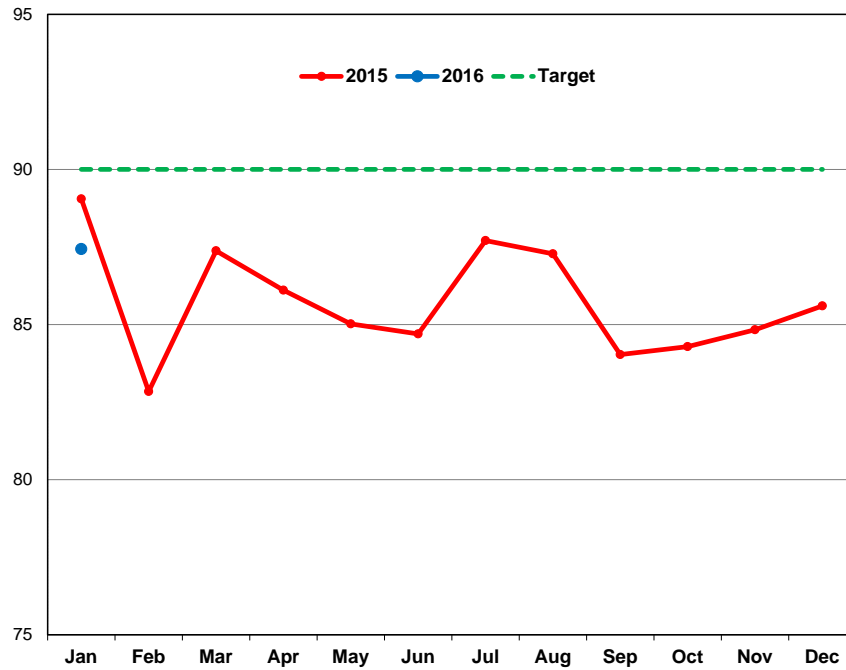
The number of bus short turns decreased in January 2016 for the fourth consecutive month to 1,740, falling to the lowest level in the past two years. Performance in January achieved target.

Note:
Data are based on all seven days of service from Sunday to Saturday.



Wheel-Trans

Punctuality



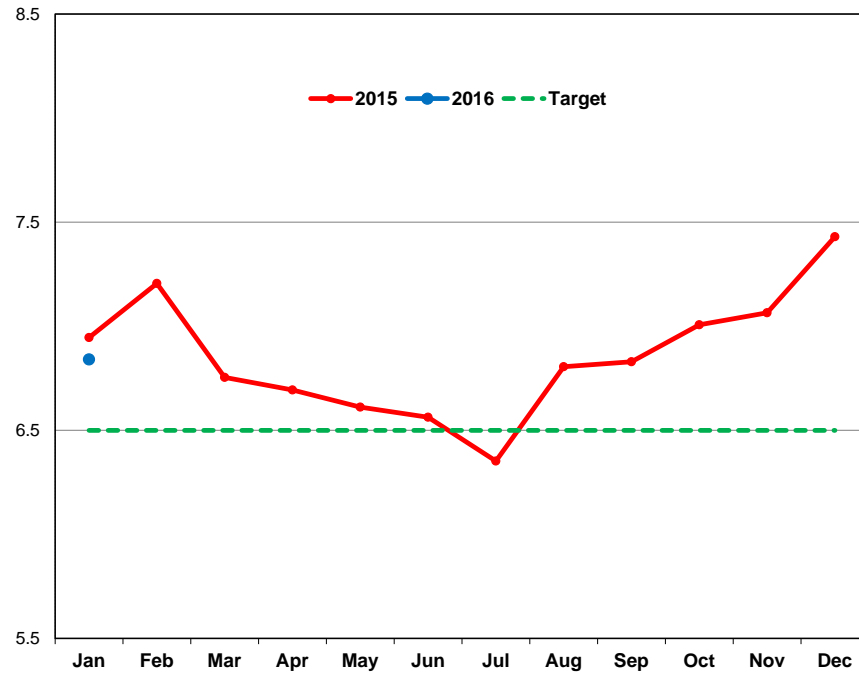
Performance increased in January 2016 to 87.4% but continued to remain below target, with January performance below 2015 levels.



3.3 People

People

Employee Absence



The absenteeism rate in January 2016 decreased for the first time since July 2015; however, it remained above target (unfavourable) for the sixth consecutive month.

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



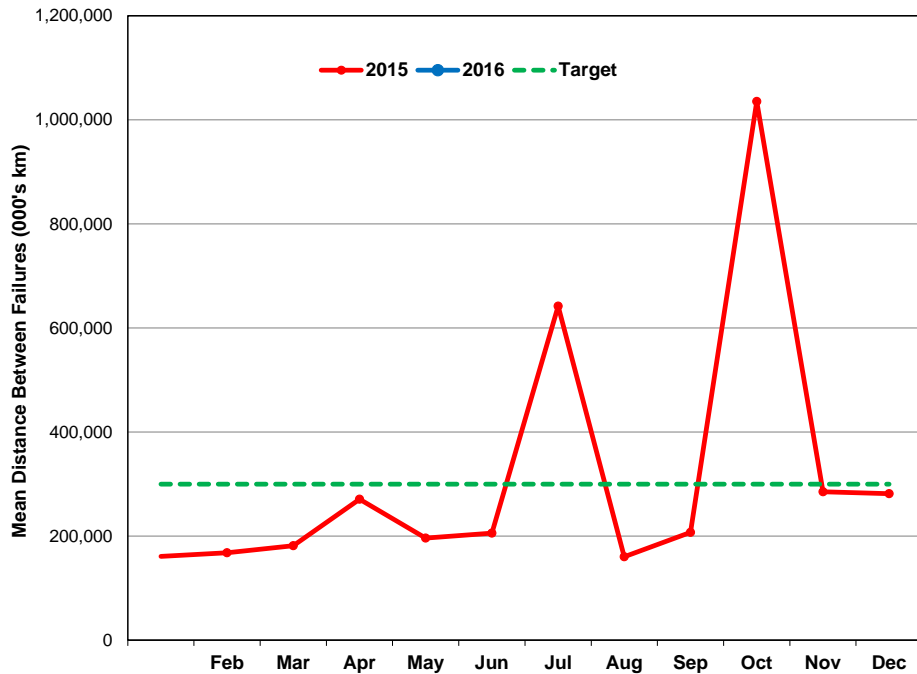
3.4 Assets

Asset: Vehicle Reliability



Subway

T1 Train: Mean Distance Between Failures (MDBF)

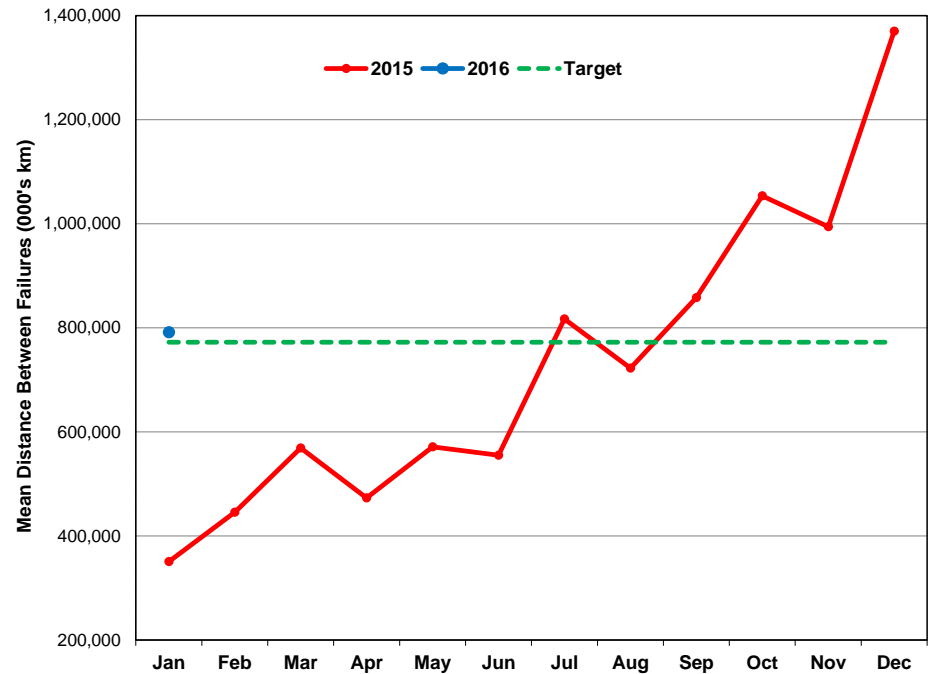


The MDBF increased in January 2016 to 307,137 kilometres and the overall performance was above target for the fourth consecutive month.

Benefits from accelerated door overhauls are expected to be realized in the coming months. Door pocket guides are being overhauled, with an estimated completion at the end of 2016. Master controller upgrades commenced in Q2 2014, with an estimated completion date of Q3 2016.

Maintenance and engineering staff are collaborating to ensure that the standard inspection and door set-up programs are robust. Long-term design solutions include a PLC Door Control System, a Door Interlock Rebuild Program, and a new cab seat prototype design.

