



## Financial Update for the Year Ended December 31, 2018 and Major Projects Update

**Date:** April 11, 2019  
**To:** TTC Board  
**From:** Chief Financial Officer

### Summary

---

This Report sets out operating and capital financial results for TTC Conventional and Wheel-Trans for the year ended December 31, 2018. These results are subject to audit and the audited financial statements will be presented to Audit and Risk Management Committee on May 29 and the TTC Board on June 12.

#### 2018 Operating Results

Description (\$Millions)	Year-End Results		
	Actual	Budget	Variance
<b>TTC Conventional</b>			
Gross Expenditures	1,809.4	1,847.7	(38.3)
Revenue	1,226.2	1,251.1	(24.9)
<b>TTC Operating Subsidy</b>	<b>583.2</b>	<b>596.6</b>	<b>(13.4)</b>

<b>Wheel-Trans</b>			
Gross Expenditures	140.1	152.8	(12.7)
Revenue	7.4	8.6	(1.2)
<b>WT Operating Subsidy</b>	<b>132.7</b>	<b>144.2</b>	<b>(11.5)</b>

<b>Total</b>			
Gross Expenditures	1,949.5	2,000.5	(51.0)
Revenue	1,233.6	1,259.7	(26.1)
<b>Total Operating Subsidy</b>	<b>715.9</b>	<b>740.8</b>	<b>(24.9)</b>

## 2018 Capital Results

Description (\$ Millions)	2018 Budget	Year-End Results	
		\$	%
TTC Base Capital	1,662	1,271	76%
TTC Transit Expansion	626	248	40%

## Financial Summary

---

### 2018 Operating Results

Based on preliminary year-end results, TTC Conventional service is underspent by \$38.3 million gross and \$13.4 million net. The net variance includes the TTC refraining from making the budgeted \$14.0 million draw from the TTC's stabilization reserve.

In addition, Wheel-Trans is underspent by \$12.7 million gross and \$11.5 million net.

Any net operating underspending will be retained by the City in keeping with the surplus management policy.

### 2018 Capital Results

Total TTC base capital expenditures at year end are \$1.271 billion or 76% of the 2018 approved Capital Budget. In addition to base capital requirements, TTC also incurred \$248 million in expenditures for transit expansion initiatives reflecting 40% of approved 2018 funding for TTC expansion projects.

The 2018 capital underspending of \$391 million for base capital expenditures and \$379 million for expansion initiatives, totalling \$770 million, will be carried forward into 2019 to complete capital work, in accordance with the City's carry forward policy.

## Equity/Accessibility Matters

---

The TTC is strongly committed to making Toronto's transit system barrier-free and accessible to all. We believe all customers should enjoy the freedom, independence and flexibility to travel anywhere on the public transit system.

Expenditures required to meet the TTC's accessibility and equity requirements have been provided for in these budgets, including operating funding for elevator maintenance and continued implementation of Wheel-Trans Family of Services; and capital funding for the TTC's Easier Access Program, which is on track to make all subway stations accessible by 2025 with elevators, wide fare-gates and automatic sliding doors.

## Decision History

---

At its meeting on November 28, 2017, the TTC Board approved the 2018 TTC and Wheel Trans operating budgets, with subsidy requirements of \$580.8 million for TTC Conventional service, \$143.4 million for Wheel-Trans service and a 2018 year-end workforce complement of 14,984 positions.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2017/Nov 28/Reports/2 2018 TTC and Wheel Trans Operating Budgets Decision.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2017/Nov%2028/Reports/2%202018%20TTC%20and%20Wheel%20Trans%20Operating%20Budgets%20Decision.pdf)

At its meeting on November 28, 2017, the TTC Board approved the 2018-2027 TTC Capital Budget and Plan of \$6.538 billion in funding with \$1.406 billion in 2018 cash flow.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2017/Nov 28/Reports/Decisions/3 2018-2027 TTC Capital Budget Decision.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2017/Nov%2028/Reports/Decisions/3%202018-2027%20TTC%20Capital%20Budget%20Decision.pdf)

At its meeting on February 12, 2018, City Council approved the TTC's 2018 Operating Budget and 2018 – 2027 Capital Plan, with amendments to the TTC Board approved budgets that included a \$5 million adjustment from the Operating Budget to the Capital Budget for one-time costs associated from the two-hour time based transfer; as well as a \$3.0 million subsidy increase and an added 27 positions to increase network capacity and reduce overcrowding.

