



STAFF REPORT INFORMATION ONLY

Chief Executive Officer's Report – October 2016 Update

Date:	October 27, 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

Vince Cosentino, Director – Statistics, vince.cosentino@ttc.ca, Tel. 416-393-3961

Attachments

Chief Executive Officer's Report – October 2016 Update

Chief Executive Officer's Report

***Toronto Transit Commission
October 2016 Update***



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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About the cover:

**TTC Subway Musician, Morad Saad Guzman
(featured on ttc.ca)**



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 per 100 Employees	Aug 2016	3.64	2.81	✘		15
Customer Injury Incidents	Injury Incidents per 1M Boardings	Aug 2016	1.39	1.69	✔		15
Offences against Customers	Offences per 1M Boardings	Aug 2016	0.54	0.56	✔		16
Offences against Staff	Offences per 100 Employees	Aug 2016	0.23	0.28	✔		16
Customer: Journeys							
	TTC Customer Trips	Aug 2016	38.0M	39.2M	✘		19
	TTC Customer Trips	2016 y-t-d to Aug	349.4M	358.6M	✘	NA	19
	PRESTO Customer Trips	Aug 2016	2.08M	0.93M	✔		20
	Wheel-Trans Customer Trips	Aug 2016	295K	288	✔		20
	Wheel-Trans Customer Trips	2016 y-t-d to Aug	2.55M	2.43M	✔	NA	20
Customer: Satisfaction							
	Customer Satisfaction Score	Q2 2016	80%	75%	✔		21
Customer: Environment							
	Station Cleanliness	Audit Score	Q2 2016	75.7%	✔		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
Bus Cleanliness	Audit Score	Q2 2016	86.7%	90%	✘		25
Subway Cleanliness	Audit Score	Q2 2016	88.3%	75%	✔		25
Streetcar Cleanliness	Audit Score		Data will be available Q1 2017				

Customer: Service Performance



Subway

1	Yonge-University	Delay Incidents	Q2 2016	1,984	1,791	✘		26
		Delay Minutes	Q2 2016	3,372	3,653	✔		26
		Trains per Hour in AM Peak	Aug 2016	23.4	25.5	✘		27
2	Bloor-Danforth	Delay Incidents	Q2 2016	2,535	1,596	✘		28
		Delay Minutes	Q2 2016	5,149	3,340	✘		28
		Trains per Hour in AM Peak	Aug 2016	21.3	23.8	✘		29
3	Scarborough	Delay Incidents	Q2 2016	160	156	✘		30
		Delay Minutes	Q2 2016	703	927	✔		30
		Trains per Hour in AM Peak	Aug 2016	10.1	12.0	✘		31

✔ 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	Q2 2016	184	129	✗		32
	Delay Minutes	Q2 2016	290	311	✓		32
	Trains per Hour in AM Peak	Aug 2016	11.0	10.9	✓		33
Streetcar	On-Time Departure	Aug 2016	39.7%	90%	✗		34
	Short Turns	Aug 2016	2,213	50% less than 2015	✓		34
Bus	On-Time Departure	Aug 2016	76.4%	90%	✗		35
	Short Turns	Aug 2016	1,626	50% less than 2015	✓		35
Wheel-Trans	% Within 10 Minutes of Schedule	Aug 2016	91.3%	90%	✓		36

People














Employee Absence	Absenteeism Rate	Aug 2016	8.01%	6.50%	✗		38
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Assets: Vehicle Reliability

Subway	T1	Mean Distance Between Failures	Aug 2016	189,317 km	300,000 km	✗		40
	TR	Mean Distance Between Failures	Aug 2016	517,515 km	772,485 km	✗		40

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	Aug 2016	3,818 km	4,500 km			41
ALRV	Mean Distance Between Failures	Aug 2016	1,726 km	3,500 km			41
New Streetcar	Mean Distance Between Failures	Aug 2016	8,178 km	35,000 km			42
 Bus	Mean Distance Between Failures	Aug 2016	10,073 km	8,100 km			43
 Wheel-Trans	Mean Distance Between Failures	Aug 2016	12,785 km	11,000 km			43

Assets: Equipment Reliability


Elevators	Percent Available	Aug 2016	97.7%	98%			44
Escalators	Percent Available	Aug 2016	96.8%	97%			44

Financials

TTC Revenue	Actual vs. Budget	2016 y-t-d to Aug	\$779M	\$807.8M		Section 3.5
TTC Operating Expenditure	Actual vs. Budget	2016 y-t-d to Aug	\$1,117.9M	\$1,136.2M		Section 3.5
Wheel-Trans Revenue	Actual vs. Budget	2016 y-t-d to Aug	\$4.7M	\$4.6M		Section 3.5
W-T Operating Expenditure	Actual vs. Budget	2016 y-t-d to Aug	\$82.6M	\$81.0M		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	2016 y-t-d to Aug	\$455M	\$704M	✘	Section 3.5	
Capital Expenditure – TYSSE	Actual vs. Budget	2016 y-t-d to Aug	\$252M	\$550M	✘	Section 3.5	
Capital Expenditure – SSE	Actual vs. Budget	2016 y-t-d to Aug	\$15M	\$74M	✘	Section 3.5	
Operator Efficiency	Crewing Efficiency	Aug 2016	87.29%	87.15%	✔		54

✔ 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.

...ATTENDING
ACAT MEETINGS WHICH I REGULARLY
DO, BY ATTENDING THE FORUMS
WHICH BY LOBBYING STAKEHOLDERS
FOR MORE FUNDING SO WE CAN
DELIVERY AN ACCESSIBLE

TTC Public Forum Accessible Transit

Making
Toronto
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2. CEO Commentary

*TTC Public Forum on Accessible Transit
September 15, 2016*

CEO Commentary and Current Issues

General Overview

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

With the conversion of Line 4 Sheppard to one-person train operation (OPTO) on Sunday, October 9, the TTC delivered a major milestone in its five-year modernization plan and the biggest change to working practice on the subway since its opening in 1954. This was achieved without loss of process and after extensive safety consultation, including a peer review by APTA and further review by the Ministry of Labour. In adopting OPTO, the TTC joins legions of metros around the world that have run trains with one operator for decades.

Further to my comments made last month, we continue to power forward with delivery of our mega-projects, further detail of which is given below and within this report.

A major focus over the last four weeks has been our continued work on the 2017 operating, Wheel Trans and capital budgets. While more remains to be done, the budgetary pressure has been reduced and I remain optimistic that a solution can be found that is acceptable to stakeholders and customers alike.

Safety & Security

We continue to work closely with law enforcement agencies to monitor the prevailing security situation.

Safety and security indicators were largely stable for the period, with no major incidents.

Customer: System Performance

Subway performance was generally stable during the period. Intense focus continues to be applied to achieve a further 10% reduction in the number of delays and the minutes associated with them – building on a similar achievement last year.



Surface mode performance continued to be affected by a very busy construction season and the pressure on our surface fleet, partly as a result of delays to new streetcar delivery. We are close to seeking Board approval for a substantial bus order that will provide relief in this regard.

Financials

Year-to-date to the end of August, ridership was 0.6% above the 2015 comparable period but 2.6% below budget. The budget performance from May to August (-1.3%) was better than for January to May (-3.3%); however, overall, results continue to remain soft. As a result, the updated year-end ridership projection is approximately 541 million (12 million below budget) with a corresponding passenger revenue shortfall of about \$40 million.

Operating expenses to the end of July were under budget. Capital expenditures were below budget due in part to delays in contract work and vehicle deliveries.

I previously reported that strict controls have been implemented on all discretionary spend. These controls remain in place and are helping to offset the revenue gap caused by the softening in ridership and the relentless rise in Wheel Trans trips at a greater individual cost.

Delivery of Major Projects

- **TYSSE**

The project team maintains momentum with the project progress and remains on target for the revised December 2017 opening. The project cost forecast also remains within the reset budget.

The team continues to focus on schedule monitoring and mitigation measures for the key deliverables to manage schedule pressure and maintain the facility testing and commissioning plan.

Senior Management discussions and issue resolutions continue with our General Contractors to progress commercial matters.



- PRESTO

At the time of writing, 1,369 buses (71% of the fleet) have been equipped with PRESTO readers. Work continues apace to equip stations with “paddle style” fare gates and we remain on target to have at least one station entrance with PRESTO readers by year end. Work is also progressing well on preparing Wheel-Trans for PRESTO adoption.

- Automatic Train Control

The project continues on schedule and on budget. Recent planned closures have enabled the team to make further progress in laying cable, track transponders and other equipment in readiness for Fall 2017 phase 1 go-live (Dupont to Wilson). Workshops have been held with the TYSSE team to ensure synergy for phase 2 - the TYSSE with its opening date of December 2017.

- New Streetcar Deployment

At the time of writing, 24 new vehicles are in service.

Bombardier have reconfirmed a year-end total of 30 cars by the end of 2017 with no change to the 2019 deadline for the full order.

- Culture Change

Work to enable our major change programs continues apace. As you read this, our second employee engagement survey is in the field. Results will be reported out in Q1 2017.

- Accessibility Matters

Work continues to progress well on our current Easier Access projects. We are working through the feedback given and suggestions made during the recent Accessibility Forum.



A handwritten signature in black ink, appearing to read "Andy Byford". The signature is written in a cursive, flowing style.

Andy Byford
Chief Executive Officer, Toronto Transit Commission

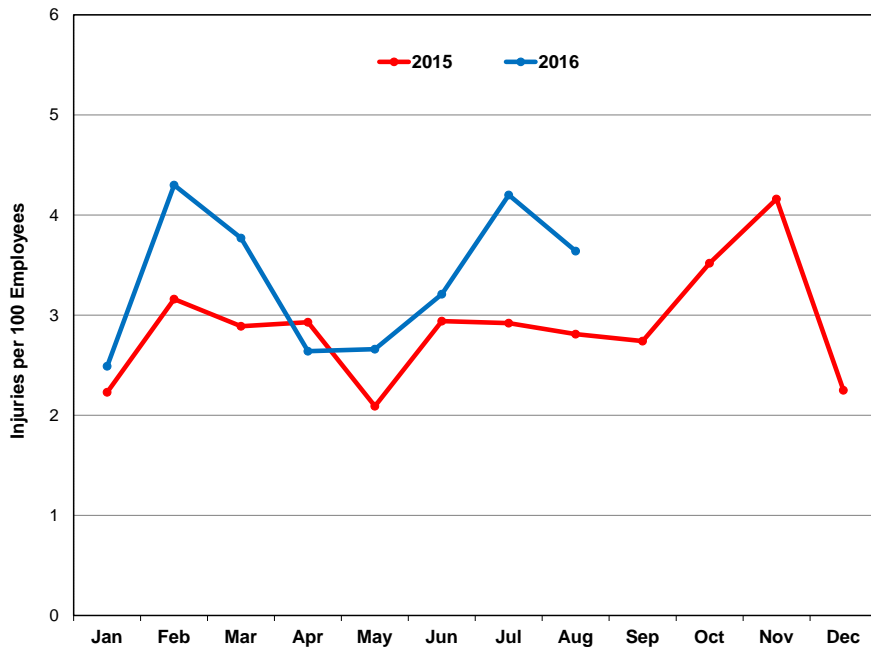
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3.1 Safety & Security



Safety and Security

Lost-Time Injuries

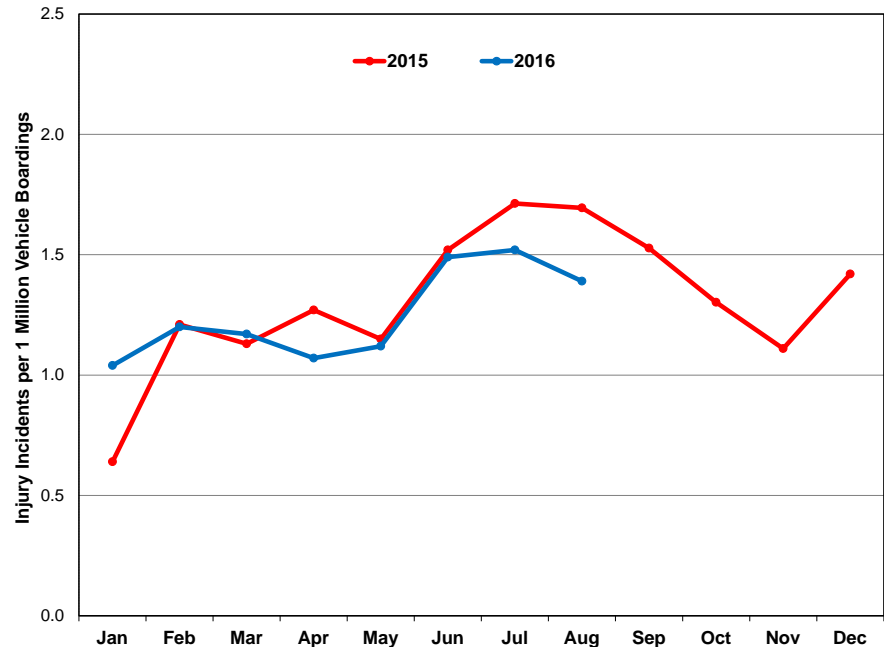


The lost-time injury rate (LTIR) decreased in August. The rate of 3.64 injuries per 100 employees was 30% higher than the corresponding rate of 2.81 for July 2015.

The moving annual LTIR to the end of August 2016 was 3.30, which was 13% higher than the corresponding rate of 2.93 to the end of August 2015.

The observed changes in the trend are partly due to the inherent variability in the data from month to month.

Customer Injury Incidents

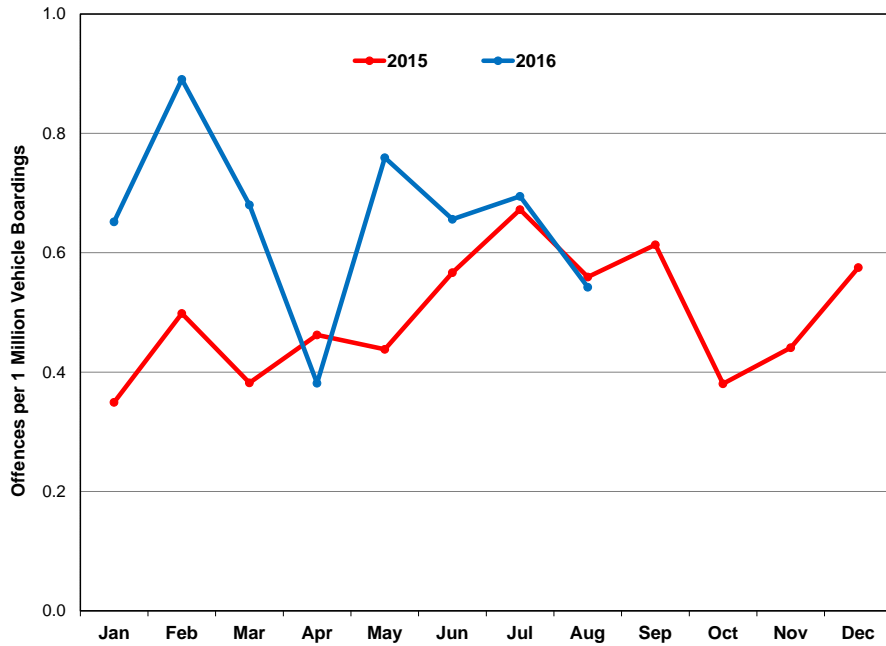


The customer injury incident rate decreased in August. The rate of 1.39 injury incidents per 1 million vehicle boardings was 18% lower than the corresponding rate of 1.69 for August 2015.

The moving annual customer injury incident rate to the end of August 2016 was 1.28, which was 5% higher than the corresponding moving annual rate of 1.22 to the end of August 2015.

The observed changes in the trend are partly due to the inherent variability in the data from month to month.

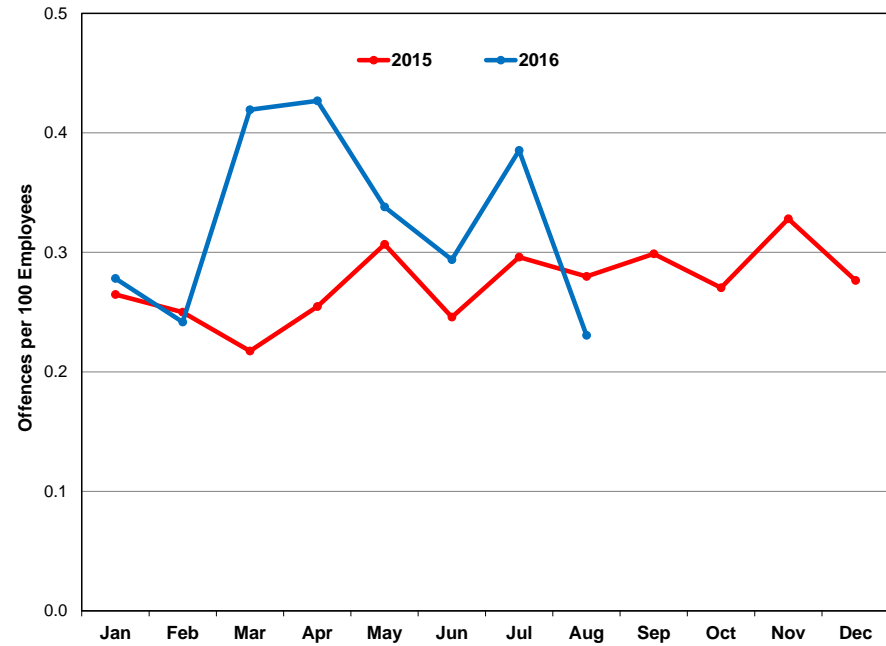
Offences Against Customers



Total offences against customers decreased in August. The rate of 0.54 offences per 1 million vehicle boardings was 3% lower than the corresponding rate of 0.56 for August 2015.