TR Train: Mean Distance Between Failures (MDBF)

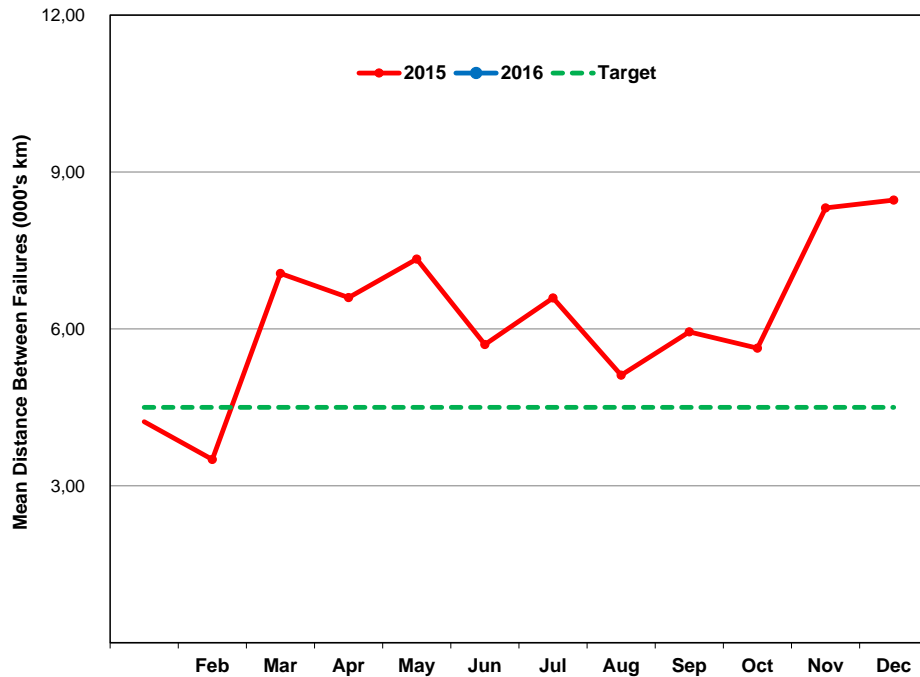


The MDBF decreased in January 2016 to 791,240 kilometres; however, overall performance was above target for the fifth consecutive month.

Brake systems remained one of the top offending items on the TR fleet with 4 delay incidents greater than 5 minutes.

Maintenance staff continues to monitor vehicle performance, as well as hosting regular meetings with Bombardier’s Product Integration (PI) Team, where performance data are reviewed in terms of reliability, fleet modification status, and warranty issues.

CLRV Streetcar: Mean Distance Between Failures (MDBF)

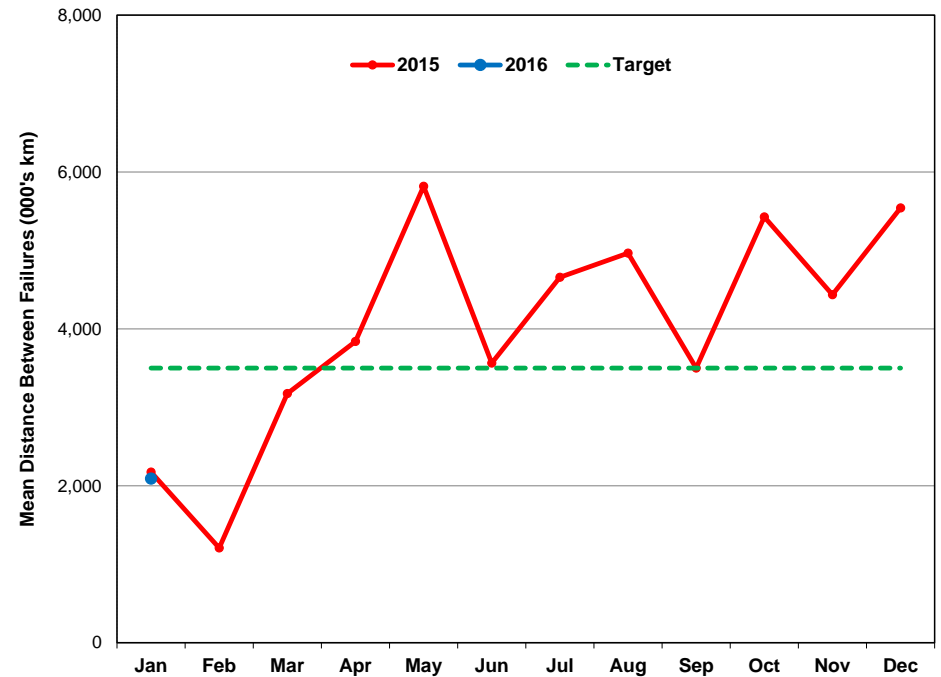


The MDBF decreased in January 2016 to 3,870 kilometres, falling below target for the first time in 11 months.

Considerable problems have been encountered with the CLRV High Voltage System that requires resolution. In addition, problems with CLRV brake actuators and compressors have caused considerable shortage of components. Parts shortages are a significant barrier to sustaining aging streetcar fleet performance Levels.

Staff continues to diagnose and repair repeater cars which were involved in line delays through best practice, cause and effect analysis and to ensure continuous parts availability.

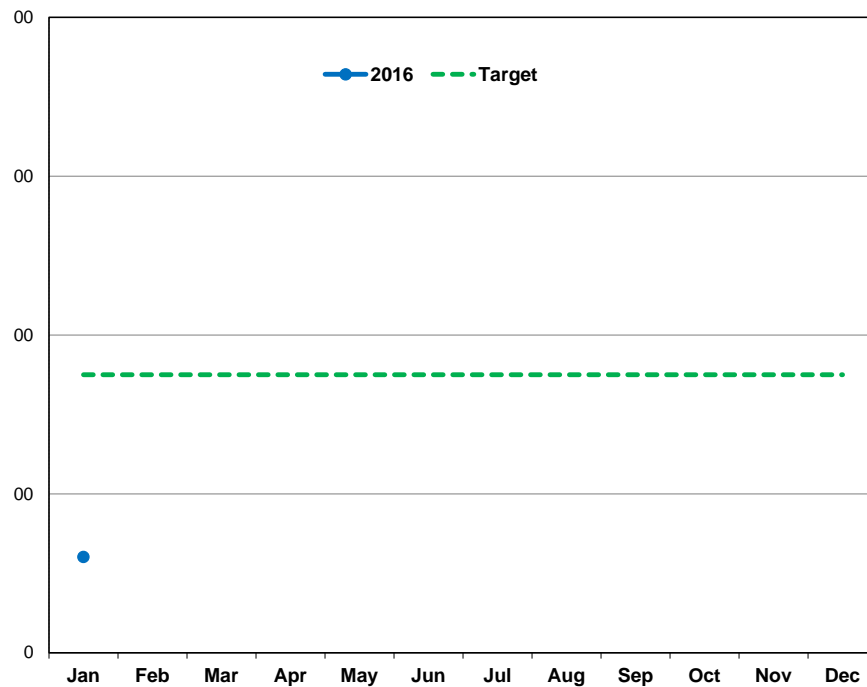
ALRV Streetcar: Mean Distance Between Failures (MDBF)



The MDBF decreased in January 2016 to 2,091 kilometres, falling below target for the first time in 10 months.

Parts availability remains a significant barrier. Staff is working to ensure continuous parts availability.

New Streetcar: Mean Distance Between Failures (MDBF)



The MDBF in January 2016 was 12,044 kilometres.

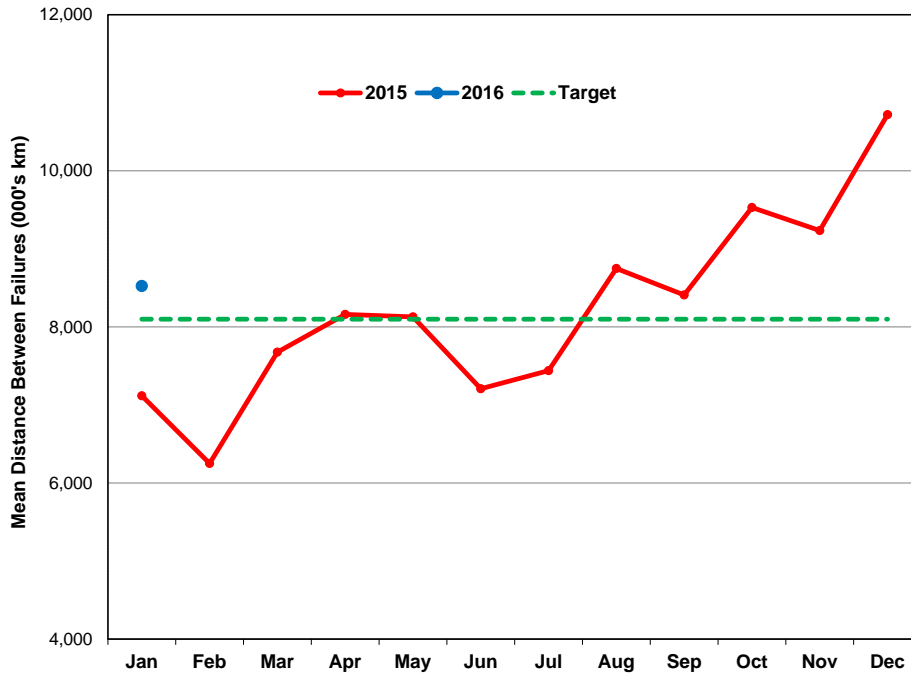
The contractual MDBF is 35,000 km. This target must be met as a pre-requisite for delivery of the 61st new streetcar and beyond. The MDBF results for the new streetcars are subject to review by the Failure Review Board, which will be composed of representatives from the car builder and TTC. The MDBF data is for relevant vehicle-related delays only. The data does not account for delays caused by the systems such as Radio (TTC Communications) and Farecard (PRESTO).