[http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getCouncilMinutesReport &meetingId=13089](http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getCouncilMinutesReport&meetingId=13089)

At its meeting of July 23, 2018, City Council approved adjustments to the TTC's 2018-2027 Capital Plan included the transfer of \$6.1 million of debt funding that previously aligned with the City's share of PTIF funding from the Bentway Pedestrian and Cycling Bridge. The additional debt funding will be allocated to purchase additional buses under the PTIF program.

<https://www.toronto.ca/legdocs/mmis/2018/ex/bgrd/backgroundfile-118651.pdf>

At its meeting of December 13, 2018, City Council approved adjustments to the TTC's 2018 Operating Budget including the transfer of provisional funding to the TTC from the City's Non-Program account following settlement of the collective bargaining agreement.

<https://www.toronto.ca/legdocs/mmis/2019/cc/bgrd/backgroundfile-122411.pdf>

## Comments







---

### **Key Indicators – Operating Budget**

The TTC's net operating results are primarily driven by six key indicators. These indicators impact year to date spending and revenues, as well as provide the basis to estimate year-end spending projections.

The TTC's key indicators include TTC and Wheel-Trans passenger counts and average fare, which impact the \$1.170 billion passenger revenue budget. Additional key drivers include the price of fuel and electric power that affect a combined fuel and utilities budget of \$171 million. The final and most significant driver on expenses relates to service hours, which impacts labour expenses (\$1.022 billion), non-labour expenses (\$224 million) such as parts and maintenance, as well as fuel and utility consumption.

The table below details the TTC's key operating indicators:

Item	Year-End Results			Status
	Actual	Budget	Variance	
TTC Passengers	521.4M	539.4M	(18.0M)	
TTC Average Fare	2.229	2.170	0.059	
TTC Service Hours	9.346M	9.218M	0.128M	
Price of Fuel (\$/litre)	0.873	0.865	0.008	
Price of Electric Power (\$/kWh)	0.136	0.164	(0.028)	
WT Passengers	4.16M	4.81M	(0.65M)	

### ***Financial Update – Operating***

As detailed in the following tables for year ended December 31, 2018, the TTC conventional and Wheel-Trans services reported a combined year-end net underspend of \$24.9 million or 3.4%. Also provided are tables reflecting comparative information to 2017 spending.

**TTC Conventional  
2018**

Item (\$Millions)	Year-End Results			Status
	Actual	Budget	Variance	
<b>Expenses</b>				
Departmental Labour	1,018.6	1,021.8	(3.2)	✓
Departmental Non-Labour	214.2	223.9	(9.7)	✓
Employee Benefits	282.0	306.6	(24.6)	✓
Diesel	75.0	76.3	(1.3)	✓
Traction Power & Utilities	77.3	94.3	(17.0)	✓
Other Corporate Costs	142.3	124.8	17.5	✗
<b>Total Expenses</b>	<b>1,809.4</b>	<b>1,847.7</b>	<b>(38.3)</b>	<b>✓</b>
<b>Revenues</b>				
Passenger Revenue	1,162.1	1,170.3	(8.2)	✗
Other Ancillary Revenue	64.1	66.8	(2.7)	✗
Stabilization Reserve Draw	0.0	14.0	(14.0)	✓
<b>Total Revenue</b>	<b>1,226.2</b>	<b>1,251.1</b>	<b>(24.9)</b>	<b>✗</b>
<b>Net (Operating Subsidy)</b>	<b>583.2</b>	<b>596.6</b>	<b>(13.4)</b>	<b>✓</b>

The year-end subsidy for TTC conventional service is under-budget by \$13.4 million or 2.2% based on preliminary results. The key budget variances that account for this variance are as follows:

**FAVOURABLE VARIANCES**

***Employee Benefits: \$24.6 million decrease***

Employee Benefits variance is primarily due to lower than expected healthcare and dental expenses (\$11 million) and lower TTC Pension contributions (\$4 million). Higher than expected new hire levels have contributed to this variance as new employees are not eligible for health and dental coverage for the first 3 months and there are no matching TTC Pension contributions for the first 6 months. The results of an actuarial valuation of TTC's WSIB liabilities provided a further one-time \$5.2 million budget savings. The balance of \$4.4 million is comprised of the remaining employee benefit budgets including sick benefit payments and payroll taxes being under budget by 3%.

***Traction Power and Utilities: \$17.0 million decrease***

Traction power & utilities variance is primarily due to \$11.5 million in favourable price variances for electricity. This price variance is due to three key factors:

- Lower than forecast global adjustment. (\$5.5 million)
- A time limited and unbudgeted rate rider credit from Toronto Hydro. (\$2 million)
- Preferential pricing for Class A accounts with relatively low peak demand factors extending throughout the year, rather than the budgeted end date of June 30. (\$4 million)

The balance of the favourable variance (\$5.5 million) is due to:

- Lower electrical consumption than budget, saving \$3 million partly due to insufficient streetcars being available for service.
- A combination of lower price and consumption on natural gas (\$2.3 million) and water (\$0.2 million).

***Departmental Non-Labour: \$9.7 million decrease***

Departmental non-labour underspending was primarily due to lower than expected vehicle maintenance expenses, primarily as a result of improved reliability of buses and subway cars.

***PRESTO Commissions: \$5.5 million decrease***

PRESTO fees were \$5.5 million below budget primarily due to the adoption rate for pass users being lower than initially anticipated in 2018. The original target for fare products available on PRESTO for fall 2018 was not met and contributed to the lower adoption rates.

**UNFAVOURABLE VARIANCES**

***Stabilization Reserve Draw: \$14 million decrease***

A \$14.0 million stabilization reserve draw was budgeted for this year. Based on the year-end subsidy surplus, this draw is not required.

***Passenger Revenues: \$8.2 million decrease***

Year-end ridership was approximately 3.3% below budget; however, passenger revenues were only 0.7% below budget.

The more favourable revenue variance is mainly due to the current trend of customers switching from pass-based fare media to single-ride fare media, particularly PRESTO e-purse, which has resulted in a 5.9 cent increase in the average fare.

***Third party recoveries: \$18.4 million decrease***

A provision for doubtful collection of third party recoveries predominately for required supplemental service along Eglinton Avenue has been recorded. TTC staff will continue to bill and pursue collection of these amounts.

All other changes net to a \$2.8 million unfavourable variance.

## 2018 compared to 2017

Item (\$Millions)	Year-End Results		
	2018 Actuals	2017 Actuals	Change
<b>Expenses</b>			
Departmental Labour	1,018.6	977.7	40.9
Departmental Non-Labour	214.2	209.7	4.5
Employee Benefits	282.0	280.5	1.5
Diesel	75.0	76.1	(1.1)
Traction Power & Utilities	77.3	76.4	0.9
Other Corporate Costs	142.3	88.5	53.8
<b>Total Expenses</b>	<b>1,809.4</b>	<b>1,708.9</b>	<b>100.5</b>
<b>Revenues</b>			
Passenger Revenue	1,162.1	1,162.9	(0.8)
Other Ancillary Revenue	64.1	70.9	(6.8)
Stabilization Reserve Draw	0.0	0.0	0.0
<b>Total Revenue</b>	<b>1,226.2</b>	<b>1,233.8</b>	<b>(7.6)</b>
<b>Net (Operating Subsidy)</b>	<b>583.2</b>	<b>475.1</b>	<b>108.1</b>

### Explanation of Year-Over-Year Changes

**Expenses** increased by \$100.5 million (5.9%) on a year-over-year basis. Key sources of this increase include:

- Collective Bargaining Agreement: \$24.5 million
- First full year operation of the Toronto-York-Spadina Subway Extension (TYSSE): \$21 million.
- Decrease in third party recoveries (as noted above): \$14 million
- PRESTO Commission as a result of gradually increasing PRESTO adoption rates: \$10.4 million

The balance is comprised of a variety of items including the mid-year capacity improvements, paid emergency leave, the mid-year workforce increase to address the ESA 48 hour limit, and general material inflation.