The Transit Enforcement Unit has continued to conduct directed patrols in higher-crime areas at higher-crime times of day to deter violent offences against customers.

Offences Against Staff



Total offences against staff decreased in August. The rate of 0.23 offences per 100 employees was 18% lower than the corresponding rate of 0.28 for August 2015.

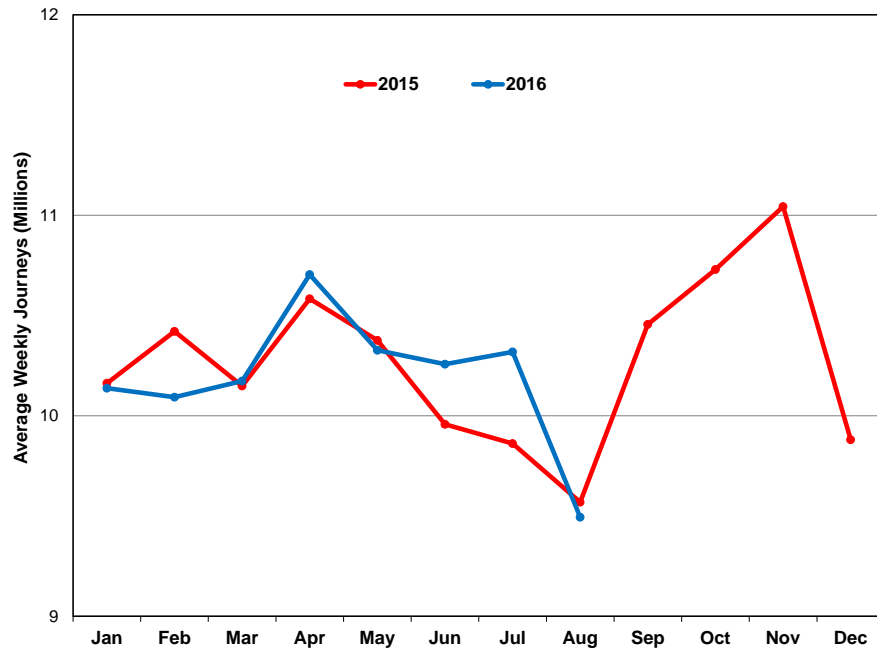
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3.2 Customer

Customer: Journeys

TTC: 2016 Actual vs. 2015 Actual

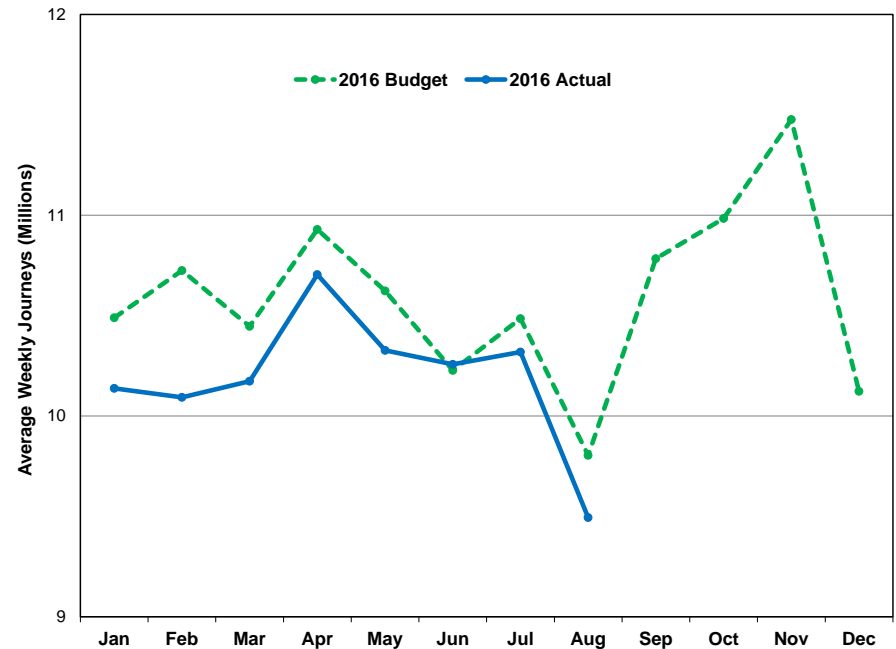


There were 38.0M customer journeys (ridership) taken during August, which was 0.30M (0.8%) less than the 38.3M journeys taken during August 2015.

The annual number of customer journeys taken to the end of August 2016 was 538.2M, which was 1.0M (0.2%) more than the 537.2M annual journeys taken to the end of August 2015.

Average weekly ridership in August 2016 was below the prior year comparable for the first time in the past three months.

TTC: 2016 Actual vs. 2016 Budget



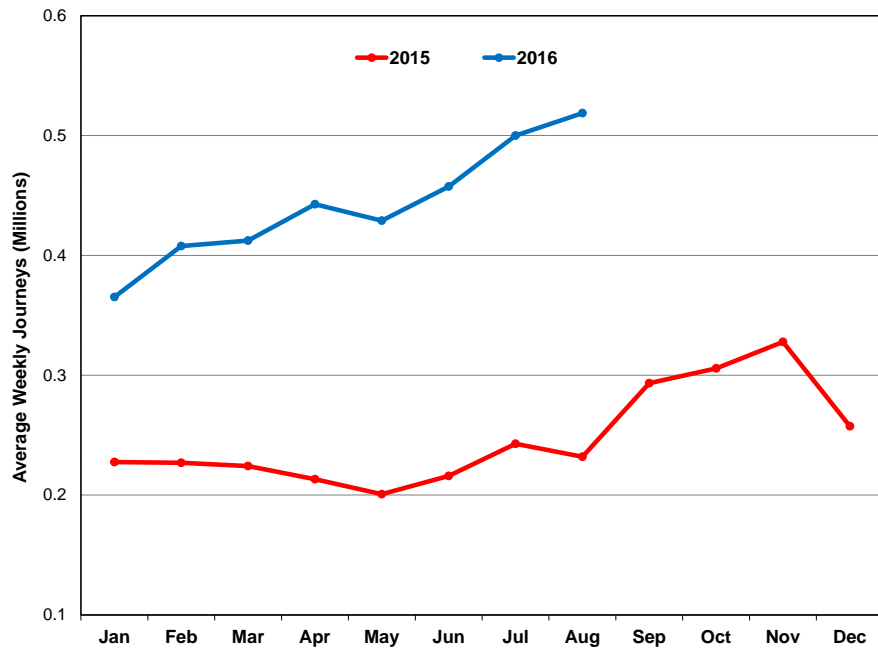
There were 38.0M customer journeys taken during August, which was 1.2M (3.1%) less than the budget of 39.2M journeys.

The number of customer journeys taken year-to-date to the end of August was 349.4M, which was 9.2M (2.6%) less than the budget of 358.6M journeys.

Average weekly ridership has been below budget for 17 of the past 18 months.

Customer: Journeys

PRESTO: 2016 Actual vs. 2015 Actual

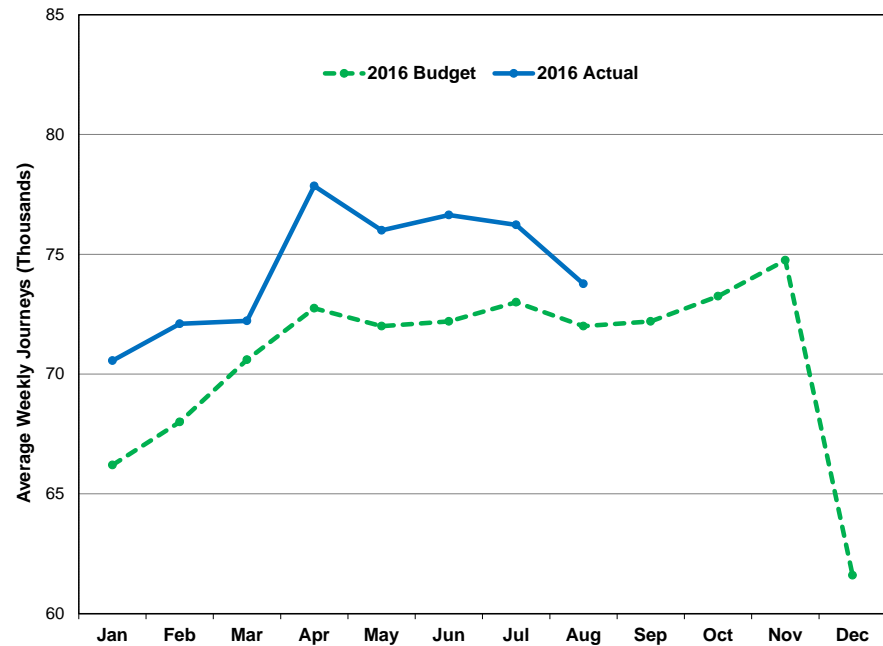


There were 2.08M customer journeys (ridership) taken using the PRESTO Farecard in August, which was 1.15M (124%) more than the 0.93M journeys taken during August 2015.

The annual number of customer journeys taken to the end of August 2016 was 20.40M, which was 9.14M (81%) more than the 11.26M annual journeys taken to the end of August 2015.

Note:
PRESTO ridership is included in TTC ridership totals.

Wheel-Trans: 2016 Actual vs. 2016 Budget



There were 295K customer journeys taken during August, which was 7K (2.5%) more than the budget of 288K journeys.

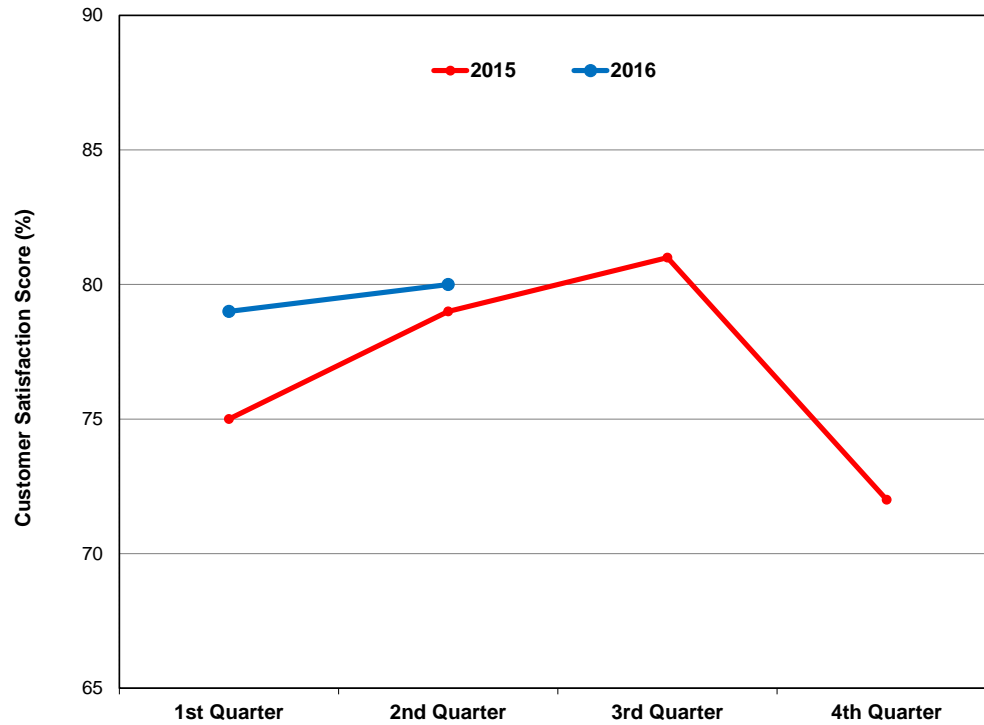
The number of customer journeys taken year-to-date to the end of July was 2.551M, which was 122K (5%) more than the budget of 2.429M journeys.

Average weekly ridership has been above budget for 24 consecutive months.

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

Customer: Satisfaction

Customer Satisfaction Score



Overall customer satisfaction remained high in Q2 2016 (80%), and was consistent with results observed in the previous quarter (79%) and in the same time period last year (79%), demonstrating a strong positive trend, compared to an overall average of previous three years of 74%.

This quarter's high score is driven by the improved consistency in delivering a reliable service, which has led to more positive customer perceptions of: trip duration (all three modes), wait times on streetcars, and level of crowding on buses.

The areas of highest customer satisfaction (80%+) include: cleanliness of the subway station, helpfulness of maps and signs at station (subway), ease of getting to train platform (subway), ease of buying fare (subway, bus), length of trip (subway, bus), personal safety during trip (subway, bus, streetcar), maps and information inside the vehicle (subway), cleanliness inside the vehicle (subway), wait time (subway), quality of announcements (subway, bus), comfort of ride (subway, bus), ease of hearing announcements and helpfulness of announcements (bus, streetcar), and helpfulness and appearance of operator (bus, streetcar).

Pride in the TTC and what it means for Toronto also continues to improve. In Q2, 73% of customers agreed with this statement compared to 69% of customers a year ago, indicating significantly higher levels of pride compared to last year.

Commentary on Improvement in Customer Satisfaction

Work continues toward meeting the goals of the 2016 Customer Charter, 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 the 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 we have already 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 they're not met. Progress against these commitments is reported to the TTC Board each quarter and is posted on ttc.ca.

In Q1 2016, all commitments were met. The 510 Spadina streetcar route is serviced by new, fully accessible streetcars; payment through Apple Pay at collector booths at all subway stations is now available; streetcar short turns are on track to be reduced by a further 20%; subway service on Sundays now begins approximately one hour earlier, at 8 a.m.; additional trains were added to Line 1 to decrease delays during off-peak hours; a "Local Working Group" was established to begin public consultations for a new second exit at Donlands Station; and five new express bus services were introduced.

In Q2 2016, three of five commitments were met. New fare gates were installed at Main Street, Wellesley, Bay, Sherbourne, and St. Clair stations; new bike racks to improve and increase storage capacity have been installed at six stations and upon receiving positive feedback from customers, additional bike repair stops were installed at 20 subway stations.

Wi-Fi was delivered to 19 out of 22 stations; North York, Eglinton, Downsview, Wilson, and Lawrence West stations were completed at the end of August. Dedicated boards were unable to be installed in Q2 at key locations in 12 stations to inform customers about planned/unplanned closures, as there was a delay with obtaining a supplier. At the end of July, the following stations received dedicated information boards: Bay, College, Dundas, King, Museum, Osgoode, Queen, Queen's Park, Spadina, St. Andrew, St. George, St. Patrick, Union, Wellesley, and Yonge-Bloor.

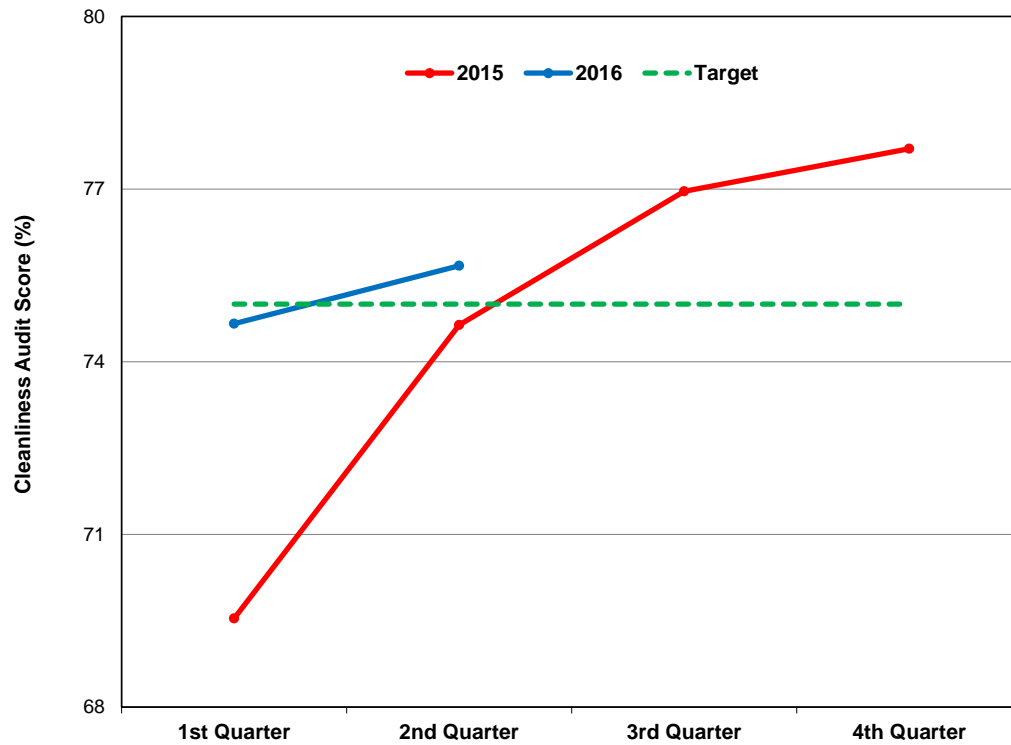
Meet the Managers sessions enable customers and managers to interact on a personal level. This allows managers to gain additional insight into the challenges and opportunities experienced by customers while travelling on the TTC. To date in 2016, sessions have been held at the following stations: Ossington, Bloor-Yonge, Main Street, Downsview, Kennedy, Scarborough RT, St. Clair West, and Finch. The schedule has been confirmed for the remainder of the year at the following stations: Eglinton, St. George, and Union.