The TTC's target will be established after the receipt of the 60th new streetcar in 2017.



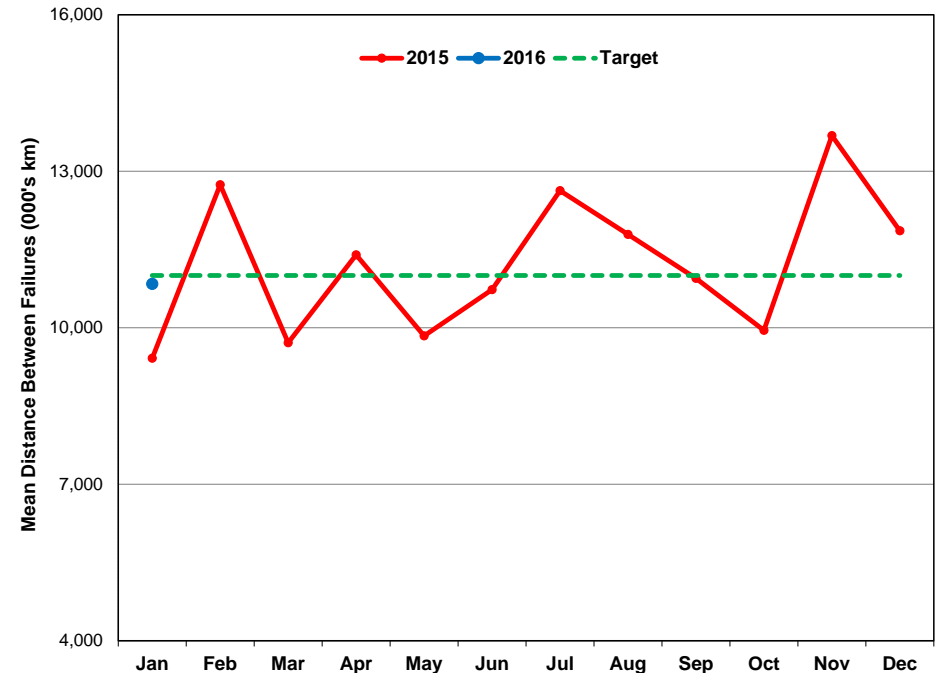
Bus

Bus: Mean Distance Between Failures (MDBF)



Wheel-Trans

Wheel-Trans: Mean Distance Between Failures (MDBF)



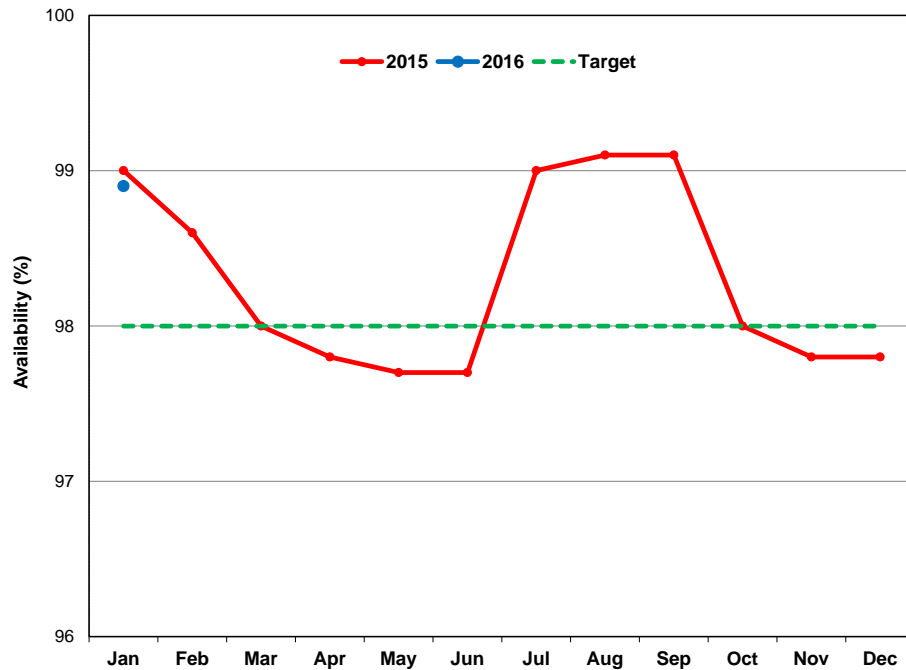
The MDBF decreased in January 2016 to 10,841 kilometres, falling slightly below target. The slight decline was the result of several engine failures.

The Friendly 1 & 2 bus fleet axle replacement program increased fleet reliability, resulting in a decrease in ELF bus fleet usage, which is inherently less reliable due to age and technology.

The F1 air system upgrade and F2 battery cable upgrade helped with the increase in reliability. Repair and maintenance of the Heating System is ongoing for the winter season.

Assets: Equipment Availability

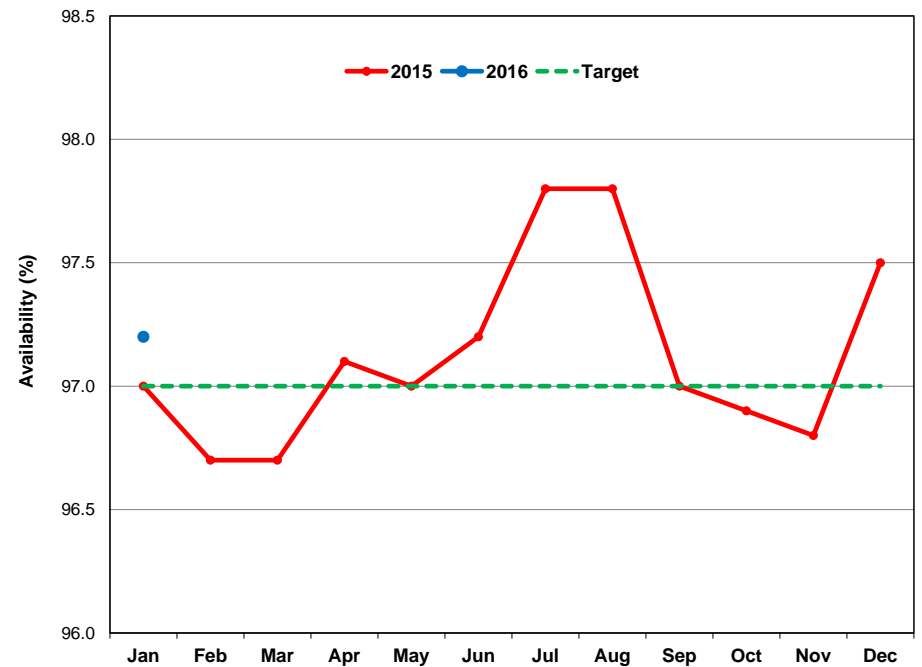
Elevators



Performance in January 2016 increased to 98.9% and was above target.

Elevator maintenance was completed as planned and scheduled.