**Revenues** are expected to decrease by \$7.6 million (0.6%). This is attributable to a reduction in Outside City Service revenue. With the TYSSE opening, TTC operation of 4 routes previously operated by TTC on behalf of York Region ended in December 2017.

## Wheel-Trans

2018

Item (\$Millions)	Year-End Final			Status
	Actual	Budget	Variance	
<b>Expenses</b>				
Bus Service	51.7	51.8	(0.1)	✓
Contracted Taxi	61.2	71.3	(10.1)	✓
Employee Benefits	13.8	14.8	(1.0)	✓
Administration/Management	13.4	14.9	(1.5)	✓
<b>Total Expenses</b>	<b>140.1</b>	<b>152.8</b>	<b>(12.7)</b>	✓
<b>Passenger Revenues</b>	<b>7.4</b>	<b>8.6</b>	<b>(1.2)</b>	✗
<b>Net (Operating Subsidy)</b>	<b>132.7</b>	<b>144.2</b>	<b>(11.5)</b>	✓

The year-end surplus of \$11.5 million (or 8%) is largely driven by the following key budget variances:

### **Contracted Taxi Services: \$10.1 million decrease**

The decrease in costs is attributable to lower year-end ridership and a lower cost per passenger trip.

### **Customer Service: \$1.2 million decrease.**

Expenses were under budget primarily due to lower volume and lower costs for Functional Assessments and Appeals and lower Transformation project costs.

### **Employee Benefits: \$1.0 million decrease.**

Lower healthcare expenses primarily account for this under-expenditure.

### **Passenger Revenues: \$1.2 million decrease**

The decrease is mainly due 651,000 less customer journeys than budgeted offset by a slightly higher average fare.

All other changes net to a \$0.4 million favourable variance.



## 2018 compared to 2017

Item (\$Millions)	Year-End Results		
	2018 Actuals	2017 Actuals	Change
<b>Expenses</b>			
Bus Service	51.7	48.3	3.4
Contracted Taxi	61.2	59.4	1.8
Employee Benefits	13.8	12.9	0.9
Administration/Management	13.4	12.7	0.7
<b>Total Expenses</b>	<b>140.1</b>	<b>133.3</b>	<b>6.8</b>
<b>Passenger Revenues</b>	<b>7.4</b>	<b>7.6</b>	<b>(0.2)</b>
<b>Net (Operating Subsidy)</b>	<b>132.7</b>	<b>125.7</b>	<b>7.0</b>

### Explanation of Year-Over-Year Changes

**Expenses** have increased by \$6.8 million (5.1%) on a year-over-year basis. Key sources of this increase include:

- Additional operators to meet collective bargaining agreement requirements as well as backfill requirements for paid emergency leave. (\$2.5 million)
- Higher contracted taxi costs due to an increase in average trip length and rate inflation, offset by a shift in rides from contracted services to bus. (\$1.8 million)
- CBA increase (\$1 million).

The balance is comprised of a variety of items including higher bus maintenance and fuel costs.

### **TTC Capital**

#### **Financial Update – Capital**

The TTC had incurred \$1,519 million in capital spending as of December 31, 2018 reflecting a spend rate of \$1,271 million or 76% for the TTC base capital program and \$248 million or 40% for transit expansion projects.