The rollout of PRESTO continues across the TTC. 42 stations now have PRESTO, 14 of which have new fare gates. More than half of the TTC's bus fleet are equipped with PRESTO readers. By the end of 2016, at least one entrance of every subway station and all buses, including Wheel-Trans vehicles and accessible taxis, will have PRESTO readers. Sedan taxis and the remaining subway station entrances will have PRESTO in 2017.

In September, the TTC invited the public to attend the annual Public Forum on Accessible Transit. In addition to updates on TTC's accessibility initiatives, attendees heard about Wheel-Trans' 10-Year Strategy that is currently under development. TTC staff and members of the Advisory Committee on Accessible Transit (ACAT) were also available, one-on-one, to hear feedback from customers before the start of the public forum.

Customer: Environment

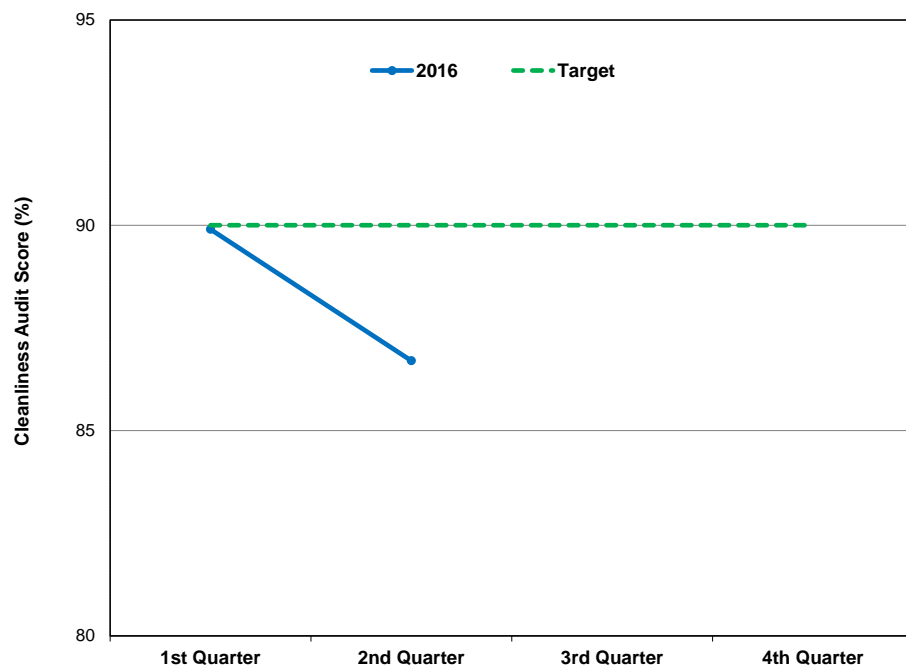
Station Cleanliness



Performance in Q2 2016 was 75.7%, which was above target and an improvement over Q2 2015.

Customer: Environment

Vehicle Cleanliness – Bus

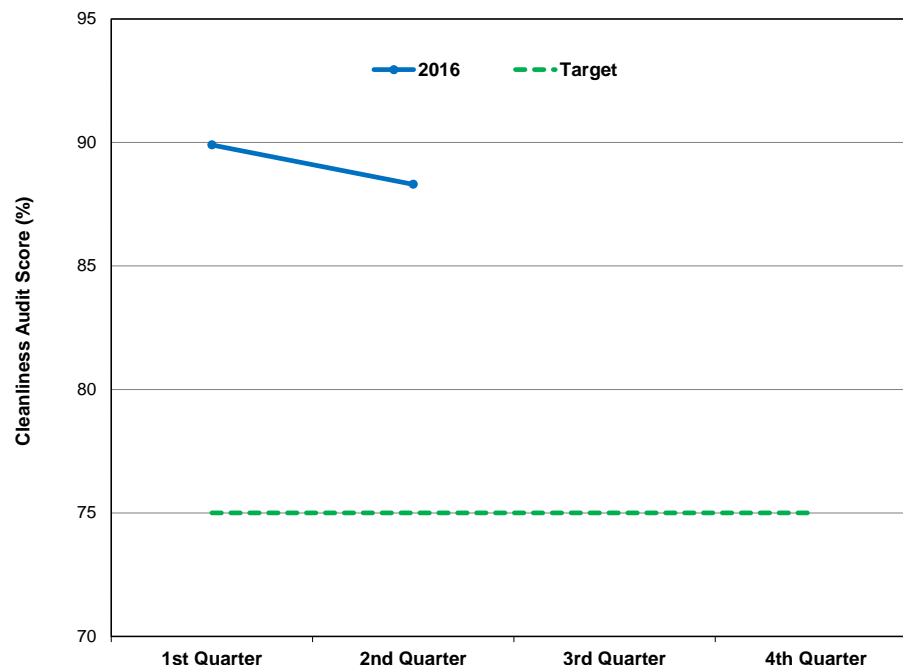


The bus cleanliness audit score in Q1 was 89.9% and decreased in Q2 to 86.7%.

Cleanliness audits are highly subjective and some variation is expected for the first few audits as the auditor establishes a baseline. The decrease in the performance in Q2 was partially attributable to the interior window and exterior bus cleanliness. The auditor found that many buses did not have their windows cleaned in Q2. Staff continues to review audit results and host regular meetings with cleaning contractors to identify areas for improvement.

Note:
Prior year comparative data will be available effective Q1 2017.

Vehicle Cleanliness – Subway



The subway cleanliness audit score in Q1 was 89.9% and decreased in Q2 to 88.3%. Performance achieved target for two consecutive quarters.

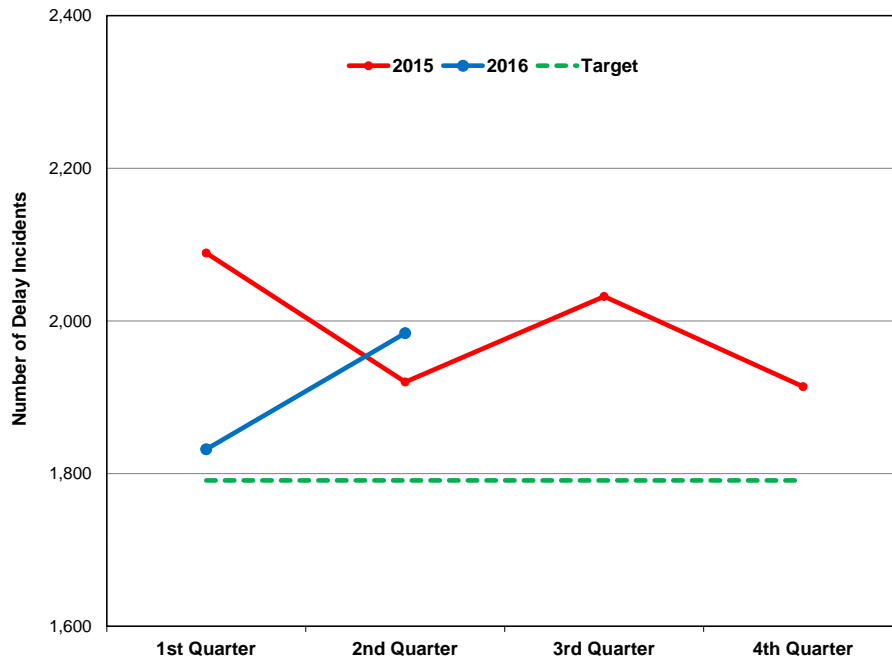
Note:
Prior year comparative data will be available effective Q1 2017.

Customer: Service Performance



Subway

Line 1: Delay Incidents



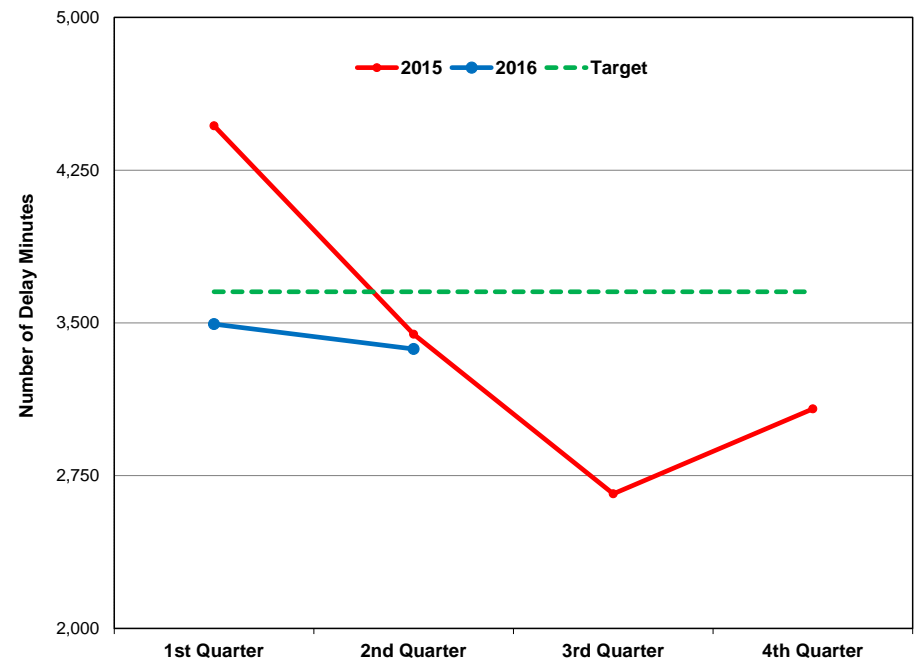
The number of delay incidents increased in Q2 to 1,984 and was above target for the second consecutive quarter.

While speed control incidents increased slightly from Q1 to Q2, the year-over-year results for this incident type show that improvements have been made by almost 20%. The largest increase is in passenger-related security incidents, with year-over-year increases in disorderly person incidents (from 43 to 84), employee assaults (from 4 to 8) and sexual assaults (from 2 to 11).

Note:

The 2016 target is based on a 20% or more reduction in delay incidents from the 2014 quarterly average baseline.

Line 1: Delay Minutes



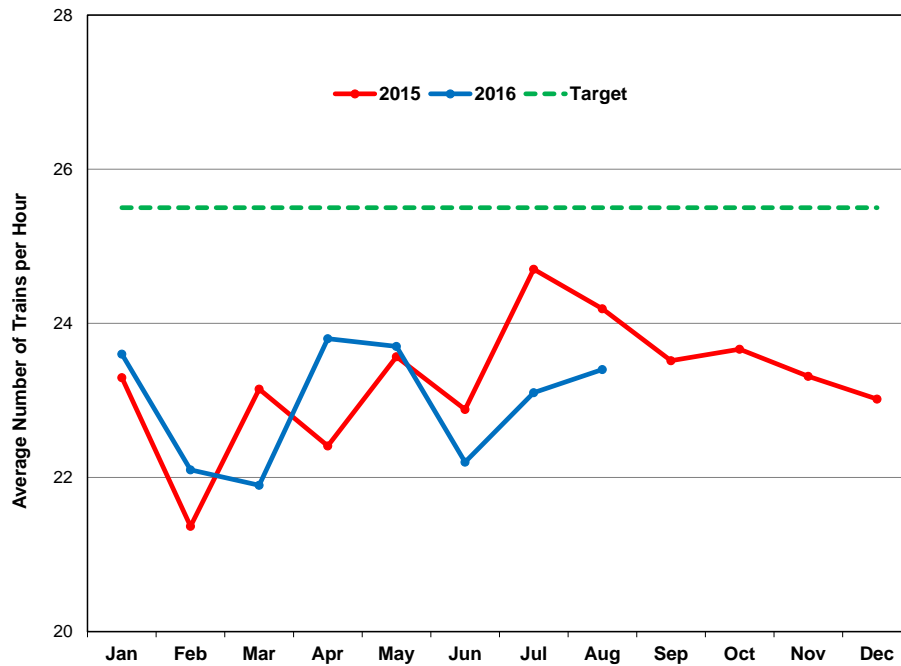
The number of delay minutes decreased in Q2 to 3,372. Performance in Q2 achieved target for the fifth consecutive quarter.

A number of factors continue to influence this KPI positively, including consistently high reliability with the Toronto Rocket fleet, increased station staffing leading to improved response time to incidents, and the TTC/EMS Medic program that positions Toronto Paramedics at key locations in the subway system to respond to ill customer incidents.

Note:

The 2016 target is based on a 20% or more reduction in delay minutes from the 2014 quarterly average baseline.

Line 1: Trains per Hour in Morning Peak



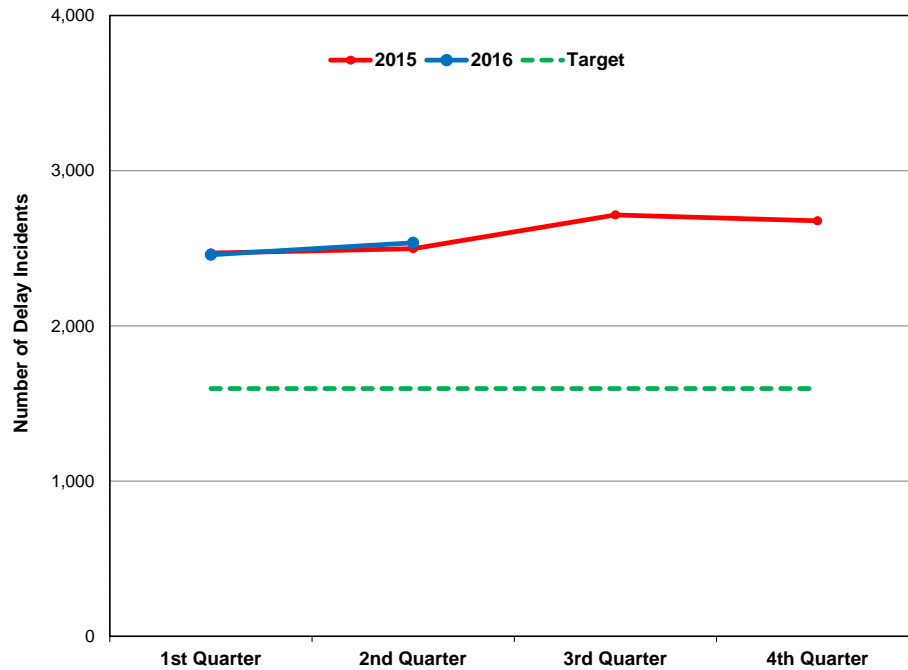
The daily average number of trains per hour (TPH) in the morning peak service period increased to 23.4, or 92% of what was scheduled. Overall monthly performance continued to remain below target.

In August, there were ongoing issues of hot cars on Line 2, which required TR trains from Line 1 to be sent to assist Line 2 every day, which reduced the number of trains on Line 1.

Note:

Data are based on weekday service from Monday to Friday.

Line 2: Delay Incidents



The number of delay incidents increased in Q2 to 2,535 and performance continued to remain above target.

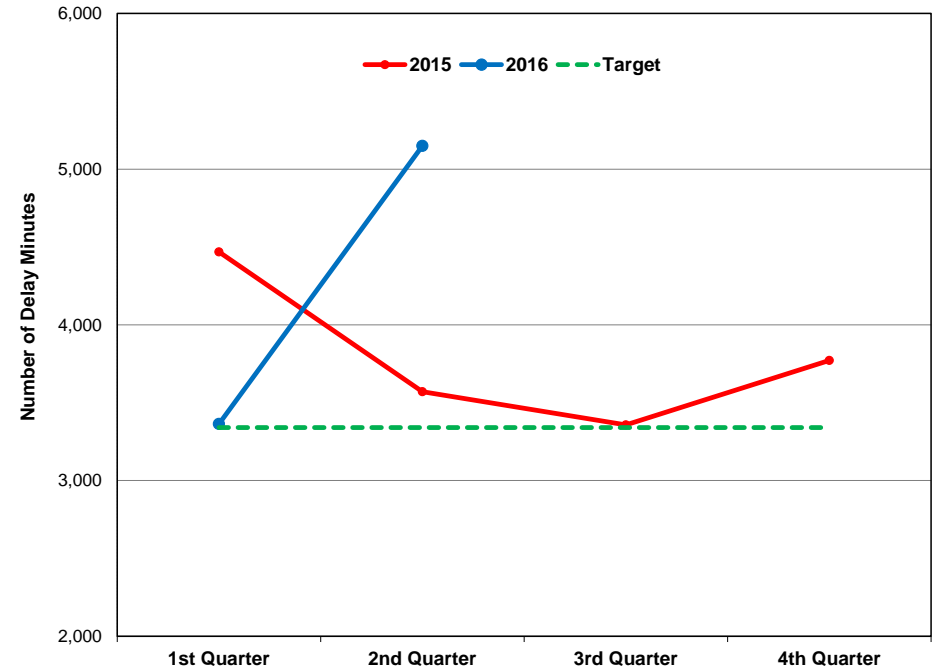
Despite a 10% improvement from Q2 2015, speed control-related incidents continue to dominate on Line 1, comprising over 44% of the total delay incidents in Q2. Maintenance and engineering teams continue to work on reducing these incidents and it should be noted that although the number of incidents is very high, each individual incident accounts for a minimal delay in terms of the number of delay minutes.