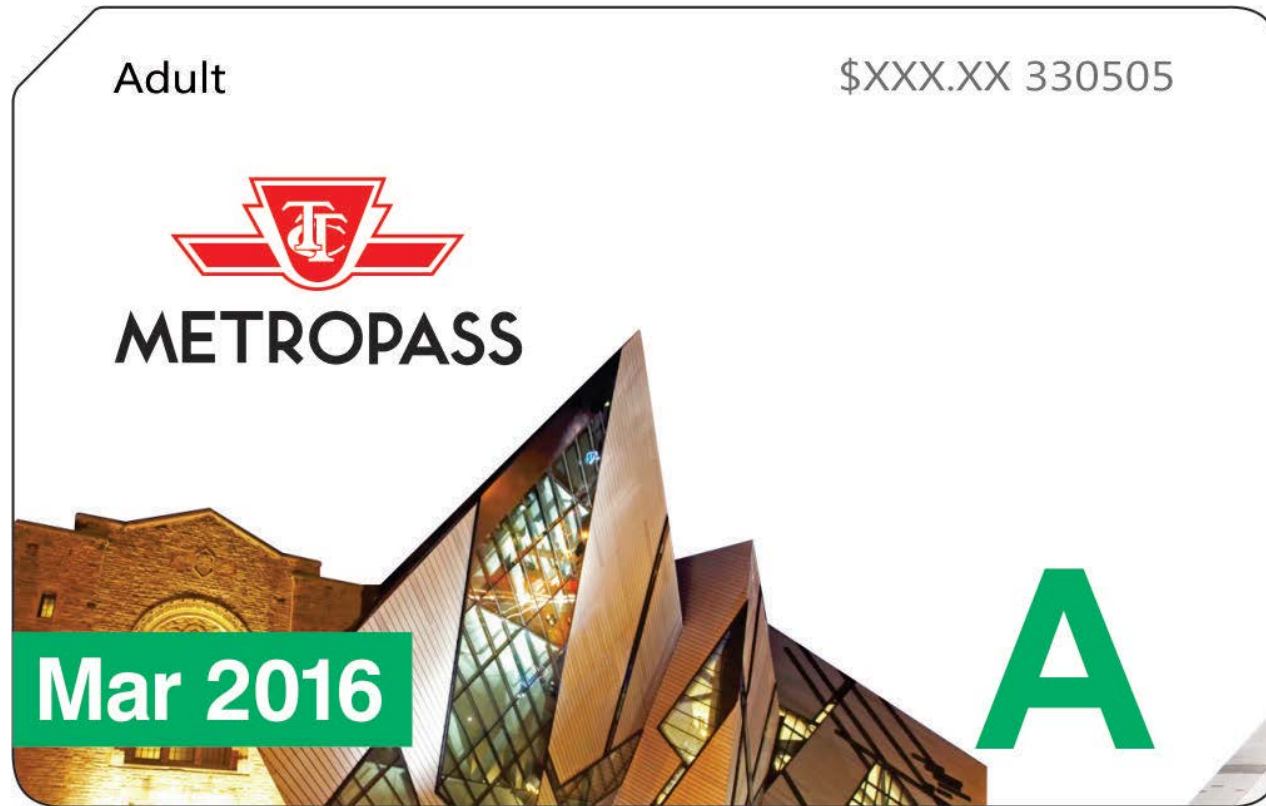
Escalators



Performance January 2016 increased to 97.2% and was above target.

Escalator maintenance was completed as planned and scheduled.

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3.5 Financials

Financials

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

TTC Operating Budget

2015 Year-End Results

The revenue, expense, and subsidy amounts shown in the following table are preliminary and subject to audit. The final 2015 audited financial statements are scheduled to be presented to the TTC Audit and Risk Management Committee on May 25, 2016.

(millions)	Projection	Budget	Variance
2015 TTC Operating Budget			
Customer Journeys (Ridership)*	534	545	(11)
Revenue	\$1,178.7	\$1,206.7	(\$28.0)
Expenses	\$1,651.3	\$1,689.4	(\$38.1)
Subsidy Required	\$472.6	\$482.7	(\$10.1)
Subsidy Available**	\$482.7	\$482.7	-
Surplus/(Shortfall)	\$10.1	-	\$10.1

*Excludes 3.6 million free rides associated with the Pan Am / Parapan Am Games

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

The preliminary surplus of \$10.1 million includes the following significant revenue and expense budget variances.

Passenger Revenues: \$32.4 million decrease

The number of customer journeys for the year was 534 million which fell 11 million or 2% below the target of 545 million. Most of this shortfall stems from the negative impact of severe cold temperatures and snow, ongoing planned system closures, labour disruptions at two universities and the March 1 fare increase as well as the lower average fare.

Other Revenues: \$4.4 million increase

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

Departmental Non-labour expenses: \$15.4 million decrease

Certain non-labour requirements, primarily for supplies and services, to support various facilities were less than expected.

Hydro & Utilities: \$7.1 million decrease

Less than forecasted hydro and natural gas consumption, primarily due to the warmer than normal winter temperatures, accounts for most of this favourable variance.

Leasing expenses: \$6.1 million decrease

Delays in securing leases for facilities required for bus storage and maintenance and the warehousing of spare parts and supplies inventory resulted in this underexpenditure.

Diesel: \$4.5 million decrease

A marginally lower fuel consumption rate than anticipated accounts for this positive result.

Employee Benefits: \$3.3 million decrease

Lower than anticipated utilization of health and dental care benefits along with lower WSIB expenses are the key factors behind this favourable variance.

Depreciation: \$2.2 million decrease

2015 expenditures for capital assets funded in part or in whole by the TTC, were less than projected.

Contribution to Capital: \$5.2 million increase

The \$13.9 million contribution towards the purchase of 50 new buses associated with certain service enhancements for 2015 was exceeded because all of these buses were delivered in 2015.

Other: \$4.7 million decrease

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

**TORONTO TRANSIT COMMISSION
2015 OPERATING BUDGET - INCOME STATEMENT**

(\$000s)	Period 12: Five Weeks November 29 to December 31, 2015				Twelve Periods to Thursday, December 31, 2015			
			Over/(Under)	Over/(Under)			Over/(Under)	Over/(Under)
	Actual	Budget	Budget	Budget %	Actual	Budget	Budget	Budget %
TOTAL REVENUES	102,017	104,855	(2,838)	-2.7%	1,178,698	1,206,688	(27,990)	-2.3%
TOTAL EXPENSES	216,059	191,868	24,191	12.6%	1,714,401	1,729,248	(14,847)	-0.9%
ADD: CITY SPECIAL COSTS					3,608	3,576	32	0.9%
DEDUCT LONG-TERM RECEIVABLE RE EMPLOYEE BENEFITS					40,122	30,600	9,522	31.1%
DEDUCT LONG-TERM RECEIVABLE RE ACCIDENT CLAIMS					26,602	12,830	13,772	107.3%
OPERATING SUBSIDY REQUIRED in 2015					472,587	482,706	(10,119)	-2.1%
CITY OPERATING SUBSIDY AVAILABLE					473,731	473,731	-	0.0%
DRAW FROM STABILIZATION RESERVE					8,975	8,975	-	0.0%
SHORTFALL / (SURPLUS)					(10,119)	-	(10,119)	100.0%

<u>REVENUES:</u>								
Passenger Revenues	95,484	99,282	(3,798)	-3.8%	1,107,907	1,140,356	(32,449)	-2.8%
Outside City & Charters	1,664	1,590	74	4.7%	17,813	17,604	209	1.2%
Advertising	2,178	2,178	-	0.0%	26,137	26,138	(1)	0.0%
Rent Revenue	826	857	(31)	-3.6%	11,208	10,276	932	9.1%
Commuter Parking	801	747	54	7.2%	10,637	9,932	705	7.1%
Other Income	1,064	201	863	429.4%	4,996	2,382	2,614	109.7%
TOTAL REVENUES	102,017	104,855	(2,838)	-2.7%	1,178,698	1,206,688	(27,990)	-2.3%
<u>EXPENSES (LABOUR & NON-LABOUR)</u>								
CEO's Office	2,203	2,153	50	2.3%	21,781	24,745	(2,964)	-12.0%
Engineering, Construction & Expansion Group	434	384	50	13.0%	3,416	3,603	(187)	-5.2%
Corporate Services Group	8,872	7,327	1,545	21.1%	78,017	80,767	(2,750)	-3.4%
Strategy and Customer Experience Group	2,582	1,859	723	38.9%	19,943	20,713	(770)	-3.7%
Operations Group	45,710	50,599	(4,889)	-9.7%	503,162	515,638	(12,476)	-2.4%
Service Delivery Group	47,497	46,823	674	1.4%	476,620	474,284	2,336	0.5%
Employee Benefits	32,919	31,632	1,287	4.1%	317,874	321,220	(3,346)	-1.0%
Vehicle Fuel	8,203	8,820	(617)	-7.0%	89,711	94,249	(4,538)	-4.8%
Traction Power	3,403	4,495	(1,092)	-24.3%	47,924	53,105	(5,181)	-9.8%
Utilities (Hydro, Natural Gas, Water)	838	2,881	(2,043)	-70.9%	22,612	24,565	(1,953)	-8.0%
Taxes and Licences	(114)	251	(365)	-145.4%	2,367	2,965	(598)	-20.2%
Depreciation	591	2,792	(2,201)	-78.8%	30,144	32,345	(2,201)	-6.8%
Accident Claims & Insurance	32,197	15,665	16,532	105.5%	57,620	44,082	13,538	30.7%
Non-Departmental Costs	11,552	2,251	9,301	413.2%	24,038	23,031	1,007	4.4%
Contribution to Capital re: 50 additional buses	19,172	13,936	5,236	37.6%	19,172	13,936	5,236	37.6%
TOTAL EXPENSES	216,059	191,868	24,191	12.6%	1,714,401	1,729,248	(14,847)	-0.9%
ADD: CITY SPECIAL COSTS					3,608	3,576	32	0.9%
DEDUCT LONG-TERM RECEIVABLE RE EMPLOYEE BENEFITS					40,122	30,600	9,522	31.1%
DEDUCT LONG-TERM RECEIVABLE RE ACCIDENT CLAIMS					26,602	12,830	13,772	107.3%
OPERATING SUBSIDY REQUIRED in 2015					472,587	482,706	(10,119)	-2.1%
CITY OPERATING SUBSIDY AVAILABLE					473,731	473,731	-	0.0%
DRAW FROM STABILIZATION RESERVE					8,975	8,975	-	0.0%
SHORTFALL / (SURPLUS)					(10,119)	-	(10,119)	100.0%

Wheel-Trans Operating Budget

2015 Year-End Results

The revenue, expense, and subsidy amounts shown in the following table are preliminary and subject to audit. The final 2015 audited financial statements are scheduled to be presented to the TTC Audit and Risk Management Committee on May 25, 2016.