## TTC Capital

Description (\$ Millions)	2018 Budget	Year-End Results	
		\$	%
<b>TTC Base Capital</b>			
Infrastructure Projects	947	739	78%
Vehicle Related Projects	715	532	74%
<b>Total - Base Capital</b>	<b>1,662</b>	<b>1,271</b>	<b>76%</b>
<b>TTC Transit Expansion</b>			
Toronto York Spadina Subway Extension	393	150	38%
Scarborough Subway Extension	129	82	64%
Relief Line - Design	100	15	15%
Waterfront Transit - Design	4	1	15%
<b>Total - Transit Expansion</b>	<b>626</b>	<b>248</b>	<b>40%</b>

Examples of projected year-end base program variances are outlined below:

### **Purchase of Streetcars: \$61.5 million under**

The underspending is a result of slippage of vehicle delivery experienced in 2017 and prior years as unspent 2017 cash flow has been carried forward into 2018.

### **Other Buildings and Structures: \$26.7 million under**

Variance is primarily due to lower than expected current year expenditures for property for the New Subway Maintenance and Storage Facility, deferred construction to 2019 for the Surface Way and Buildings Replacement, delays to schedule and resource acquisitions for Stations Transformation, and consolidation of transit control operations has potentially changed the scope of work and requires further evaluation.

### **Additional Capital Spending Summaries**

Additional information on 2018 capital spending by project is included in Appendix 1 - **2018 Capital Spending Summary by Project**. Information on capital delivery performance for major projects is also available within Appendix 2 - **Major Projects Update**.

## **Contact**

---

Stephen Conforti, Head of Finance & Treasurer  
416-393-3654  
Stephen.Conforti@ttc.ca

## **Signature**

---

Dan Wright  
Chief Financial Officer

## **Attachments**

---

Appendix 1 – 2018 Capital Spending Summary by Project  
Appendix 2 – Major Projects Update  
Appendix 3 – Financial KPIs

## Appendix 1 – 2018 Capital Spending Summary by Project

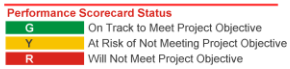
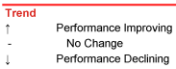
### Toronto Transit Commission 2018 Capital Budget Variance For Period Ended Dec 31, 2018