By the end of 2016, a new system software will be installed and it is expected to result in at least a 20% improvement in speed control-related incidents.

Note:

The 2016 target is based on a 20% or more reduction in delay incidents from the 2014 quarterly average baseline.

Line 2: Delay Minutes



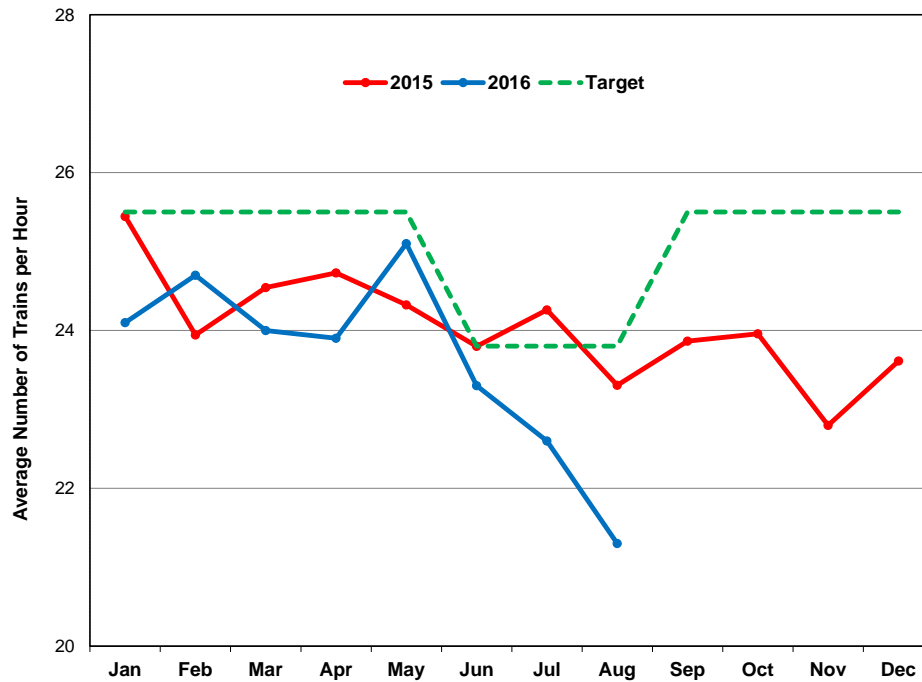
The number of delay minutes dramatically increased in Q2 to 5,149, the highest total in the last 10 quarters.

Fire/Smoke (Plan B) incident minutes increased sharply year-over-year (354 to 906) due in large part to several major incidents in May and June. There was also an increase in delay minutes attributed to passenger-related incidents, including ill customers on trains (625 total minutes), up from 329 minutes recorded in Q2 2015.

Note:

The 2016 target is based on a 20% or more reduction in delay minutes from the 2014 quarterly average baseline.

Line 2: Trains per Hour in Morning Peak



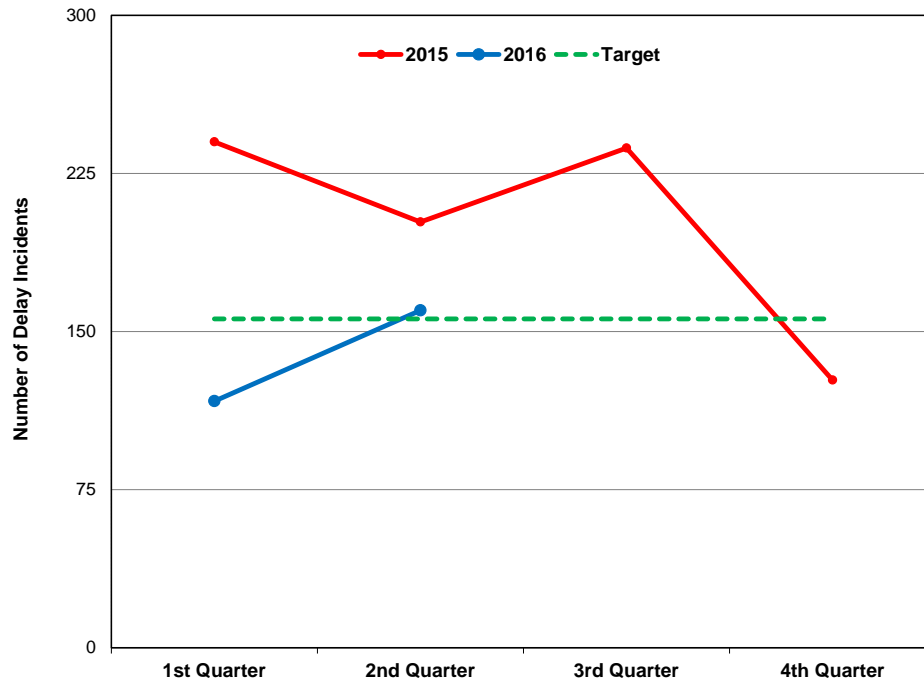
The daily average number of trains per hour (TPH) in the morning peak service decreased more in August to 21.3, which was 89% of what was scheduled. Performance continued to remain below target.

Hot cars in the T-1 fleet continued to dominate the issues on Line 2 in August. Each day, up to 6 TR trains from Wilson were used to offset cancellations due to hot cars. A comprehensive program to address the issues is in place; however, this situation is expected to continue until at least the end of summer 2016.

Note:

Data are based on weekday service from Monday to Friday.

Line 3: Delay Incidents



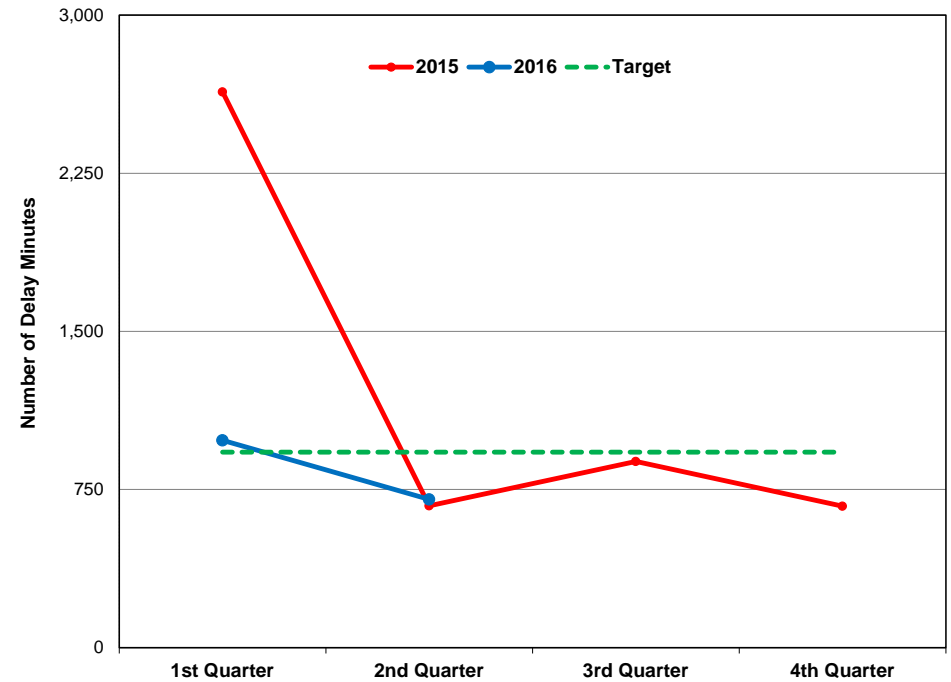
The number of delay incidents increased in Q2 to 160; resulting in being only marginally (four incidents) above target.

Rolling Stock and VOBC time-out incidents consistently comprise the largest proportion of incidents, accounting for 116 incidents in Q2. However, both of these categories improved year-over-year by over 37% and this improvement is what drove the near-target performance of this measure.

Note:

The 2016 target is based on a 20% or more reduction in delay incidents from the 2014 quarterly average baseline.

Line 3: Delay Minutes



The number of delay minutes decreased in Q2 to 703, achieving target for the fourth time in the past five quarters.

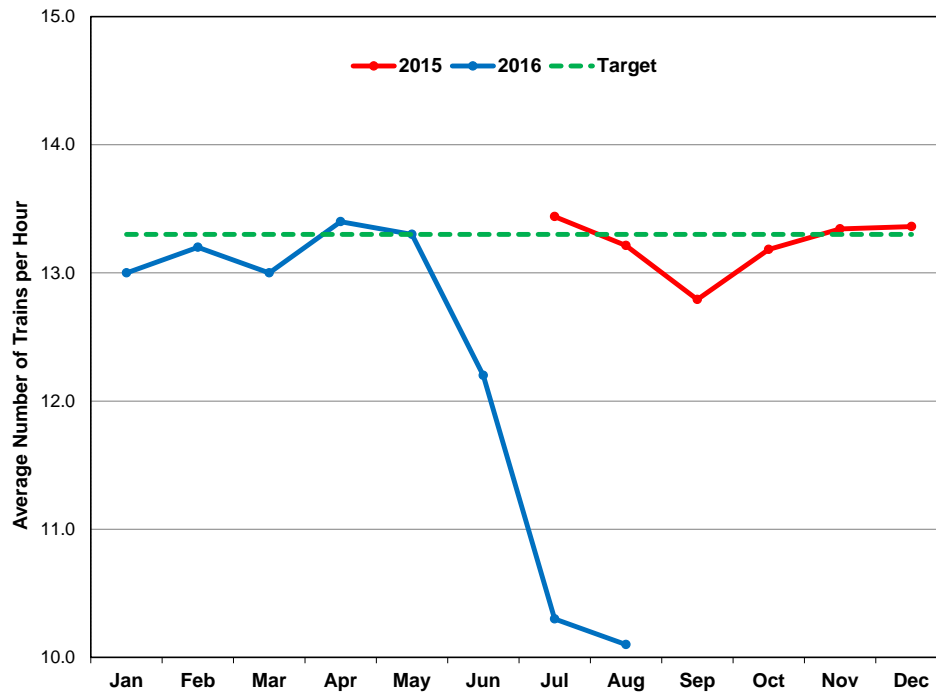
Of note is that the biggest improvement was in Rolling Stock delays, where total delay minutes decreased 30% (349 to 246).

Work continues on several different maintenance programs to improve fleet reliability and extend the useful life of the cars and as those programs are completed, it is anticipated that Rolling Stock delays will continue to decrease.

Note:

The 2016 target is based on a 20% or more reduction in delay minutes from the 2014 quarterly average baseline.

Line 3: Trains per Hour in Morning Peak



The daily average number of trains per hour (TPH) in the morning peak service period decreased in August for the fourth consecutive month to 10.1, or 84% of what was scheduled; overall performance was the lowest result recorded in over a year.

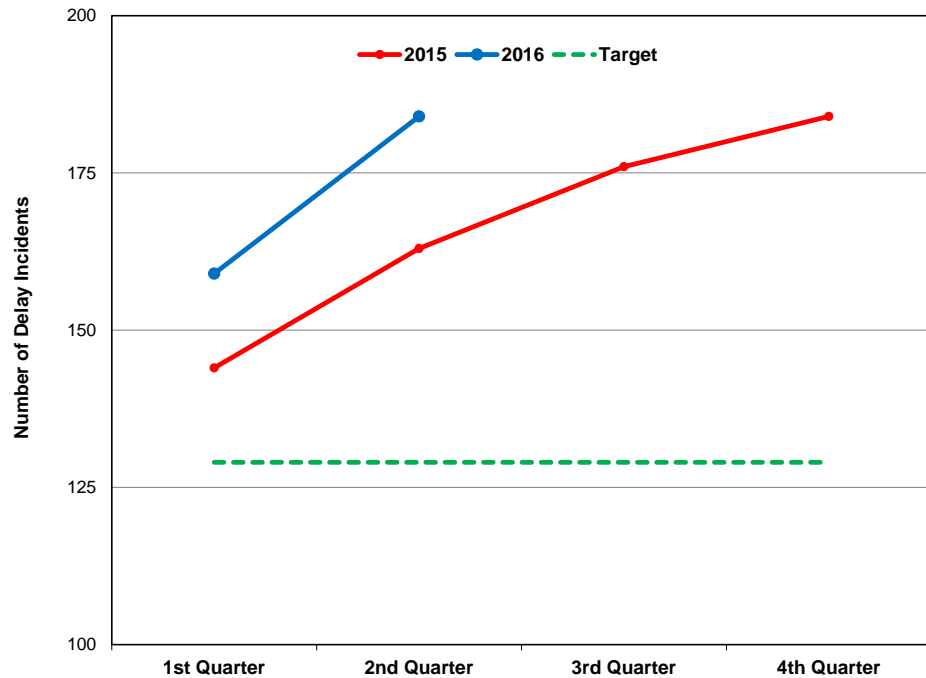
In addition to decreasing the peak number of trains available from 6 to 5, speeds and braking profiles are being decreased in order to avoid damaging the rolling stock during periods of high ambient temperatures.

The service schedule reverted back to a regular 6-car make-up in September and as the summer temperatures decrease in the fall, performance is expected to return to typical levels in October.

Note:

Data are based on weekday service from Monday to Friday.

Line 4: Delay Incidents



The number of delay incidents increased in Q2 to 184. Performance continued to remain above target.

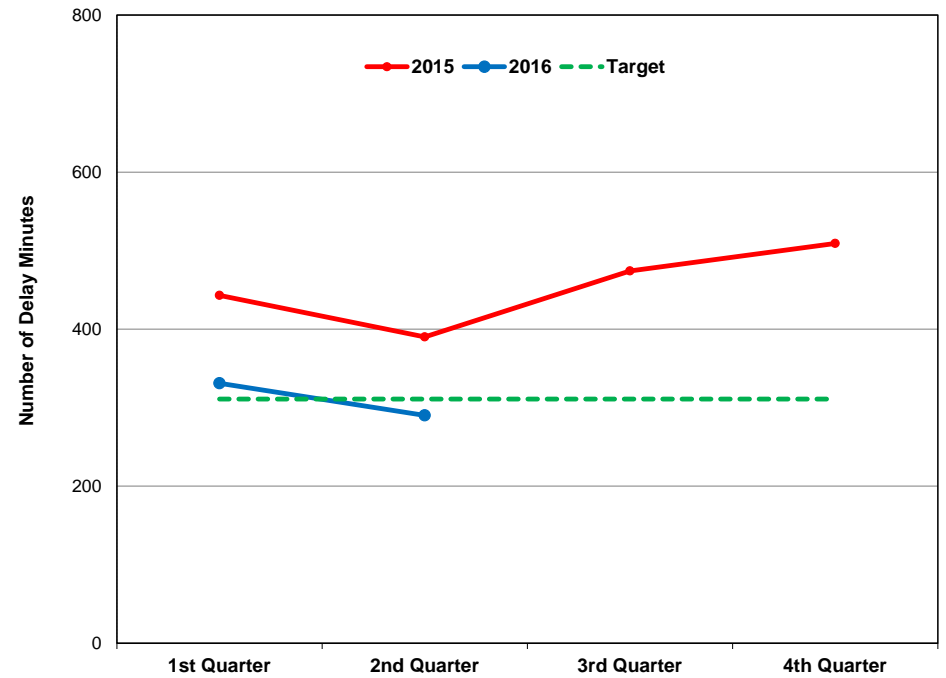
With 184 incidents in the quarter, Line 4 remains relatively low for delay incidents, and speed control is the greatest source of delays with 80, or 43%, of the total incidents. On a positive note, these incidents are typically very short and accounted for only 22 minutes.

Similar to other lines, passenger-related incidents increased, including Customer and Emergency Alarm activations.

Note:

The 2016 target is based on a 20% or more reduction in delay incidents from the 2014 quarterly average baseline.