(millions)	Projection	Budget	Variance
2015 TTC Operating Budget			
Customer Journeys (Ridership)	3.535	3.246	0.289
Revenue	\$6.5	\$6.2	\$0.3
Expenses	\$117.7	\$115.3	\$2.4
Subsidy Required	\$111.2	\$109.1	\$2.1
Subsidy Available*	\$109.1	\$109.1	-
Surplus/(Shortfall)	(\$2.1)	-	(\$2.1)

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

The preliminary shortfall of \$2.1 million is largely driven by the unprecedented growth in ridership experienced in 2015. An additional 289K (8.9%) customer journeys were taken and this is in part due to more resources added to the Reservations area, which have effectively reduced the call abandonment rates and allowed for the accommodation of more trip requests than originally contemplated.

Overall expenses increased by about \$2.4 million (2%) and revenues were higher by about \$0.3 million (4.7%) as a result of these additional customer journeys. To minimize the costs of the additional trips, service was delivered through less-expensive contracted taxis. In addition, there were reductions in diesel fuel and employee benefits (for the same reasons noted under the TTC Operating Budget section), and savings from workforce gapping.

**WHEEL-TRANS
OPERATING BUDGET - INCOME STATEMENT
PRELIMINARY - SUBJECT TO AUDIT**

PERIOD 12	Period 12: Five Weeks November 29 to December 31, 2015			Twelve Periods to December 31, 2015		
(\$000s)	Actual	Budget	Over/(Under) Budget	Actual	Budget	Over/(Under) Budget
REVENUES:						
Passenger Fares	572	493	79	6,509	6,214	295
EXPENSES:						
CONTRACTED TAXI SERVICE	4,298	2,946	1,352	46,464	39,646	6,818
WHEEL-TRANS BUS SERVICE	4,852	4,798	54	47,358	49,823	(2,465)
OTHER WHEEL-TRANS EXPENSES	1,141	1,092	49	23,865	25,844	(1,979)
TOTAL EXPENSES	10,291	8,836	1,455	117,687	115,313	2,374
OPERATING SUBSIDY REQUIRED IN 2015				111,178	109,099	2,079
OPERATING SUBSIDY AVAILABLE IN 2015 *				109,099	109,099	0
SHORTFALL/(SURPLUS)				2,079	-	2,079

* including \$0.3M draw from the TTC Stabilization Reserve

PASSENGER TRIPS (000s)	315	252	63	3,535	3,246	289
UNACCOMMODATED RATE (%)	0.6	0.8	(0.2)	0.8	0.9	(0.1)
SUBSIDY PER TRIP (\$)	40.27	40.02	0.25	32.29	34.15	(1.86)

Approval of the 2016 TTC and Wheel-Trans Operating Budgets

On February 17, 2016, City Council approved the 2016 TTC and Wheel-Trans Operating Budgets.

In summary:

The Wheel-Trans Operating Budget was approved without any amendments.

The following items from the November 23, 2015 TTC Board-approved TTC Operating Budget were not approved:

1. Approximately \$1.8 million including 20 (dedicated watchpersons) positions for the Track Safety Initiative.
2. Approximately \$7.7 million for Bus Reliability Centred Maintenance.
3. Approximately \$1.8 million for various training including the Safe Service Action Plan (5 year bus recertification being advanced to 3 years), Dual mode streetcar training, eDev, Leadership Development, Career Advisor, Q Stream pilot.
4. Approximately \$2.5 million for Bus reliability service.
5. Approximately \$1.6 million for enhanced express bus service.

The following motions were approved by City Council:

228. City Council approve the 2016 Budget Committee Recommended Operating Budget for Toronto Transit Commission (TTC) Conventional Service of \$1.737 billion gross and \$493.626 million net, comprised of the following service:

<u>Service</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
TTC - Conventional	<u>1,736,756.4</u>	<u>493,626.7</u>
Total Program Budget	<u>1,736,756.4</u>	<u>493,626.7</u>

229. City Council approve the 2016 staff complement for TTC Conventional Service of 13,975 positions (after Councillor Gary Crawford's motion 15c to amend).

230. City Council request the Chief Executive Officer of the Toronto Transit Commission to identify \$5 million in gross and net savings, which is incorporated in the Budget Committee Recommend Budget noted above, though exploring opportunity to, from freezing discretionary expenditures, including but not limited to business travel; conferences, consulting contracts; purchase of equipment, furniture, supplies; advertising promotion and production of materials except where it is critically required for service delivery.

231. City Council direct Toronto Transit Commission staff to continue to work with City staff on establishing service standards and service levels for both the Toronto Transit Commission Conventional Service and Wheel-Trans Service in time for the 2017 Budget process.

232. City Council direct the Chief Executive Officer of the Toronto Transit Commission to report to Executive Committee in June 2016 on PRESTO transition savings that will be used to offset processing fees and associated cost increases.

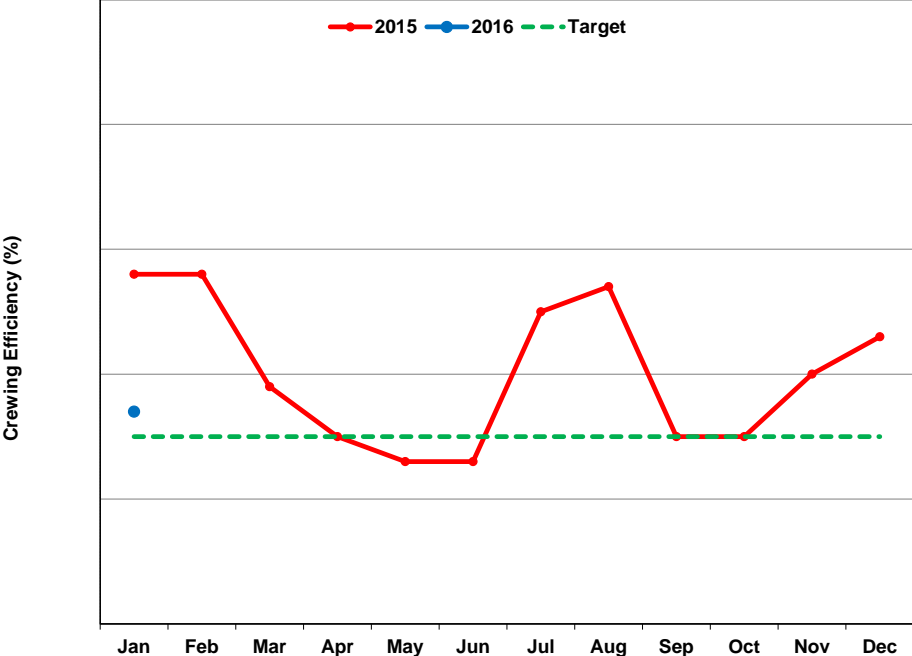
233. City Council approve the 2016 Budget Committee Recommended Operating Budget for Toronto Transit Commission Wheel-Trans Service of \$123.666 million gross and \$116.712 million net, comprised of the following service:

<u>Service</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
TTC – Wheel-Trans	<u>123,665.9</u>	<u>116,712.4</u>
Total Program Budget	<u>123,665.9</u>	<u>116,712.4</u>

234. City Council approve the 2016 staff complement for Toronto Transit Commission Wheel-Trans Service of 565 positions.

235. City Council direct the Chief Executive Officer of the Toronto Transit Commission and the City Manager to continue discussions on partnering with the Province for permanent sustainable funding for impacts of legislated requirements on Wheel-Trans Services' such as the impacts of Accessibility for Ontarians with Disabilities Act (AODA).

Operator Crewing Efficiency



Operator crewing efficiency decreased in January 2016 to 87.17% but continued to remain above target.