EXPENDITURES BY PROGRAM	2018 Budget	Year-to-Date		
		Actuals	Variance	%
<b>TRACK</b>	84.3	63.5	20.8	75%
1.1 Subway Track	33.5	21.6	11.8	65%
1.2 Surface Track	50.8	41.9	9.0	82%
<b>ELECTRICAL SYSTEMS</b>	157.2	126.0	31.2	80%
2.1 Traction Power	21.9	24.8	(2.9)	113%
2.2 Power Distribution/Electric Systems	7.3	9.0	(1.7)	124%
2.3 Communications	39.0	17.5	21.6	45%
2.4 Signal Systems				
Signal Systems	20.5	17.6	3.0	85%
ATC Resignalling	68.3	57.1	11.2	84%
<b>BUILDINGS &amp; STRUCTURES</b>	491.7	438.2	53.5	89%
3.1 Finishes	20.7	22.3	(1.6)	108%
3.2 Equipment	31.4	24.5	6.9	78%
3.3 Yards & Roads				
Streetcar Network Upgrades & BRT	5.7	5.9	(0.2)	104%
On-Grade Paving Rehabilitation Program	13.4	13.8	(0.4)	103%
Bicycle parking at stations	0.9	0.2	0.7	24%
Transit Shelters & Loops	0.4	0.3	0.1	78%
3.4 Bridges & Tunnels	32.2	29.5	2.7	91%
3.9 Buildings and Structures Projects				
Fire Ventilation Upgrade	16.5	9.0	7.4	55%
Easier Access Phase III	46.4	46.8	(0.4)	101%
Leslie Bams	14.7	8.6	6.1	58%
Toronto Rocket/T1 Rail Yard Accommodation	36.3	33.2	3.1	91%
McNicoll New Bus Garage	29.9	31.7	(1.8)	106%
Other Buildings and Structures	239.0	212.3	26.7	89%
Sheppard Subway	3.7	0.0	3.7	0%
Kipling Station Improvements	0.2	0.0	0.2	7%
Queensway Garage Expansion	0.2	0.0	0.2	10%
Wilson Complex-Modifications	0.0	0.0	0.0	9%
<b>VEHICLES</b>	714.9	531.8	183.1	74%
<b>REVENUE VEHICLES</b>				
4.11 Purchase of Buses	291.4	239.4	52.1	82%
4.11 Purchase of Buses - Wheel Trans Buses	11.8	11.2	0.6	95%
4.12 Purchase of Subway Cars	24.6	12.3	12.2	50%
4.13 Bus Overhaul	48.0	47.5	0.5	99%
4.15 Streetcar Overhaul	9.8	4.5	5.4	45%
4.16 Subway Car Overhaul	59.7	30.9	28.8	52%
4.18 Purchase of Streetcars	239.6	178.1	61.5	74%
<b>NON-REVENUE VEHICLES</b>				
4.21 Purchase Automotive Non-Revenue Vehicles	6.9	3.2	3.7	46%
4.22 Rail Non-Revenue Vehicle Overhaul	6.5	2.9	3.6	45%
4.23 Purchase Rail Non-Revenue Vehicles	16.5	1.9	14.7	11%
<b>TOTAL OTHER</b>	214.1	111.4	102.7	52%
<b>TOOLING, MACHINERY &amp; EQUIPMENT</b>				
5.1 Shop Equipment	8.1	5.1	3.0	62%
5.2 Revenue & Fare Handling Equipment	21.2	5.9	15.3	28%
5.3 Other Maintenance Equipment	5.4	1.1	4.3	21%
5.4 Fare System	12.8	8.8	4.0	69%
<b>ENVIRONMENTAL PROGRAMS</b>				
6.1 Environmental Programs	7.8	7.6	0.2	97%
<b>COMPUTER EQUIPMENT &amp; SOFTWARE</b>				
7.1 Computer Equipment & Software	107.7	68.6	39.1	64%
<b>OTHER</b>				
9.1 Furniture & Office Equipment	0.3	0.0	0.2	16%
9.2 Service Planning	50.8	14.2	36.6	28%
<b>Total Base Programs</b>	1,662.1	1,270.8	391.3	76%
Toronto York Spadina Subway Extension	393.5	149.7	243.8	38%
Scarborough Subway Extension	129.2	82.1	47.1	64%
Relief Line South - Design	100.0	15.3	84.6	15%
Waterfront Transit - Design	3.6	0.6	3.0	15%
<b>Total Transit Expansion Projects</b>	626.3	247.7	378.6	40%

## Appendix 2 – Major Projects Update

The TTC's delivery of a multi-billion dollar capital program is guided by TTC's Project Management Framework. The broad range of capital projects are categorized into four project types, the greater the category the more complex the project (higher risks and uncertainties). The categorization takes into consideration amongst other things budget, staff experience in delivery, risks and uncertainty behind the project itself. It should be noted that transit expansion projects are classified as Category 4 projects.

The programs and projects referred to hereafter as projects, have been included in the dashboard due to their magnitude and/or strategic significance and staff will provide a quarterly update as part of this report to highlight performance of these projects against their approved budget, planned schedule and in scope activities.