Line 4: Delay Minutes



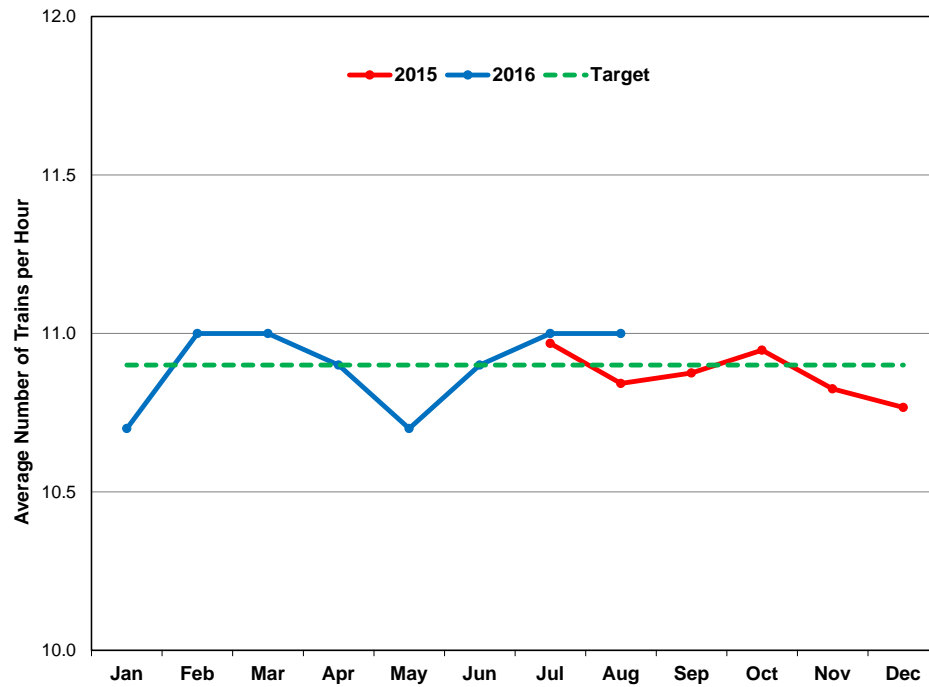
The number of delay minutes decreased in Q2 for the second consecutive quarter to 290 and performance achieved target for the first time in six quarters.

Delay minutes decreased 26% year-over-year and the greatest improvement was in equipment-related incidents, where 132 minutes of delay were reduced. Rolling stock-related delays decreased year-over-year from 72 to 32 and infrastructure-related delays were down by 23 minutes.

Note:

The 2016 target is based on a 20% or more reduction in delay minutes from the 2014 quarterly average baseline.

Line 4: Trains per Hour in Morning Peak



The daily average number of trains per hour (TPH) in the morning peak service period remained flat in August at 11.0, or 101% of what was scheduled; overall performance achieved target for the third consecutive month and sixth time in seven months.

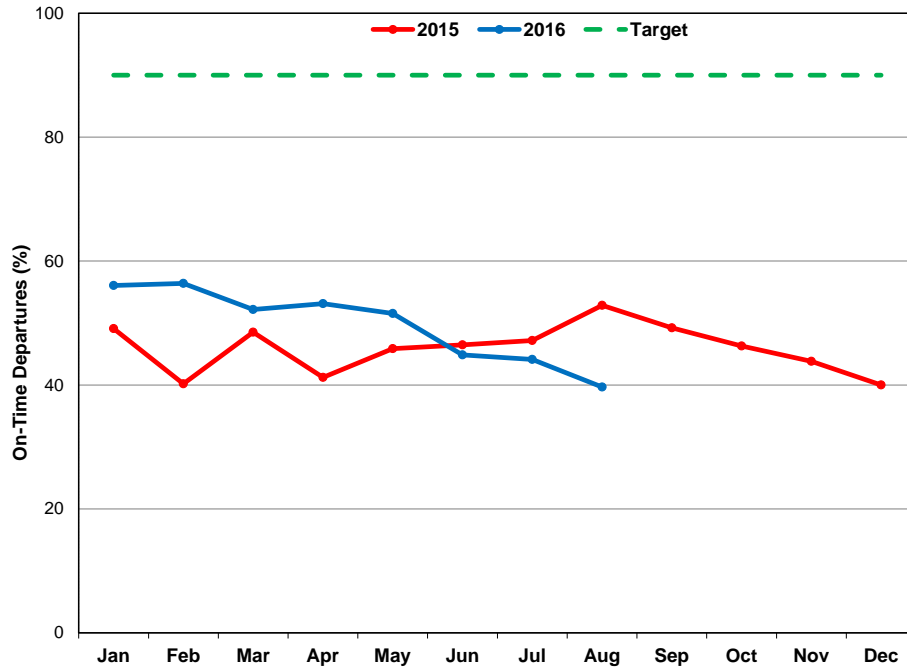
With a relatively low number of delay incidents, it is anticipated that morning peak TPH will remain relatively high. Along with consistently good headway adherence, overall service quality is very strong.

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



Streetcar

On-Time Performance

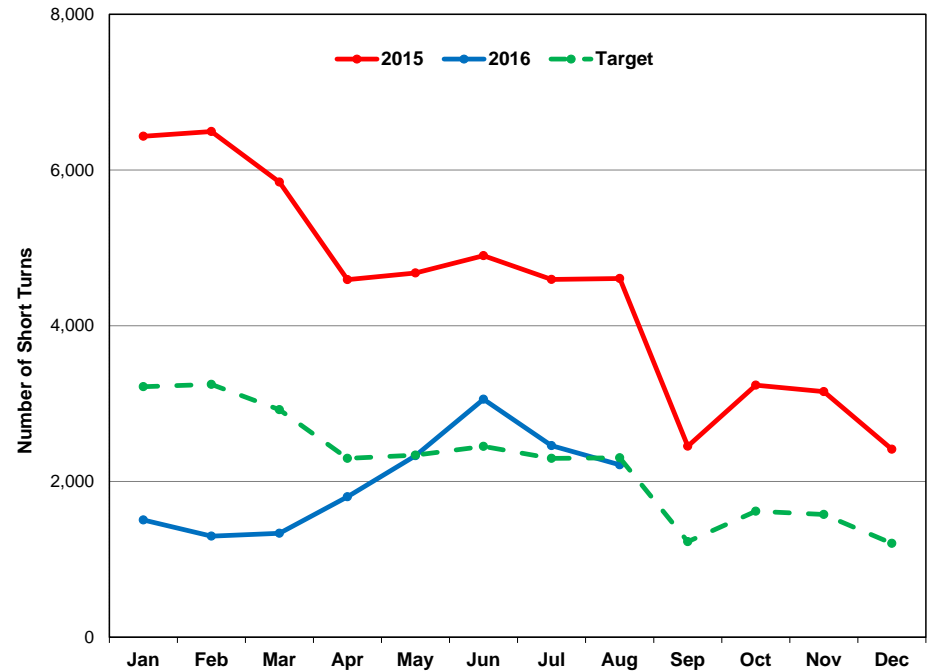


Performance in August decreased for the fourth consecutive month to 39.7% and continued to be below target.

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 August to 2,213, which was slightly below target; it reached below target (favourable) for 2 of the past 4 months. The number of short turns throughout 2016 has been well below 2015 levels due to improvement initiatives implemented in 2016.

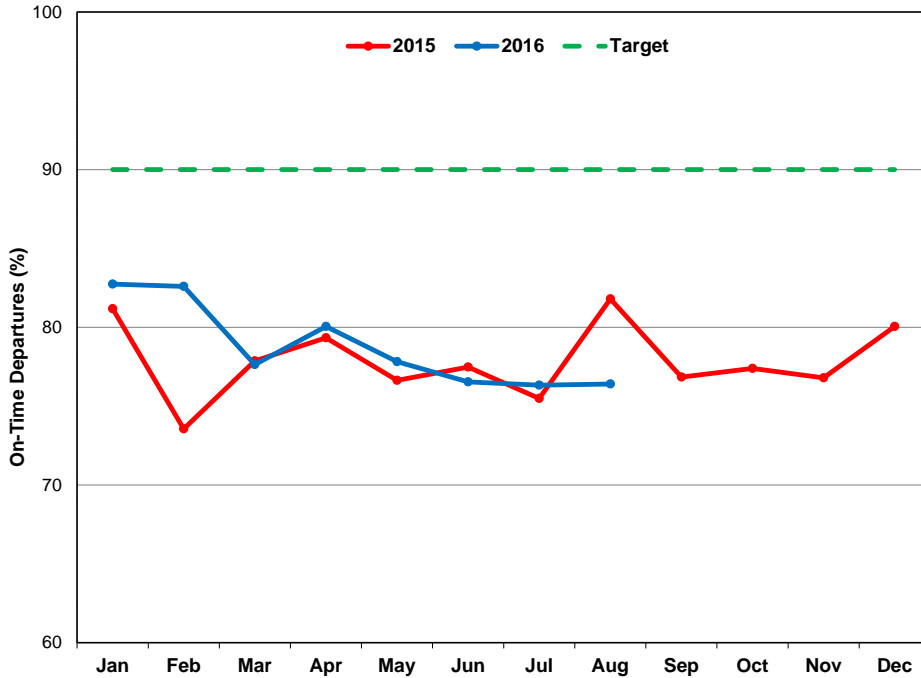
Note:

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



Bus

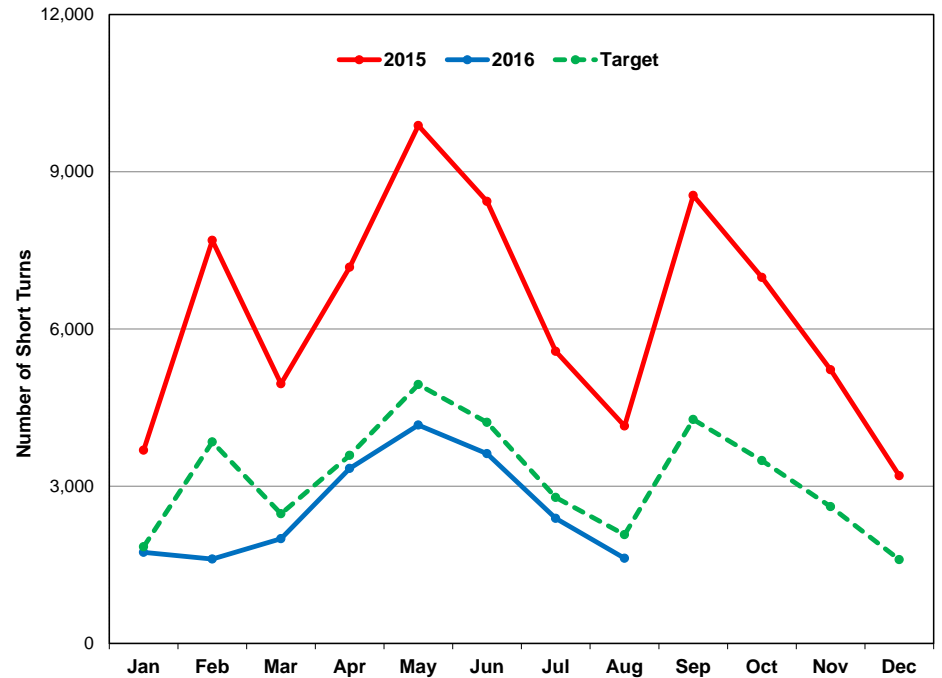
On-Time Performance



Performance in August increased marginally for the first time in the last 4 months to 76.4% and continued to be below target.

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

Short Turns

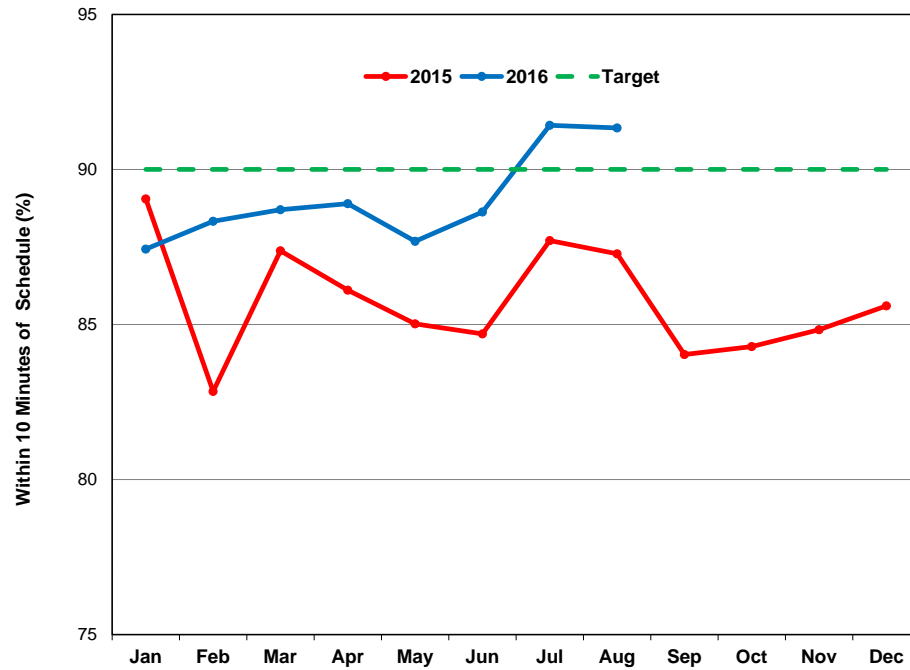


The number of short turns in August decreased for the third consecutive month to 1,626. Performance has been below target (favourable) for nine consecutive months.

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



Punctuality



Performance in August decreased marginally for the first time in the last 3 months to 91.3%, but still achieved target for the second consecutive month since this KPI was established in 2014.

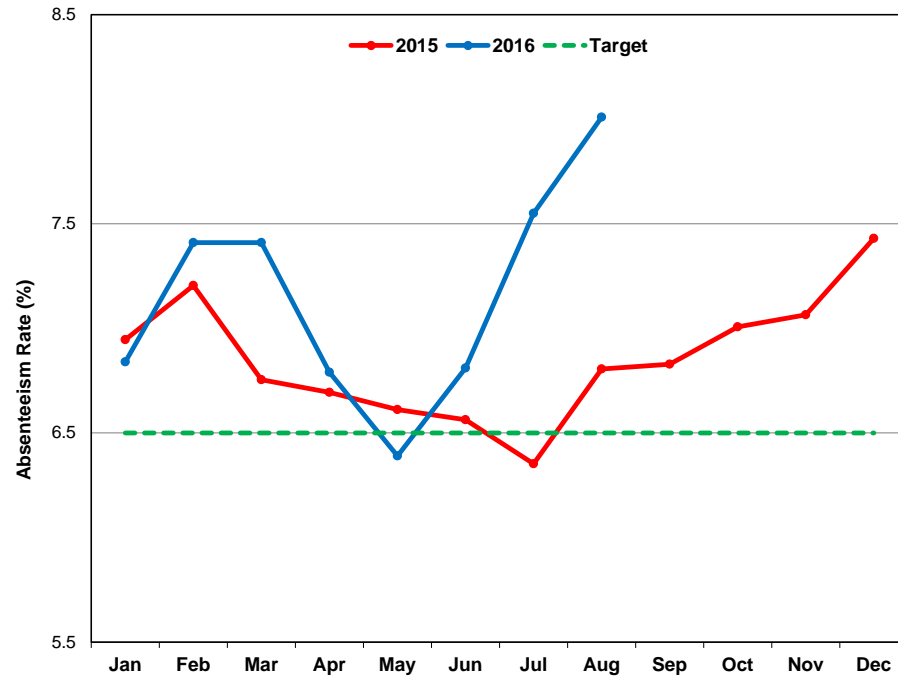
The improved performance is attributable to continued efforts to enhance service delivery.



3.3 People

People

Employee Absence



The absenteeism rate in August increased for the third consecutive month to 8.01%. Overall performance has been above target (unfavourable) for 22 of the past 24 months.