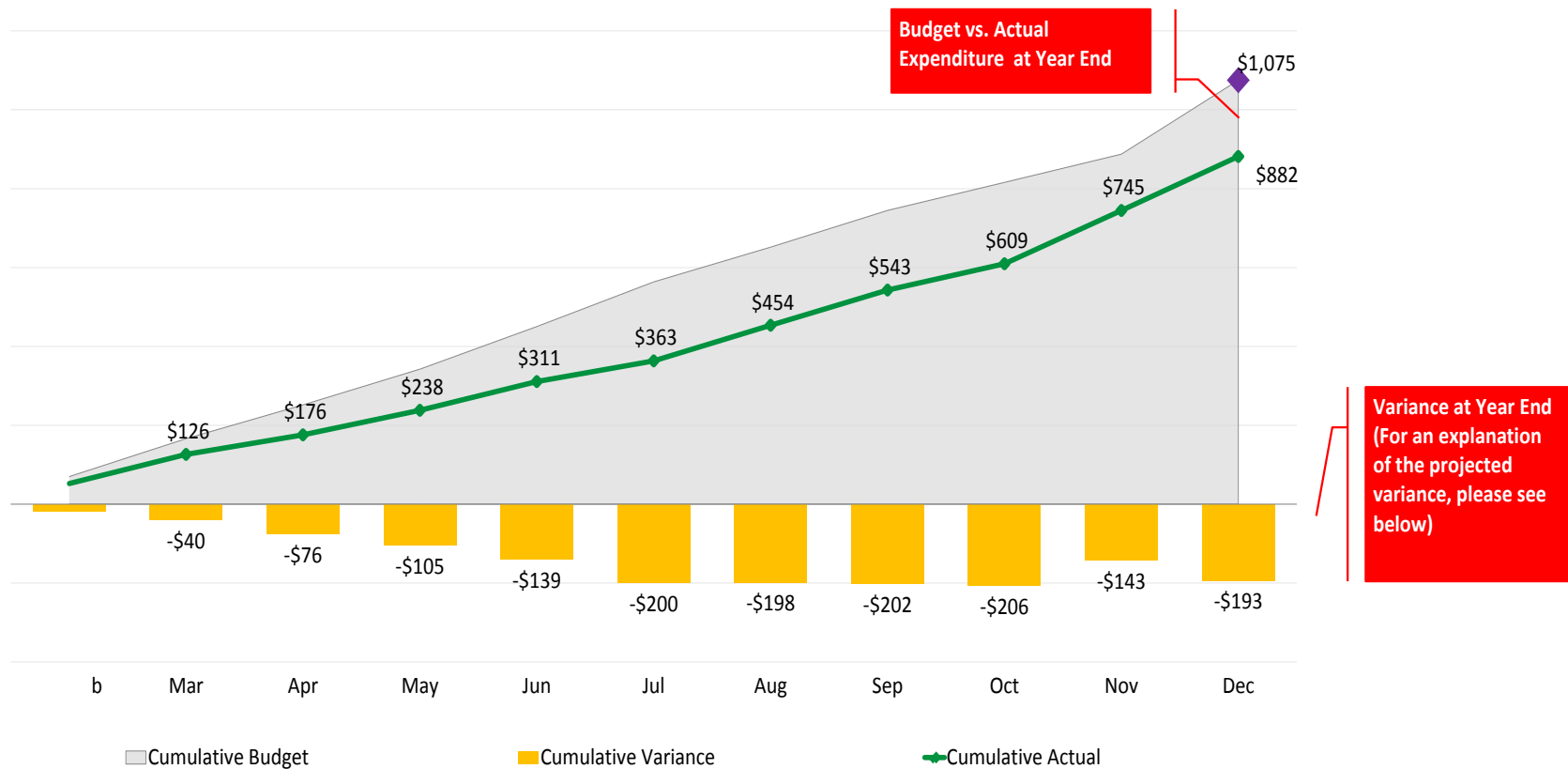
Note:
Crewing efficiency is defined as the ratio of scheduled hours to pay hours.

TTC Capital Budget

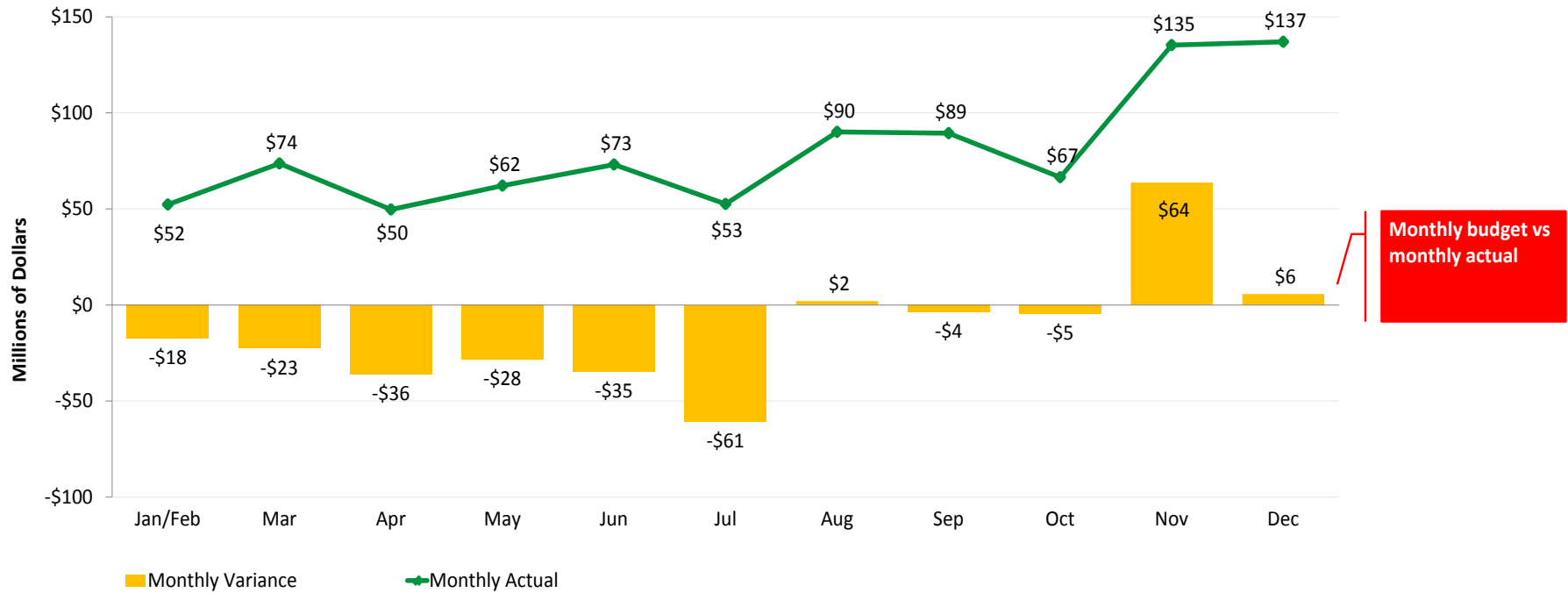
2015 Year-End Results

The capital expenditures shown below are preliminary and subject to audit. The final 2015 audited financial statements are scheduled to be presented to the TTC Audit and Risk Management Committee on May 25, 2016.

2015 Base Capital Program Cumulative Budget Tracking



2015 Base Capital Program Month-to-Month Budget Tracking



Monthly budget vs monthly actual

Unless stated otherwise, data is current as of: Dec. 31, 2015

Reporting frequency: Monthly

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

Capital Budget Variance Explanations

The 2015 budget for base capital programs was underspent by \$193.4 million. The following programs are major contributors to the under-spending:

Communications: \$10.3 million under

Project under-spending is due to: \$2.3M for schedule changes to the Train Door Monitoring project to support the 4 car train sets on Line 4; \$2.2M transfer of budget funds for AODA compliance to the Rail Cars and Shops program (RC&S) for a train-borne solution; \$1.7M deferral of SCADA RTU funds to 2016 due to procurement and manufacturer delays, \$2.1M for delay of subway antenna cable installation; \$1.9M deferral of video equipment replacement due to new requirements for intrusion detection systems and Subway Infrastructure - minor slippage of scheduled work to 2016 \$0.1M.

Signal Systems: \$11.0 million under

Major contributors- Slippage of Wilson Yard Resignalling project scope to commence in 2017 due to work on TYSSE outside the yard, and acceleration of project did not take place. Speed Control System slippage into 2016 and 2017 as a result of ATC project changes and stop order issue to Thales by ATC. Streetcar Trackswitch and Controllers Rehab./Replacement project postponed until 2016; TTC Stakeholders reviewing in 2015 of final solution for hardware replacement and migration plan.

ATC Resignalling: \$25.3 million under

Cancellation of two Computer Based Interlocking contracts resulted in a significant reduction in payments in 2015. During the transition from the two signaling suppliers to one, TTC forces were redirected to non- ATC SOGR work and non-ATC closures which, together with unused ATC closures, accounts for a \$25.3 million under-spend for 2015.

Equipment: \$12.3 million over

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

Streetcar Network Upgrades \$18.8 million over

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

On Grade Paving Rehabilitation Program: \$11.2 million over

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

Leslie Barns Project \$39.4 million under

The variance is due to schedule adjustments including delays in the substantial performance of the Leslie St. Connection Track and delay in commissioning which impacted the value of progress payments for the Leslie Barns facilities.

Toronto Rocket/T1 Rail Yard Accommodation: \$10.6 million over

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

Purchase of Buses: \$16.9 million over

Variance is due to slippage in bus deliveries from 2014 +\$7.0M; cost estimate change - \$0.11M; and advancement of 2016 delivery of 26 buses into 2015 +\$10.0M. As of Dec 31st, complete order of 105 – 40ft buses delivered and 93 commissioned.

Purchase of Subway Cars: \$19.9 million under

Variance is primarily due to transfer of the escalation and contingency allowance to 2016 and slippage of vehicle deliveries from 2015 to 2016 due to Unifor Strike, etc.