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



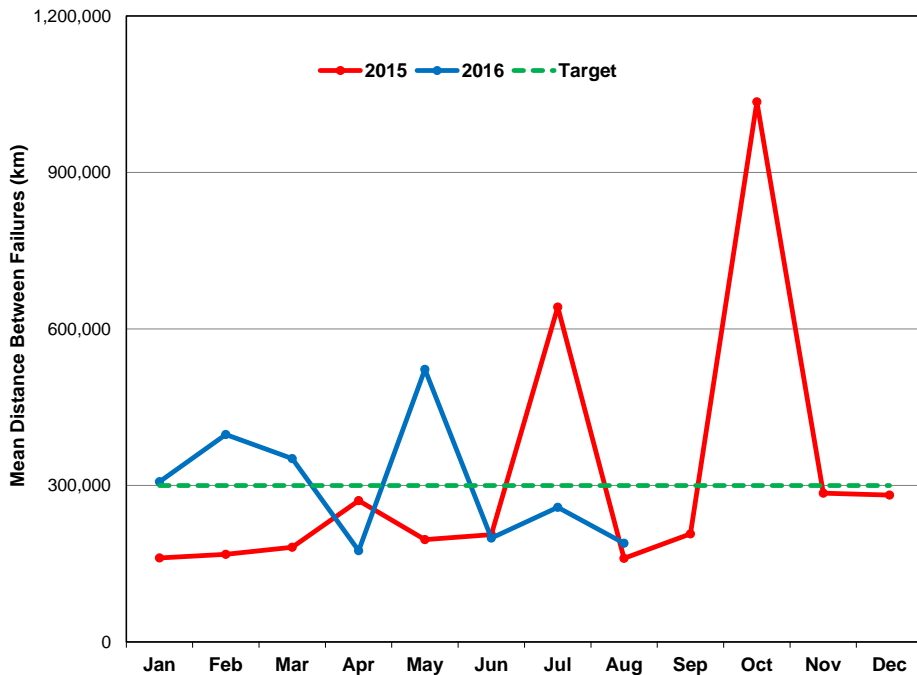
3.4 Assets

Asset: Vehicle Reliability



Subway

T1 Train: Mean Distance Between Failures (MDBF)

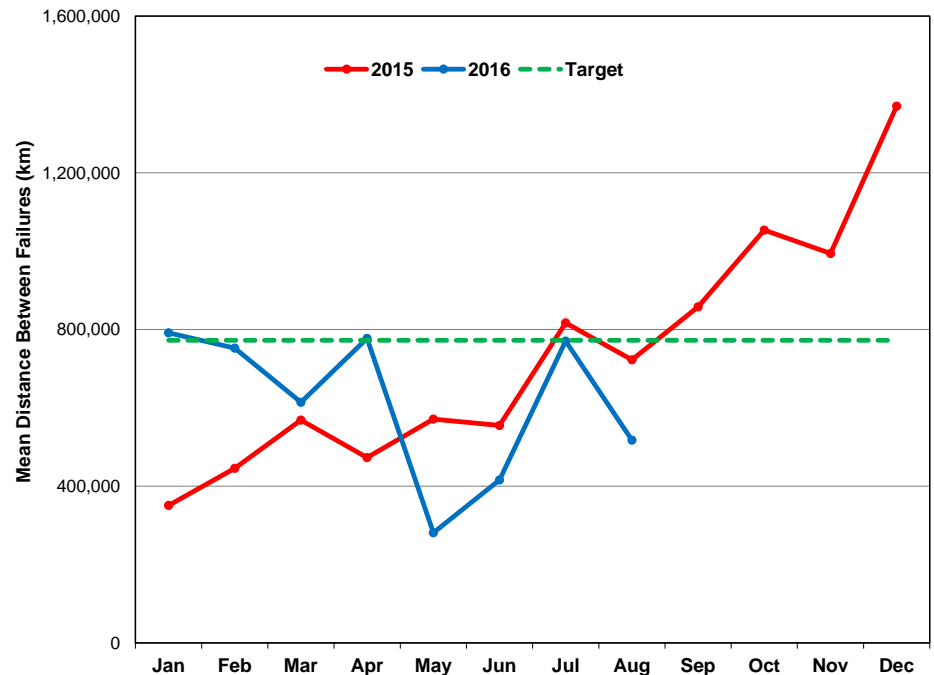


The MBDF decreased in August to 189,317 kilometres and remained below target for the third consecutive month.

The T1 Accelerated Door Overhaul program was completed in 2015. Door pocket guides are being overhauled, with an estimated completion at the end of 2016. Master controller upgrades are estimated to be completed in Q3 2016. The T1 fleet is undergoing a refreshing of the HVAC system. Although this particular equipment issue does not directly cause delay incidents, it remains a substantial performance issue.

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)

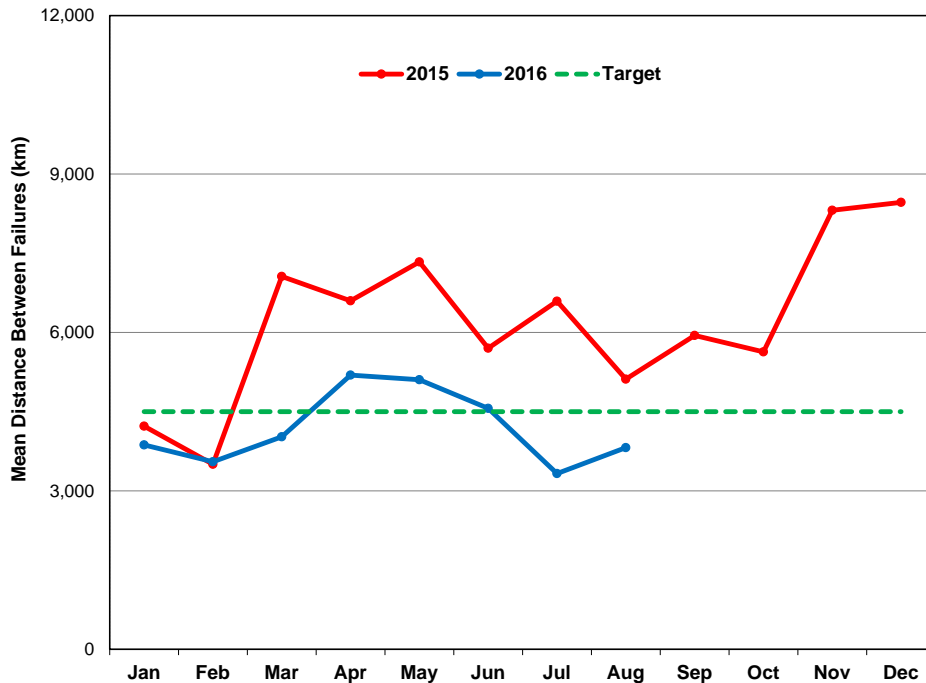


The MDBF decreased in August to 517,515 kilometres and was below target.

The cab door is undergoing Revision E cab door retrofit from Bombardier. The brake system continues to receive numerous improvements to associated software; fleet retrofits of the new modifications and validation testing of the proposed upgrades are in progress, with anticipated improvements in future months. There are also ongoing joint investigations with the car builder and maintenance staff focused on validating potential seasonal effects of higher ambient temperatures on the air (friction) braking system performance.



CLRV Streetcar: Mean Distance Between Failures (MDBF)

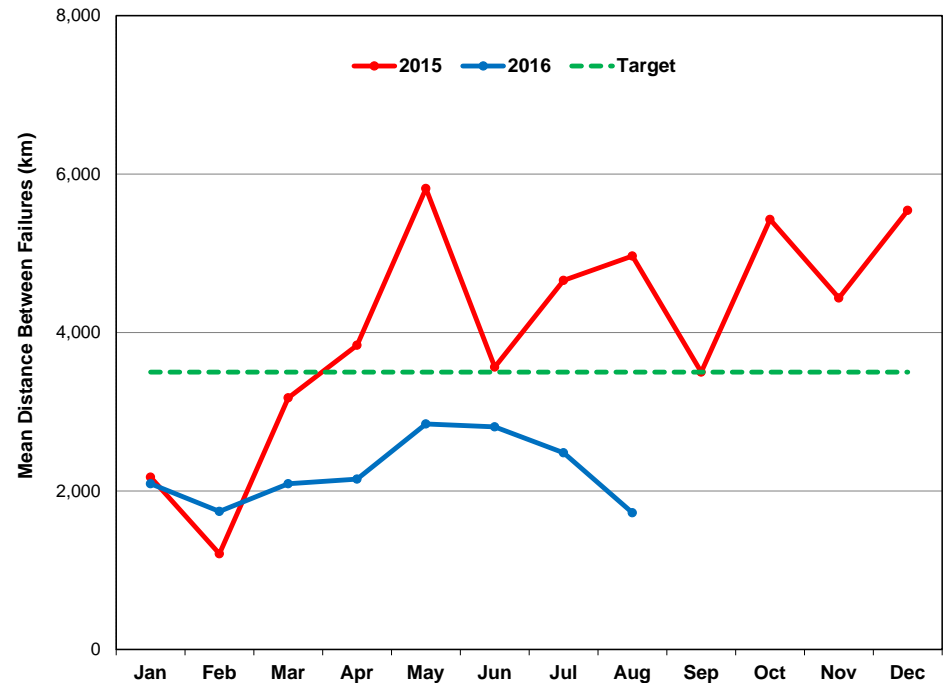


The MDBF increased in August for the first time in four months to 3,818 kilometres. Overall performance was below target for the second time in five months, due to fewer vehicles in service.

The decreased performance was due to continued deterioration of the 36-year old fleet. Reliability was impacted by a shortage of overhauled components. On the positive side, availability of vehicles has improved due to the winter readiness program that addressed the pneumatic and heating system problems.

It is anticipated that performance will improve in conjunction with the TTC Board's approval of a funding request to maintain the non-overhauled CLRVs in a state of good repair.

ALRV Streetcar: Mean Distance Between Failures (MDBF)

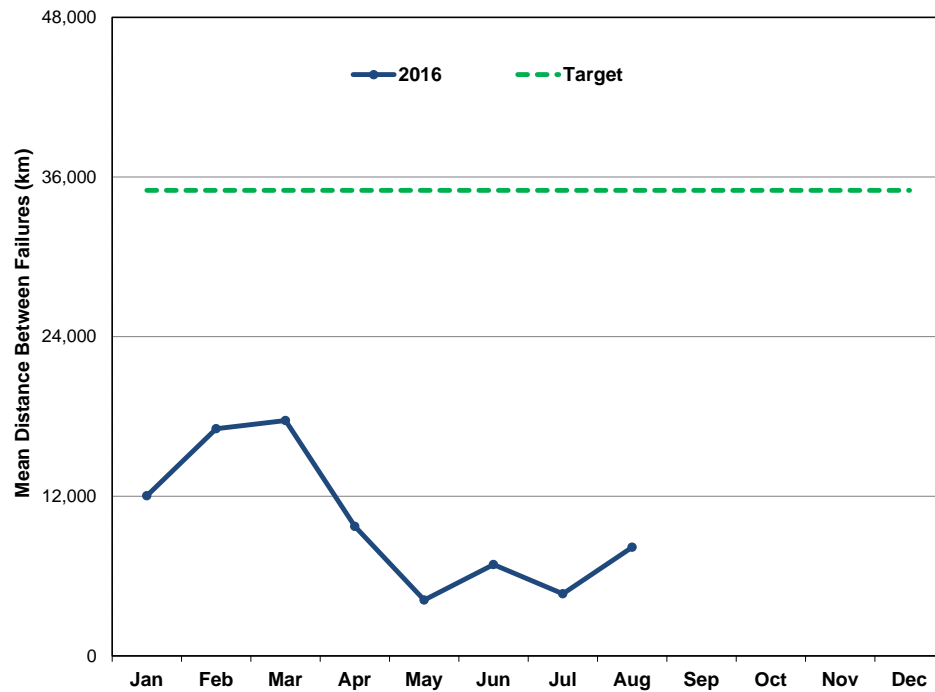


The MDBF decreased in August for the third consecutive month to 1,726 kilometres. Performance was below target for the eighth consecutive month, due to fewer vehicles in service.

The decreased performance was due to delays in long lead critical components for the overhaul program as well as gaps in maintenance and operating procedures and quality of manufactured components from some suppliers. A systems approach has been initiated to address gaps and reliability deficiencies.

It is anticipated that performance will improve in conjunction with the TTC Board's approval of a funding request to maintain the non-overhauled ALRVs in a state of good repair.

New Streetcar: Mean Distance Between Failures (MDBF)



The MDBF increased in August to 8,178 kilometres.

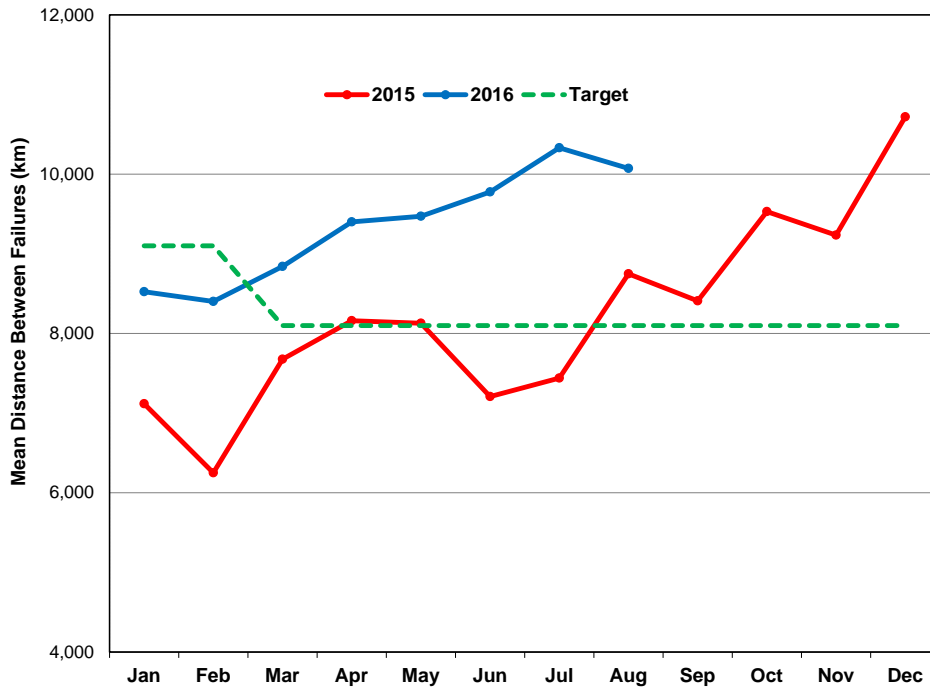
As the TTC awaits the delivery of more new low-floor streetcars from Bombardier, this key performance indicator will become increasingly relevant. With so few of the new streetcars in service today, the performance indicator does not yet truly reflect just how well the new streetcars are performing. With only 20 new streetcars in service, even a low number of defects can have a significant impact on the mean distance between failures.

The target of 35,000 mean kilometres between failures is expected to be attained on a regular basis as the sixtieth new streetcar is received.



Bus

Bus: Mean Distance Between Failures (MDBF)



The MDBF decreased in August for the first time in six months to 10,073 kilometres but still achieved target for the sixth month in a row.

Garage technical staff continues to focus on quality repairs and analysis of repeaters as well as heating and cooling systems. Maintenance facilities staff will continue to focus efforts on the quality of repairs.

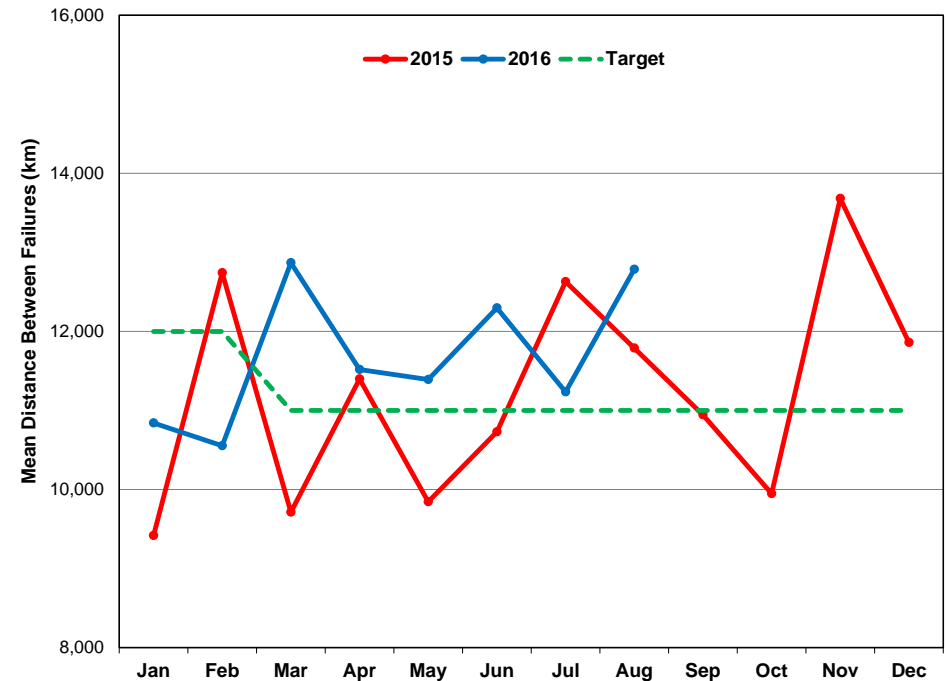
Note:

The original 2016 MDBF target of 9,100 kilometres was adjusted to 8,100 kilometres because a funding request for parts for a reliability-centred maintenance program was not approved.



Wheel-Trans

Wheel-Trans: Mean Distance Between Failures (MDBF)



The MDBF increased in August to 12,785 kilometres and overall performance achieved target for the sixth consecutive month.

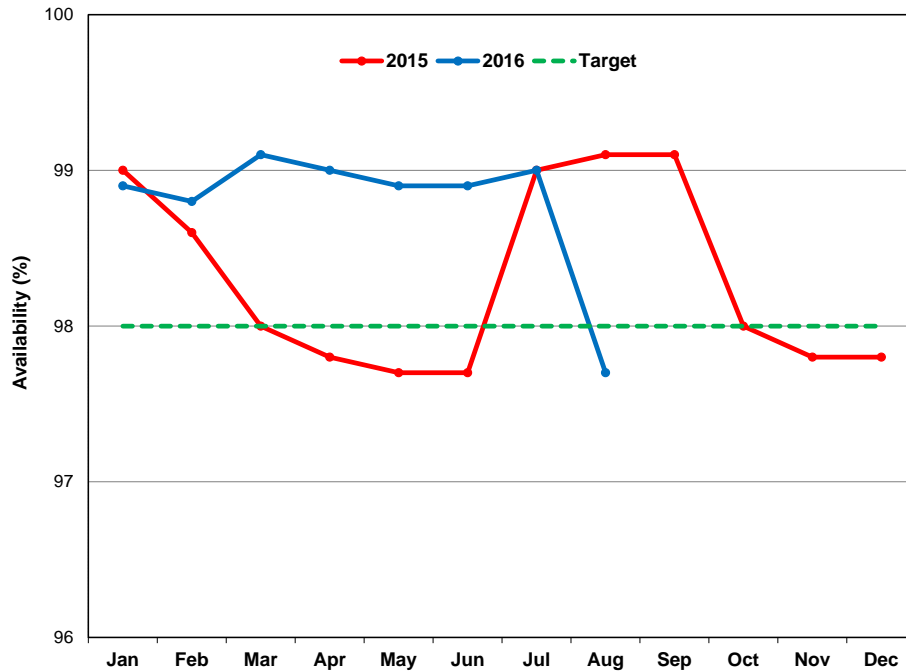
TTC staff is monitoring seven suspect vehicles and inputting mileage manually until the root-cause is identified. A meeting was held with Ford to discuss poor workmanship on rebuilt engines and TTC is awaiting a response. A Differential/Axle RCM program is ongoing to improve mileage between failures.

Note:

The original 2016 MDBF target of 12,000 kilometres was adjusted to 11,000 kilometres because a funding request for parts for a reliability-centred maintenance program was not approved.

Assets: Equipment Availability

Elevators



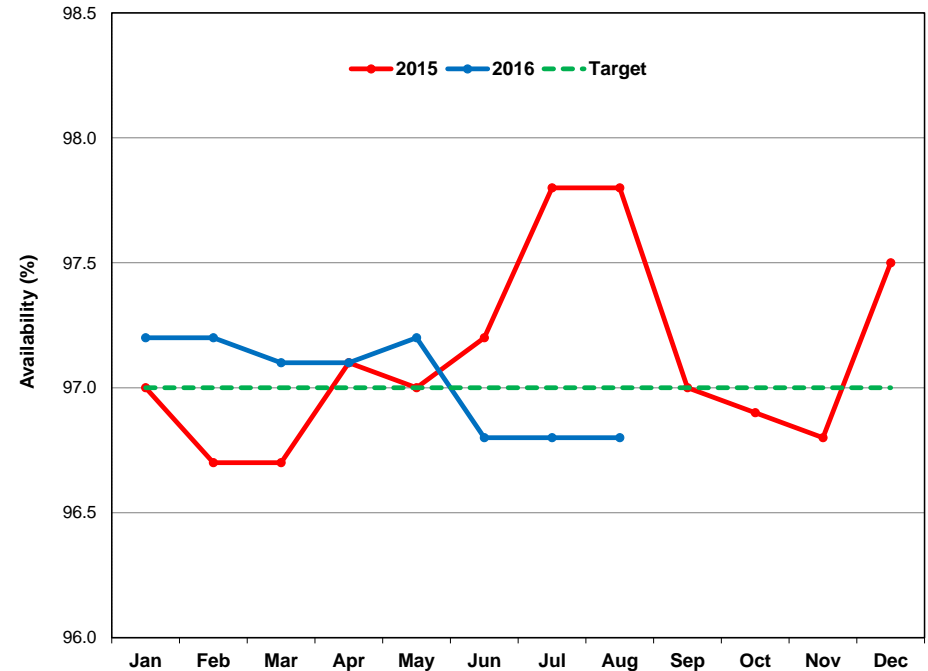
Performance in August decreased to 97.7% and it was below target for the first time in 15 months.

There were a number of prolonged shutdowns due to machine room overheating, which accounts for decreased availability.

Environmental controls within the machine rooms have been corrected and full service has resumed.

Elevator maintenance was completed as planned and scheduled.

Escalators



Performance in August remained unchanged again at 96.8% and was slightly below target.

The decreased performance was attributable to the lack of electrical skill set in troubleshooting. A training program for electrical skills set was implemented through an electrical training consultant.

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3.5 Financials

Financials

This section provides detailed information about the TTC and Wheel-Trans Operating Budgets. In addition, progress on the Commission's Capital Program and specific information about selected capital projects is also provided.

TTC Operating Budget

2016 Year-to-Date Results

To the end of Period 8 (August 27), total revenues were \$28.8 million (3.6%) below budget primarily due to 9.2 million (2.6%) fewer customer journeys than planned and a lower average fare (3.2¢ or 1.5%) stemming from ongoing changes in the mix of fare media.

Over the same time period, expenses were under budget (\$18.3 million or 1.6%) largely due to workforce gapping savings and lower than anticipated expenditures for diesel and employee benefits partially offset by higher accident claim settlement costs to date.

2016 Year-End Projections

(millions)	Projection	Budget	Variance
2016 TTC Operating Budget			
Customer Journeys (Ridership)	541	553	(12)
Revenue	\$1,203.3	\$1,242.1	(\$38.8)
Expenses	\$1,703.0	\$1,736.7	(\$33.7)
Subsidy Required	\$499.7	\$494.6	\$5.1
Subsidy Available*	\$494.6	\$494.6	-
Surplus/(Shortfall)	(\$5.1)	-	(\$5.1)

*Includes a \$1 million draw from the TTC Stabilization Reserve held by the City of Toronto

Currently, a \$5.1 million (or 1%) year-end subsidy shortfall is projected and a number of key budget variances account for this projection as follows.

Passenger Revenues: \$40.0 million decrease

Further to the March 23 TTC Board Report regarding the 2016 Ridership, unfavourable ridership results so far this year have resulted in lower than anticipated passenger revenues. Current forecasts indicate that ridership could fall approximately 12 million rides below the target of 553 million (or 541 million) with corresponding passenger revenue shortfalls of about \$40 million. Staff will continue to closely monitor and scrutinize additional results and will provide an update on the year-end projected ridership and passenger revenues in due course.

Employee Benefits: \$16.5 million decrease

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

Labour: \$8.6 million decrease

Workforce gapping is the key factor behind the projected lower labour expenses by year-end.

Diesel: \$5.0 million decrease

A marginally more favourable fuel consumption rate than anticipated (due to the milder winter weather experienced earlier this year) accounts for this positive impact.

Depreciation: \$4.3 million decrease

Based on lower than anticipated capital asset acquisitions in 2015, it is projected that the corresponding depreciation expense for 2016 will also be lower than originally expected.

Leasing Expenses: \$2.0 million decrease

Current requirements are lower than originally anticipated.

Accident Claim Settlements: \$5.5 million increase

The trend in these expenses to date, including the settlement of a large claim earlier in the year, indicates that these expenses will exceed budget by year-end.

Other: \$4.0 million decrease

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

**TORONTO TRANSIT COMMISSION
2016 OPERATING BUDGET - INCOME STATEMENT**

(\$000s)	Period 8: 4 Weeks				Eight Periods to				Full Year			
	July 31 to August 27, 2016				August 27, 2016				2016			
	Actual	Budget	Over/(Under) Budget	Over/(Under) Budget %	Actual	Budget	Over/(Under) Budget	Over/(Under) Budget %	Probable	Budget	Probable Variance	Probable Variance %
TOTAL REVENUES	85,809	89,844	(4,035)	-4.5%	779,032	807,850	(28,818)	-3.6%	1,203,328	1,242,128	(38,800)	-3.1%
TOTAL EXPENSES	130,146	136,083	(5,937)	-4.4%	1,117,958	1,136,235	(18,277)	-1.6%	1,703,089	1,736,756	(33,667)	-1.9%
OPERATING SUBSIDY REQUIRED in 2016					338,926	328,385	10,541	3.2%	499,761	494,628	5,133	1.0%
CITY OPERATING SUBSIDY AVAILABLE							-	100.0%	493,627	493,627	-	0.0%
DRAW FROM STABILIZATION RESERVE							-		1,001	1,001	-	0.0%
SHORTFALL / (SURPLUS)					338,926	328,385	10,541	3.2%	5,133	-	5,133	

<u>REVENUES:</u>												
Passenger Revenues	80,013	84,495	(4,482)	-5.3%	732,271	763,161	(30,890)	-4.0%	1,135,300	1,175,300	(40,000)	-3.4%
Outside City & Charters	1,305	1,172	133	11.3%	11,913	10,995	918	8.3%	17,019	16,319	700	4.3%
Advertising	2,331	2,331	-	0.0%	18,648	18,648	-	0.0%	27,975	27,975	-	0.0%
Rent Revenue	1,049	924	125	13.5%	7,194	7,398	(204)	-2.8%	10,395	11,095	(700)	-6.3%
Commuter Parking	864	777	87	11.2%	6,876	6,271	605	9.6%	9,874	9,274	600	6.5%
Other Income	247	145	102	70.3%	2,130	1,377	753	54.7%	2,765	2,165	600	27.7%
TOTAL REVENUES	85,809	89,844	(4,035)	-4.5%	779,032	807,850	(28,818)	-3.6%	1,203,328	1,242,128	(38,800)	-3.1%
<u>EXPENSES (LABOUR & NON-LABOUR)</u>												
CEO's Office	2,871	3,077	(206)	-6.7%	23,534	25,216	(1,682)	-6.7%	36,442	38,709	(2,267)	-5.9%
Engineering, Construction & Expansion Group	246	299	(53)	-17.7%	2,037	2,755	(718)	-26.1%	3,893	4,382	(489)	-11.2%
Corporate Services Group	4,786	5,452	(666)	-12.2%	40,979	43,771	(2,792)	-6.4%	66,145	69,639	(3,494)	-5.0%
Strategy and Customer Experience Group	1,470	1,602	(132)	-8.2%	12,109	13,508	(1,399)	-10.4%	20,197	20,868	(671)	-3.2%
Operations Group	22,447	22,686	(239)	-1.1%	190,510	188,568	1,942	1.0%	295,118	293,807	1,311	0.4%
Service Delivery Group	56,069	56,231	(162)	-0.3%	468,891	473,359	(4,468)	-0.9%	733,801	738,208	(4,407)	-0.6%
Employee Benefits	23,984	26,350	(2,366)	-9.0%	211,967	218,650	(6,683)	-3.1%	285,100	301,600	(16,500)	-5.5%
Vehicle Fuel	5,930	6,469	(539)	-8.3%	51,745	55,378	(3,633)	-6.6%	79,556	84,556	(5,000)	-5.9%
Traction Power	5,238	4,498	740	16.5%	36,079	36,037	42	0.1%	54,371	54,371	-	0.0%
Utilities (Hydro, Natural Gas, Water)	1,940	1,653	287	17.4%	17,331	17,017	314	1.8%	26,938	25,938	1,000	3.9%
Taxes and Licences	279	258	21	8.1%	2,170	2,159	11	0.5%	3,261	3,261	-	0.0%
Depreciation	2,578	2,578	-	0.0%	22,044	22,044	-	0.0%	29,148	33,448	(4,300)	-12.9%
Accident Claims & Insurance	1,895	2,367	(472)	-19.9%	23,645	20,402	3,243	15.9%	36,884	31,384	5,500	17.5%
Non-Departmental Costs	413	2,563	(2,150)	-83.9%	14,917	17,371	(2,454)	-14.1%	32,235	36,585	(4,350)	-11.9%
TOTAL EXPENSES	130,146	136,083	(5,937)	-4.4%	1,117,958	1,136,235	(18,277)	-1.6%	1,703,089	1,736,756	(33,667)	-1.9%
OPERATING SUBSIDY REQUIRED in 2016					338,926	328,385	10,541	3.2%	499,761	494,628	5,133	1.0%
CITY OPERATING SUBSIDY AVAILABLE							-	100.0%	493,627	493,627	-	
DRAW FROM STABILIZATION RESERVE									1,001	1,001	-	
SHORTFALL / (SURPLUS)					338,926	328,385	10,541	3.2%	5,133	-	5,133	

Wheel-Trans Operating Budget

2016 Year-to-Date Results

To the end of Period 8 (August 27), total revenues were slightly above target (\$60K or 1.3%). This reflects slightly higher revenues from 122 (5%) more customer journeys partially offset by a lower average fare (6.7¢ or 3.6%).

Over the same period, expenses were \$1.6 million (1.9%) over budget primarily due to the additional customer journeys.

2016 Year-End Projections

(millions)	Projection	Budget	Variance
2016 Wheel-Trans Operating Budget			
Customer Journeys (Ridership)	3.901	3.690	0.211
Revenue	\$7.1	\$7.0	\$0.1
Expenses	\$125.8	\$123.7	\$2.1
Subsidy Required	\$118.7	\$116.7	\$2.0
Subsidy Available	\$116.7	\$116.7	-
Surplus/(Shortfall)	(\$2.0)	-	(\$2.0)

Currently, a \$2 million (or 1.7%) year-end subsidy shortfall is projected and is largely attributable to the ever-increasing demand for service as explained below.

2016 ridership results to date are consistent with the trend identified in 2015 where ridership demand continues to outpace expectations. To date, demand for service is more than 5% higher than anticipated and 12% above the comparable 2015 results. Current staff estimates of 2016 projected ridership suggest that an additional 211,000 trips (5.7%) over the 3.7 million trips budgeted could be carried in 2016. The continuing increased demand is attributable to improvements in on-time performance, reduced call abandonment rates (now at 25%) and the fact that new customers (who are joining at the rate of about 800 – 900 per month) are utilizing the Wheel-Trans service at a higher rate than existing customers.

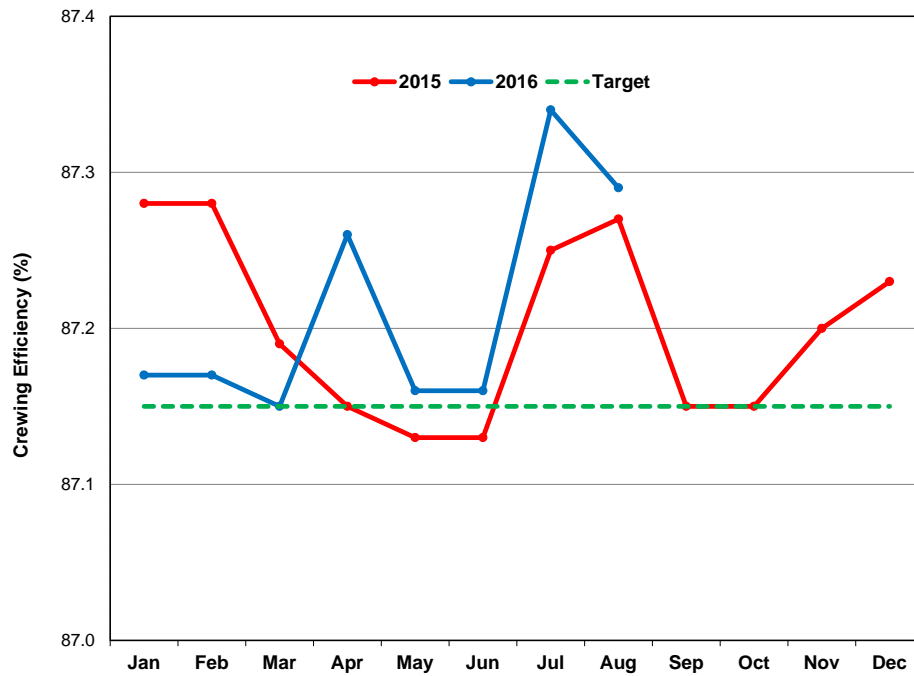
These additional trips will increase contracted taxi service expenses by \$5.7 million and are expected to be mitigated by projected underexpenditures due to: lower than anticipated interviewing and appeals activity (\$1 million), lower employee benefits utilization (\$0.9 million), diesel fuel savings (\$0.8 million), lower bus and garage maintenance costs

(\$0.4 million), workforce gapping (\$0.4 million), and lower forecasted accident claims settlements (\$0.2 million).

**WHEEL-TRANS
OPERATING BUDGET - INCOME STATEMENT**

PERIOD 8	Period 8: Four Weeks July 31 to Aug 27, 2016			Eight Periods to Aug 27, 2016			Full Year 2016		
(\$000s)	Over/(Under)			Over/(Under)			Projected	Budget	Projected
	Actual	Budget	Budget	Actual	Budget	Budget	Actual	Budget	Variance
REVENUES:									
Passenger Fares	551	551	0	4,650	4,590	60	7,060	6,953	107
EXPENSES:									
CONTRACTED TAXI SERVICE	4,050	3,758	291	35,326	31,476	3,849	53,518	47,808	5,710
WHEEL-TRANS BUS SERVICE	3,481	3,638	(157)	30,284	31,222	(938)	47,197	48,622	(1,425)
OTHER WHEEL-TRANS EXPENSES	2,013	2,169	(157)	16,945	18,293	(1,347)	25,041	27,236	(2,195)
TOTAL EXPENSES	9,544	9,566	(22)	82,554	80,991	1,564	125,756	123,666	2,090
OPERATING SUBSIDY REQUIRED IN 2016							118,696	116,713	1,983
OPERATING SUBSIDY AVAILABLE IN 2016							116,713	116,713	0
SHORTFALL/(SURPLUS)							1,983	-	1,983
PASSENGER TRIPS (000s)	295	288	7	2,551	2,428	122	3,901	3,690	211
UNACCOMMODATED RATE (%)	0.4	0.5	(0.1)	0.4	0.5	(0.1)	0.5	0.5	0.0
SUBSIDY PER TRIP (\$)	30.48	31.29	(0.81)	30.54	31.46	(0.92)	30.94	32.13	(1.19)

Operator Crewing Efficiency



Operator crewing efficiency decreased slightly in August to 87.29%. This measure has achieved target for 14 consecutive months.

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

TTC Capital Budget

2016 Year-to-Date Results

Capital expenditures to the end of Period 8 (August 27, 2016) reflect lower project activity and includes continued progress on vehicle and construction contracts already in place. Significant variances in the current period are as a result of under-spending on delayed contract work and vehicle deliveries.