Purchase of Streetcars: \$92.9 million under

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

Purchase of Auto/Rail Non-Revenue Vehicles: \$15.2 million under

Variance is due to slippage of vehicle deliveries from 2015 to 2016 mainly due to priority changes to workcar Automatic Train Protection (ATP), much longer tendering process for Paper Vacuum and increased scope for Spot Tamper.

Approval of the 2016-2025 TTC Capital Budget

On February 17, 2016, City Council approved the 2016-2025 TTC Capital Budget.

In summary:

The budget was approved as submitted to the TTC Board on November 23, 2015 subject to the following:

- \$2.679 billion unfunded projects as shown in the table below.

2016-2025 UNFUNDED PROJECTS	
<u>PROJECT</u>	<u>2016-2025</u>
372 Replacement Subway Cars	(915)
201 Replacement Wheel-Trans Buses	(100)
Purchase of 99 40' LF Buses Customer Service Initiative	(75)
Purchase of 675 40' LF Buses	(439)
60 New LRVs for Growth	(361)
Fire Ventilation Upgrade	(182)
Bus Overhaul	(261)
Other SOGR Infrastructure Projects	(346)
Total	<u>(2,679)</u>
** Request of \$9.3B versus funding available of \$6.6B = \$2.7B shortfall	

- Scarborough Subway Extension: City Council approved cash flows based on last year's 2015-2024 Capital Budget submission; 2016 cash flow of \$133 million with carry forward funding from 2015 into 2016 totalling \$13 million (#99-101).
- Toronto Transit Commission Staff to report back to Budget Committee prior to the 2017 Budget process to identify the full operating costs and benefits to be realized from the implementation of SAP Enterprise Resources Planning (ERP) at the TTC (#97).
- Toronto-York Spadina Subway Extension: 2016 cash flow of \$319.587 million and EFC of \$3.184 billion (#98). This includes the \$400 million increase in EFC that was approved by Council at its meeting on February 3, 2016).

Council Approved Recommendations:

95. City Council approve the 2016 Budget Committee Recommended Capital Budget for Toronto Transit Commission with a total project cost of \$552.157 million, and 2016 cash flow of \$879.475 million and future year commitments of \$4.093 billion comprised of the following:

a. New Cash Flow Funds for:

- i. 41 new / change in scope sub-projects with a 2016 total project cost of \$552.157 million that requires cash flow of \$106.416 million in 2016 and future year cash flow commitments of \$221.704 million for 2017; \$82.891 million for 2018; \$4.543 million for 2019; and \$8.533 million for 2020; \$54.689 million for 2021; \$54.955 million for 2022; and \$56.309 million for 2023; \$22.859 million for 2024; (\$60.742) million for 2025;
 - ii. 56 previously approved sub-projects with a 2016 cash flow of \$773.059 million; and future year cash flow commitments of \$987.694 million for 2017; \$825.969 million for 2018; and \$766.298 million for 2019; \$366.233 million for 2020; \$197.403 million for 2021; and 96.935 million for 2022; \$100.622 million for 2023; \$136.608 million for 2024; and \$169.911 million for 2025;
- b. 2015 approved cash flow for 32 previously approved sub-projects with carry forward funding from 2015 into 2016 totalling \$235.525 million.

96. City Council approve the 2017 - 2025 Budget Committee Recommended Capital Plan for Toronto Transit Commission totalling \$1.429 billion million in project estimates, comprised of \$1.113 million in 2017; \$121.841 million for 2018; \$176.752 million for 2019; \$194.266 million for 2020; \$188.788 million for 2021; \$194.112 million for 2022; \$185,159 million for 2023; \$178.510 million for 2024; and \$188.306 million in 2025.

97. City Council direct Toronto Transit Commission staff to report back to Budget Committee prior to the 2017 Budget process to identify the full operating costs and benefits to be realized from the implementation of SAP Enterprise Resources Planning (ERP) at the Toronto Transit Commission.

98. City Council approve the 2016 Budget Committee Recommended Capital Budget for the Toronto-York Spadina Subway Extension with no new project cost, and 2016 cash flow of \$319.587 million and future year commitments of \$343.798 million comprised of the following:

a. New Cash Flow Funding for:

- i. 1 previously approved sub-project with a 2016 cash flow of \$252.032 million; and a future year cash flow commitment of \$343.798 million in 2017; and \$13.962 million in 2018.
- b. 2015 approved cash flow for 1 previously approved sub-project with carry forward funding from 2015 into 2016 totalling \$67.555 million.

99. City Council approve the 2016 Budget Committee Recommended Capital Budget for the Scarborough Subway Extension with a total project cost of \$120.118 million, and 2016 cash flow of \$133.102 million and no future year commitments comprised of the following:

a. New Cash Flow Funding for:

i. 1 previously approved sub-project with a 2016 cash flow of \$120.118 million in 2016; and no future year cash flow commitments.

b. 2016 approved cash flow for 1 previously approved sub-project with carry forward funding from 2015 into 2016 totalling \$12.984 million.

100. City Council direct the Toronto Transit Commission to seek City Council approval of any additional cash flow funding in 2016 and cash flow funding commitments for 2017-2025 for Scarborough Subway Extension as cash flows between 2017-2025 will be budgeted as planned forecasts with no authority to spend.

101. City Council approve the 2017-2025 Budget Committee Recommended Capital Plan for the Scarborough Subway Extension totalling \$3.372 billion in project estimates, \$185.550 million in 2017; \$268.162 million in 2018; \$756.903 million in 2019; \$711.403 million in 2020; \$618.395 million in 2021; \$464.992 million in 2022; \$215.273 million in 2023; \$31.000 million in 2024; and \$136.501 million in 2025.

Ontario Budget 2016

On February 25, 2016, the Minister of Finance, Charles Sousa, tabled the Provincial Budget. Below are highlights with respect to the TTC:

Capital Funding

The budget contained updates on existing infrastructure/transit funding programs/projects, but not new specific funding relating to transit in Toronto or more specifically the TTC. There were also contributions to transit R&D that we will keep abreast of.

Electricity Debt Retirement Charge

This is to be eliminated effective April 2018. The estimated annual impact on operating budgets: reduction of \$3 million.

Ontario's Cap-and-Trade Program

Generally, this new program is very good news for transit with the revenues generated by it going in part to fund transit. This starts January 1, 2017. **However, there is one downside for transit.** It is anticipated the cost of fuels, diesel, gasoline, natural gas and heating oils, will increase because the producers of these products will now be required to either make investments in reducing their greenhouse gas emissions or purchase allowances to exceed the emissions "cap" (i.e. limit), and the associated costs are expected to be passed down to consumers. Based on the current forecast for the price of carbon, the Provincial Budget documents project gasoline prices will increase by 4.3 cents per litre and natural gas by 3.3 cents per cubic metre. Assuming the 4.3 cents per litre applies to diesel fuel, the annual diesel fuel increase for the TTC will be about \$4.3 million. In addition, the natural gas increase will be about \$0.7 million. **In total, this will increase TTC operating costs by \$5 million per year.**

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4. Critical Projects



Critical Projects

Current as of Jan 2016 | Next update Apr 2016

The dashboard below provides a quarterly snapshot in time of the health status for major programs and projects that comprise the TTC project portfolio. The programs and projects, referred to hereafter as 'projects', have been included in the dashboard due to their magnitude and/or strategic significance. Collectively, the dashboard comprises 52% of the base capital program and 100% of the fully funded expansion projects.

Dashboard data will be refreshed quarterly (i.e. January, April, July, October) at which point the CEO Report will also include one page status updates for each of the projects listed. Major changes necessitating an immediate update will be discussed in Section 2 – CEO Commentary.

Project	Strategic Objective	Cost (millions)					Schedule			Outlook to Completion			
		Budget	Actual		Projected		Start Date	End Date		Schedule	Cost	Scope	Risk
			LTD	%	Cost	%		Approved	Revised				
Bus Fleet & Facilities													
Vehicles: Purchase of Buses *	Assets	\$837	\$522	62%	\$840	100%	Ongoing	Q4 2019		G	G	G	G
Facilities: McNicoll Bus Garage	Growth	\$181	\$7	4%	\$181	100%	Q4 2012	Q4 2019	Q2 2020	Y	G	G	Y
Management Systems: VISION (CAD/AVL)	Customer	\$95	\$2	2%	\$95	100%	Q1 2014	Q4 2020		G	G	G	G
Streetcar Fleet & Facilities													
Vehicles: Purchase of New Streetcars	Assets	\$1,187	\$53	4%	\$1,187	100%	Q2 2009	Q4 2019		Y	G	G	R
Facilities: Leslie Barns	Growth	\$507	\$432	85%	\$517	102%	2008	Q4 2015	Q2 2016	R	R	G	R
Track: Surface Track *	Assets	\$358	\$211	59%	\$381	106%	Ongoing	Q4 2018		G	Y	G	G
Subway Fleet & Infrastructure													
Vehicles: Purchase of Subway Cars	Assets	\$1,172	\$1,088	93%	\$1,167	100%	Q2 2011	Q4 2016		G	G	G	G
Stations: Easier Access III **	Assets	\$491	\$221	45%	\$655	134%	2006	2025		Y	Y	G	Y
Facilities: TR / T1 Rail Yard Accomodation **	Assets	\$514	\$110	21%	\$985	192%	2010	Post 2025		G	G	G	G
Track & Tunnels: Subway Track *	Assets	\$304	\$126	41%	\$303	100%	Ongoing	Q2 2018		G	G	G	G
Signals: Automatic Train Control (ATC Line 1)	Assets	\$563	\$258	46%	\$563	100%	Q2 2009	Q4 2019		G	G	G	G
Expansion													
Toronto-York Spadina Subway Extension (TYSSE)	Growth	\$2,748	\$2,213	81%	\$2,748	100%	Q2 2008	Q4 2017		G	Y	G	Y
Scarborough Subway Extension	Growth	\$3,305	\$9	0%	\$3,305	100%	Q4 2013	Q4 2023		Y	G	G	G
Management Systems													
PRESTO	Customer	\$47	\$18	38%	\$47	99%	Q4 2012	Q4 2017		Y	G	G	Y
SAP	Financial	\$63	\$4	6%	\$63	100%	Q1 2014	Q3 2019		Y	G	G	Y

*These projects are ongoing in nature. The performance data presented reflects the 10-year funding envelope only.