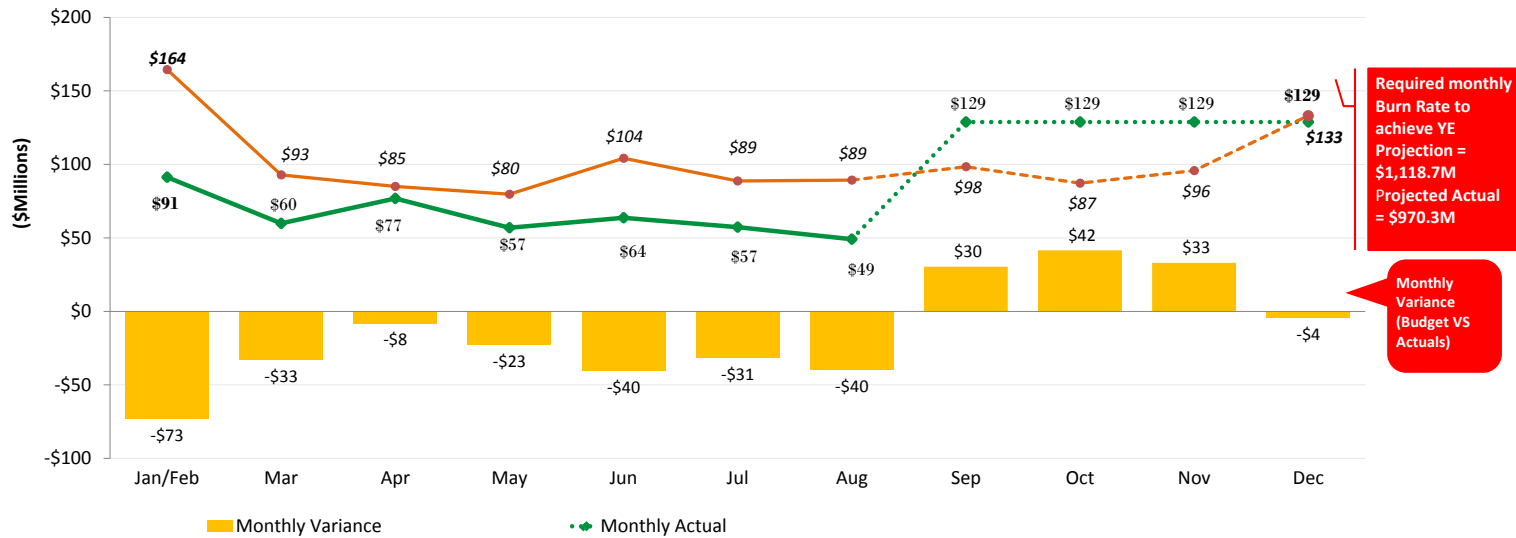
2016 Year-End Projections

(millions)	Projection	Budget *	Variance
2016 TTC Capital Budget			
Base Program	\$970.3	\$1,118.7**	(\$148.5)
Toronto-York Spadina Subway Extension (TYSSE)	\$443.0	\$719.6	(\$276.6)
Scarborough Subway Extension (SSE)	\$40.3	\$133.0	(\$92.7)

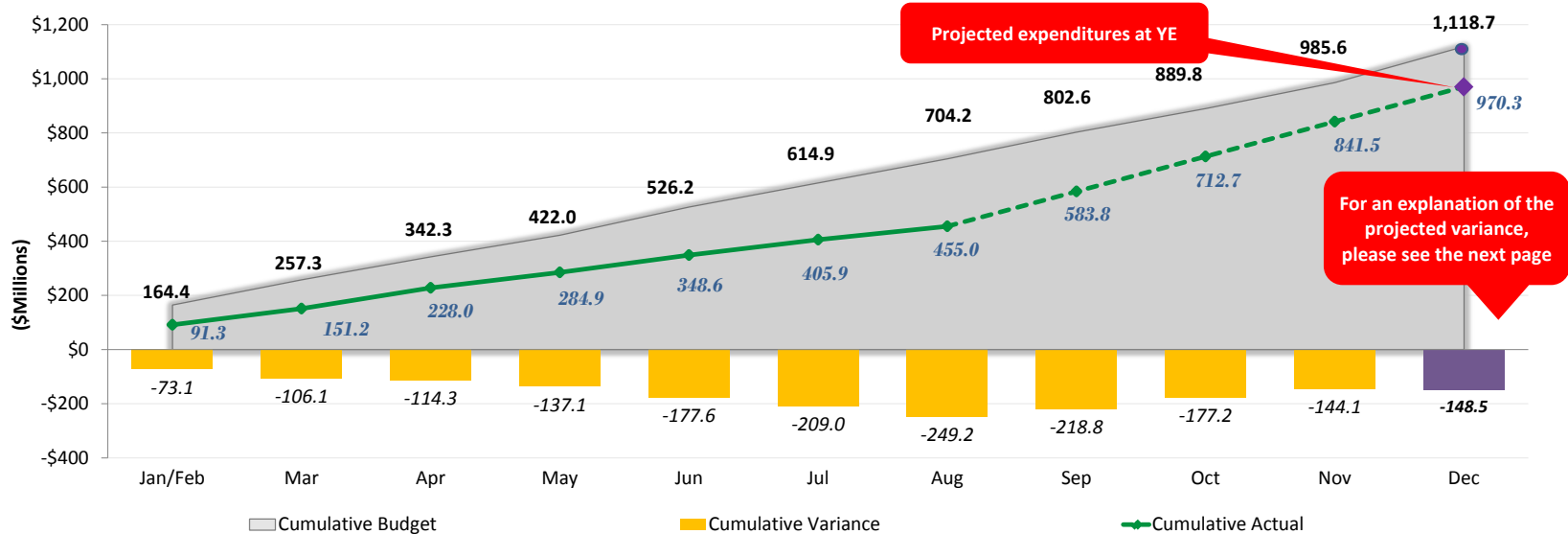
* Budget excludes additional carry forward spending on Base Program (\$101.7M), YYSSE (\$69.6M), and SSE (\$22.5M) as approved on May 3, 2016.

** Budget has been adjusted for 30 CLRVs Overhaul (+4.4M) and Leslie Barns (-\$0.685M) as approved by Council on June 7 and October 5, 2016, respectively for Base Program (see program explanation below for more information)

2016 Base Program: Month-to-Month Budget Tracking



2016 Base Program: Cumulative Budget Tracking



Base Program – 2016 Year-End Projected Variance: \$148.5 million under

Significant projected year-end base program variances are outlined below:

Subway Track: \$1.9 million under

The variance is due to procurement deferrals from 2015 to 2016 for the Optical Inspection Equipment (Rail Base Inspection) and consulting services for the Davisville Area Rehabilitation. Also work slipped for Victoria Park Expansion and a portion of Subway/SRT Turnout work to 2016.

The deferral into 2016 was offset by a reduction in forecasts for ongoing capital programs based on re-evaluation of cost estimates.

Communications: \$6.3 million under

The variance is due to Industrial Security Improvements of TTC Properties: Work advanced from 2016 to 2015 primarily for Allen Road fence replacement, Lawrence West to Yorkdale Stations; Train Door Monitoring project deferred schedule based on TR availability and overall system rollout plans; Public Address and Passenger Assist Intercom projects deferred as potential integration with Station Transformation initiatives; Radio Replacement project delays due to procurement process and ITS VISION project integration; CCTV project: delay in Video Management System (VMS) procurement due to resource constraints and deferral of DVR equipment upgrades as a result of changes in work sequence related to VMS implementation.

Signal Systems: \$9.1 million under

The variance is mainly due to Cable Replacement & Yard Interchange Signal Upgrades - slippage due to engineering resources allocated to Eglinton Ancillary Room Relocation; Speed Control System - slippage as a result of ATC project changes and stop order issued by ATC to Thales; Workcar Advanced Warning - slippage due to Track Level Safety Committee not finalizing decision; SRT Loop Cable Axle Counter Improvement - work slipped to be consistent with the 10 years SRT life extension scope; Wilson Yard Resignalling - revised phasing due to new interface to mainline CBTC; Signalling of Davisville Yard - revised schedule due to updated ATC Project staging, moving off South Yonge to Spadina section and Rail Amalgamation Study.

Finishes: \$1.3 million over

The variance is primarily due to Roofing Rehabilitation - slippage of Hillcrest Subway Operation Building, advanced work for Finch Station roofing and funds advanced to cover additional funds required at Hillcrest Subway operations.

Equipment: \$2.9 million under

The variance is due to Subway Escalator Overhaul project - work deferred to future year due to workforce unavailability.

Streetcar Network Upgrades and Bus Rapid Transit (BRT): \$2.4 million over

The variance is mainly due to Streetcar Network Upgrades (\$1.7M) – slippage from Queen Street Upgrades and advanced construction work on St Clair and Bus Rapid Transit (BRT) - Spadina Subway to York University/Steeles Avenue (\$0.7M) - funds advanced from future years to complete artwork/landscaping and public realm improvements.

On Grade Paving Rehabilitation Program: \$4.5 million under

Variance is due to increase in estimated expenditures in 2015 – work progressed faster than anticipated at Davisville Lower Roadway, Malvern Garage, St. Clair Station & Eglinton Bus Roadway.

Bridges and Tunnels: \$11.9 million under

Variance is due to Structural Paving Rehabilitation Program - work advanced to 2016 for Islington Bus Transfer Shoring to meet MiWay commitment, St. Clair Streetcar Loop Platform to coincide with planned Streetcar service interruption; Bridges/Structures Maintenance Program - work advanced to 2016 for Union Station Platform close out and revised scope at CNE Loop Retaining Wall; Tunnel and Station Leak Remediation - reduced due to revised cost estimate; Structure Rehabilitation Program - reduced due to revised cost estimate offset by Maintenance of Joint/TTC Toronto Transportation Bridges – probable was reduced due to submitted revised schedule by the City.

Leslie Barns Project: \$34.5 million over

The variance is due to prior year slippage which includes delay of substantial performance for Leslie Street Connection Track and delays in commissioning which impacted the value of progress payments for Leslie Barns.

Note: The 2016 budget for Leslie Barns reduced by \$0.685 million as a result of budget transfer from Leslie Barns to Economic Development and Culture – EDC's Art Services (Public Art); approved by Council on October 5, 2016.

Toronto Rocket/T1 Rail Yard Accommodation: \$8.6 million over

Variance is due to increase in estimated expenditures for Keele Yard Retrofit and Wilson Yard Tie in Tracks 33 to 43, Site Services Stage I, Rail Amalgamation Study and Wilson Yard System Works.

Purchase of Buses: \$11.9 million under

Variance is due to the accelerated delivery of buses in 2015.

Purchase of Subway Cars: \$26.9 million over

Variance is due to slippage of vehicle deliveries from 2015 to 2016 due to Unifor Strike, additional scopes (4-car conversion and Train Door Monitoring prototyping on Sheppard Line).

Streetcar Overhaul: \$1.8 million over

Variance is due to slippage of 3 ALRVs from 2015 (+\$0.8M); advancement of work from future years for the AODA project (+\$1.0M) to complete the vehicle installations (the exact number of vehicle installations is under review).

Note: 2016 new project - 30 CLRV Overhaul was approved by Council on June 7, 2016, based on recoverables from Bombardier due to delayed deliveries of the new LFLRVs (+\$4.4M).

Bus Overhaul: \$9.0 million under

Variance is mainly due to slippage of bus overhauls to 2017 resulting from delayed deliveries of various bus components.

Subway Car Overhaul: \$22.2 million under

Variance is mainly due to slippages and scope changes for the Train Door Monitoring (TDM) project in the Sheppard line from T1 train to TR train, T1 scope was cancelled and the increased scope on TR has deferred the completion date to 2019; the installation of Friction Brake Electronic Control Unit (FBECU) component has also been deferred from 2016 to

2017 due to longer prototyping period under T1 15 year overhaul; the TR and T1 AODA were delayed due to the late Board approval and material supply issues from Bombardier; the TR 7 year overhaul is under due to the delay in equipment purchases and hiring of workforce in 2016; T1 CCTV project is also under because priority was given to the T1 AODA project considering the car availability for revenue service, new scope of T1 HVAC overhaul was added to T1 20 year overhaul program.

Purchase of Streetcars: \$108.3 million under

Staff are working with Bombardier to address the issues and delays surrounding the LRV order. It is difficult to determine with high level of confidence the projected cash flows for 2016 due to the lack of a detailed production schedule from Bombardier at this time. Nevertheless, the cash flows and projections for this project have been adjusted to reflect what is currently known based on Bombardier's revised, unsubstantiated delivery schedule and other projected expenditures.

Purchase of Rail Non-Revenue Vehicles: \$5.6 million under

Variance is mainly due to deferral of Vacuum Excavator project to future year as priority was given to workcar Automatic Train Protection (ATP) prototyping project.

SAP – ERP Implementation System: \$4.4 million under

Variance is due to a late start by IBM due to prolonged contract negotiations and award timeline. The other contributing factor is an anticipated later start of Wave 2.

Vision Program (CADD/AVL System): \$14.8 million under

Variance is due to a delay in vendor approval by the Board which has moved a \$13.5M milestone payment and \$1.3M of Control Centre scope into 2017.

Other Service Planning: \$2.0 million under

The variance is mainly due to three projects: Platform Modification to Accommodate Artic Buses: TTC and City are still working on achieving a consensus on the scope and delivery of the project at various locations, required to meet TTC objectives and Transit Priorities and Opportunities to Improve Transit Service projects: Considerable amount of work will slip from 2016 to 2017 because of external approvals (City Transportation Services, Toronto Hydro, etc.) that are required for these projects to proceed. The projection for the next period is expected to be higher, due to anticipated PTIF budget approval.

Toronto York Spadina Subway Extension (TYSSE) : \$276.6 million under

The variance is primarily due to deferral of facilities and systems construction work and timing of commercial settlements including holdback releases.

Scarborough Subway Extension: \$92.7 million under

Scarborough Subway Project: \$82.8 million under

Variance is due to delays in the Environmental Assessment (EA) process and the rebaselining of the project scope.

SRT Life Extension: \$9.9 million under

The variance is due to slippage from 2015 and three cancelled closures requested by the City which impacted Subway Infrastructure work. The preliminary result of SRT structural assessment showed that SRT would need extensive structural repairs; therefore, TTC is waiting for a recommendation from Bombardier/CAD Rail Industries while maintaining existing work and structural repairs to keep the SRT service in a state of good repair (note: there are only 28 SRT cars in revenue service).

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4. Critical Projects

Critical Projects

Current as of August 2016 | Next Update in November 2016 CEO Report

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. The CEO Reports for March, May, August, and November will include a dashboard update as well as one-page project performance updates for each of the projects listed in the dashboard. 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	\$977	\$564	58%	\$977	100%	Ongoing	Q4 2019		G	G	G	G
Facilities: McNicoll Bus Garage	Growth	\$181	\$8	5%	\$181	100%	Q4 2012	Q4 2019	Q2 2020	G	G	G	G
Management Systems: VISION (CAD/AVL)	Customer	\$115	\$3	3%	\$115	100%	Q1 2014	Q4 2020	Q1 2020	G	G	G	G
Streetcar Fleet & Facilities													
Vehicles: Purchase of New Streetcars	Assets	\$1,187	\$527	44%	\$1,187	100%	Q2 2009	Q4 2019		G	G	G	Y
Facilities: Leslie Barns	Growth	\$517	\$474	92%	\$517	100%	2008	Q4 2015	Q4 2016	G	G	G	G
Track: Surface Track *	Assets	\$419	\$283	68%	\$419	100%	Ongoing	Q4 2018	Q4 2019	G	G	G	G
Subway Fleet & Infrastructure													
Vehicles: Purchase of Subway Cars	Assets	\$1,167	\$1,108	95%	\$1,167	100%	Q2 2011	Q4 2016		G	G	G	G
Stations: Easier Access III	Assets	\$655	\$241	37%	\$773	118%	2006	Q4 2025		Y	Y	G	Y
Facilities: TR / T1 Rail Yard Accomodation **	Assets	\$985	\$137	14%	\$986	100%	2010	Post 2025		G	G	G	G
Track & Tunnels: Subway Track *	Assets	\$505	\$133	26%	\$496	98%	Ongoing	Q2 2018	Q1 2017	Y	G	G	G
Signals: Automatic Train Control (ATC Line 1-YUS)	Assets	\$563	\$266	47%	\$563	100%	Q2 2009	Q4 2019		G	G	G	G
Expansion													
Toronto-York Spadina Subway Extension (TYSSE)	Growth	\$3,184	\$2,392	75%	\$3,184	100%	Q2 2008	Q4 2017		G	Y	G	Y
Scarborough Subway Extension	Growth	\$3,305	\$20	1%	\$3,305	100%	Q4 2013	Q4 2023	Q4 2025	R	G	R	R
Management Systems													
PRESTO	Customer	\$47	\$25	54%	\$47	100%	Q4 2012	Q4 2017		R	G	G	Y
SAP	Financial	\$63	\$11	17%	\$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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Andy Byford
Chief Executive Officer
Toronto Transit Commission