**A portion of required scope for this project is currently not in the approved budget. The projected cost and the end date reflect the total scope.

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NATIONAL
BANK
FINANCIAL



York St



4015
5174 QUEEN'S WEST CEN VIA KING
4015



For further information on TTC performance, projects, and service, please see www.ttc.ca

Andy Byford
Chief Executive Officer
Toronto Transit Commission



Safety	Date Completed
Operational and Occupational Safety	
✓ Develop Corporate Fire Safety Program	Q2 2013
✓ Approve Emergency Management Program	Q3 2013
✓ Corporate Emergency Plan	Q3 2013
✓ Completed Legal Compliance Audit of all TTC activities	Q3 2014
✓ Complete Emergency Management Simulations	Q4 2014
✓ Approve Environmental Plan	Q1 2015
✓ Approve Corporate Security Escalation Plan	Q2 2015
✓ Approve and Implement Development of Corporate SH&E Policies and Processes Procedure	Q3 2015
✓ Approve and Implement Incident reporting & Investigation Corporate Program	Q3 2015
Enterprise Risk Management	
✓ ERM Defined as Core Strategy	Q2 2013
✓ Establish Risk and Governance Committee(RGX)	Q2 2014
✓ Establish Risk Management Office(RMO)	Q4 2014
✓ Procured and Configured First Priority,TTC's ERM Platform	Q1 2015
✓ RM Framework Defined	Q2 2015
✓ Develop Risk Management Training	Q2 2015
✓ Deploy ERM System to 33% of TTC Departments	Q4 2015



Customer	Date Completed
Customer-focused Station Business Model	
✓ Develop a New Station Management Model	Q1 2013
✓ Introduce Duty Station Managers	Q1 2014
Customer information strategy	
✓ Enable Wi-Fi and Cell at Two Stations	Q4 2013
✓ Develop a New TTC System Map	Q4 2013
✓ New TTC System Map on streetcars	Q2 2015
✓ 360 Kiosk Map	Q2 2015
Fares	
✓ Establish Support Persons ID	Q2 2014
✓ PRESTO Initial Deployment	Q4 2014
Measure	
✓ Carry Out Wheel Trans Survey	Q2 2014
✓ Journey Time Metric (Phase 1 prototype)	Q4 2014
Customer Relationship Management	
✓ Accommodate Customer Call Volume	Q3 2014
✓ CRM System – Prototype Rolled Out	Q1 2015
Primary Revenue Strategy	
✓ Develop a P.O.P. & Fare Enforcement Strategy	Q3 2014
✓ Create a Case for a Revenue Protection Team	Q3 2014



Customer Engagement

- ✓ Carry Out Town Halls Q4 2013
- ✓ Carry Out Town Halls Q4 2014
- ✓ Wi-fi enabled on Line 1 “U” Q1 2015
- ✓ POP implemented on 50% of streetcars Q2 2015
- ✓ 26 Stations Presto Enabled Before Pan Am/ Para Pan Q2 2015
- ✓ Support Pan Am/ Para Pan Q3 2015
- ✓ Transit Fare Inspector Pilot Initiated Q3 2015
- ✓ Expanded Blue Night Network Implemented Q4 2015
- ✓ PRESTO-Implemented on Legacy Streetcars Q4 2015
- ✓ Full POP on all Streetcars Q4 2015
- ✓ Stakeholder Satisfaction Survey Launched Q4 2015
- ✓ 40 LED NVIS Installed in 20 Bus/Streetcar Bays Q4 2015

New Means to Engage Customers

- ✓ E-ticketing application launch Q2 2015
- ✓ Journey Time Metric System design complete Q3 2015
- ✓ Install Bike Repair Stands at 10 Stations Q3 2015
- ✓ All Day Everyday Service restored Q4 2015
- ✓ WiFi enabled in 6 additional Stations Q4 2015
- ✓ Customer Relationship Management System-Phase 1 Implemented Q4 2015
- ✓ 50 PVS,NVAS and SIS screens installed in 30 Stations Q4 2015



People	Date Completed
Performance Management Framework	
✓ Develop Employee Rewards and Recognition	Q4 2013
✓ Implement Operator Refresher and Certification	Q4 2013
✓ Selected External LEAD participants	Q3 2015
✓ External LEAD rotations initiated	Q4 2015
✓ Rewards & Recognition Gala Held	Q1 2016
Staff Engagement Strategy	
✓ Conduct Roadshows on Corporate Plan	Q4 2013
✓ Deploy new Uniforms	Q3 2014
✓ Pilot Narrowcasting at Operating Divisions	Q3 2014
✓ Conduct Annual Employee Engagement Survey	Q4 2014
✓ Deploy Narrowcasting at Operating Div. (Full Deployment)	Q4 2014
✓ Present Employee Engagement Action Plan to TTC Board	Q1 2015
✓ Second Batch of Uniforms distributed	Q2 2015
✓ Director-Change Management onboarded	Q3 2015
✓ Corporate Wellness-Diabetes screening campaign	Q4 2015
✓ Launched enhanced eDev catalogue for all Employees	Q4 2015
✓ 50% of Change Management team onboarded	Q1 2016
Management Development and Succession Planning	
✓ Third party	Q1 2015



Assets	Date Completed
Capacity Management	
✓ Delivery of Toronto rockets	Q2 2013
✓ Initiate Articulated Buses Deployment	Q4 2013
✓ Initiate New Streetcar Deployment	Q3 2014
✓ Pilot Increase Subway Run Time	Q4 2014
✓ Deploy Articulated Buses (Full Deployment)	Q1 2015
✓ Leslie Carhouse Storage for New Streetcars	Q4 2015
System Cleanliness	
✓ Implement system cleanliness- stations	Q2 2014
✓ Complete subway station track level cleaning	Q4 2014
✓ Complete subway station wall cleaning	Q4 2014
Asset Management	
✓ Create Subway Car Fleet and Facility Plan	Q3 2014
✓ Create Bus Fleet and Facility Plan	Q3 2014
✓ Create Streetcar Fleet and Facility plan	Q3 2014

Growth	Date Completed
Station Modernization	
✓ Complete Pape Station Modernization	Q4 2013
✓ Complete Dufferin Station Modernization	Q4 2014
✓ Complete Union Station Modernization	Q2 2015



Second Exit and Easier Access Programs

- ✓ Complete Lawrence West Station Elevator Q4 2014
- ✓ Construction Phase commenced for Dupont Station Elevator Q4 2015

Reputation

**Date
Completed**

Positive Political Engagement

- ✓ Develop Positive engagement Q4 2013

Employee Communications

- ✓ Pilot Narrowcasting at Operating Divisions Q3 2014
- ✓ Fully Deploy Narrowcasting at Operating Divisions Q4 2014

Financial Sustainability

**Date
Completed**

Efficiency and Core Business

- ✓ Electronic Information Management System approved Q2 2015
- ✓ SAP Wave 1-Release 1-Recruitment Q4 2015



Attachment 3

Project / Program Name	Completion
1 VISION(CAD/AVL) Program	Q4 2020
2 Employee Development Program	Q4 2017
3 Change Management	Q2 2016
4 Organizational Span of Control Review	Q2 2016
5 Corporate Wellness Campaign	Q4 2016
6 Diversity & Inclusion	Q2 2016
7 Retention/Hot Skills	Q3 2016
8 Recruitment Process Review	Q1 2017
9 New Brand Strategy	Q4 2016
10 POP & Transit Fare Inspectors	Q4 2016
11 Service Enhancements	Q4 2016
12 McNicoll Bus Garage	Q4 2019
13 TR/TR1 Rail Yard Accommodation	Post 2025
14 Warehousing Strategy	TBD
15 Transit Control Modernization & Expansion	TBD
16 Line 2 Modernization "BD"	TBD
17 Wheel Trans 10 Year Strategy	TBD