Category 3 & 4 Projects Capital Spending Dashboard																
Project	Critical Path	Start Date	End Date		Cost (millions)				Performance Scorecard (Outlook to completion)							
			Approved	Revised	2018 Budget*	2018 Actuals	Approved Budget	Estimated Final Cost (EFC)	Cost	Trend	Schedule	Trend	Scope	Trend	Overall	Trend
<b>Category 3 Projects</b>																
Easier Access III	4	Q1 2007	Q4 2025		\$46.4	\$46.8	\$775.9	\$775.9	Y	↓	Y	↓	G	-	Y	↓
McNicoll Bus Garage	3	Q1 2013	Q2 2020		\$29.9	\$31.7	\$181.0	\$181.0	G	-	G	-	G	-	G	-
Toronto Rocket/ T1 Rail Yard Accommodation (Subway Vehicles Facilities)	3	Q3 2010	Q4 2024	Q4 2024	\$36.3	\$33.2	\$495.4	\$495.4	G	-	G	-	G	-	G	-
Fire Ventilation Upgrade	Cornerstone	Q1 1998	Q4 2028		\$16.5	\$9.0	\$539.0	\$539.0	Y	-	G	-	G	-	G	-
Automatic Train Control (ATC) "Line 1"	3	Q4 2015	Q4 2021	Q3 2022	\$68.3	\$56.9	\$562.8	\$660.9	R	↓	R	↓	Y	↓	R	↓
Wheel Trans 10 Year Transformation Program	4	Q1 2017	Q4 2021		\$11.4	\$7.5	\$42.5	\$49.9	G	-	Y	-	G	-	Y	-
Stations Transformation	4	Q1 2017	Q4 2024		\$11.3	\$6.0	\$50.8	\$50.8	G	-	Y	↓	G	-	G	-
FARE COLLECTION / PRESTO	4	Q4 2012	Q4 2019		\$11.5	\$8.3	\$52.6	\$52.6	G	-	Y	-	Y	-	Y	-
Purchase of Buses City And Electric	3	Ongoing	Q4 2019		\$291.4	\$239.3	\$1,017.4	\$2,848.0	Y	-	G	-	G	-	Y	-
Purchase of 204 New Streetcars	3	Q1 2014	Q4 2019		\$239.6	\$178.1	\$1,186.5	\$1,186.5	G	-	G	↑	G	-	G	↑
SAP ERP Project	1	Q1 2015	Q4 2018		\$13.2	\$19.3	\$63.2	\$64.0	Y	-	G	-	G	-	Y	↓
VISIONI (CAD/AVL)	3	Q1 2016	Q1 2020		\$48.0	\$19.2	\$117.2	\$117.2	G	-	G	-	G	-	G	-
<b>Category 4 Projects</b>																
Line 2 East Extension (formerly Scarborough Subway Extension)	3	Q4 2013	Q4 2023	Q2 2026	129.2	82.1	3,560.0	3,560.0	Y	-	R	-	R	-	R	-
Relief Line South(Planning,Design and Engineering)	3	Q2 2018	Q4 2019		100.0	15.3	100.0	100.0	G	-	G	-	G	-	G	-
Yonge Subway Extension (Planning,Design and Engineering) <sup>1</sup>	3	Q2 2018	Q2 2020		36.0	6.3	91.3	91.3	G	-	G	-	G	-	G	-
*Includes carry forward amount																
<sup>1</sup> - 2018 Actual includes YRRTC costs																
<b>Overall Outlook to Completion (\$)</b>					<b>Cost (Millions)</b>											
					<b>2018 Budget</b>	<b>2018 Actuals</b>	<b>Approved Budget</b>	<b>Estimated Final Cost</b>								
					\$824	\$655	\$5,084	\$7,021								
					\$265	\$104	\$3,751	\$3,751								
					<b>\$1,089</b>	<b>\$759</b>	<b>\$8,836</b>	<b>\$10,772</b>								
<b>Critical Paths as indicated in 2018-2022 Corporate Plan</b>																
																
																

### Note:

Financials are reported as of Year-End (Period 12) including Carry Forward amounts from 2017 and reflect budget approvals as of December 31, 2018. Any estimated final cost and budget changes approved as part of the 2019 Budget process will be reflected in 2019 reporting. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.

## Category 3 Projects

### **Easier Access III**

**Project Start: 2007**

**Forecast Completion Year: 2025**

<b>2018 Budget (\$ millions)</b>	<b>2018 Actuals (\$ millions)</b>	<b>Approved Budget (\$ millions)</b>	<b>Spend to date (\$ millions)</b>	<b>Estimated Final Cost (\$ millions)</b>
\$46.4	\$46.8	\$775.9	\$347.9	\$775.9

#### **Project Description:**

TTC's Easier Access Program will make all remaining subway stations accessible by providing elevators, wide fare gates, automatic sliding doors and signage improvements. Today, 45 stations are accessible to people with disabilities. This Program also addresses a Legislated requirement (all elevators to be in service at all subway stations). SRT station locations are not part of the program as the SRT line will be replaced by the Line 2 East Extension.

#### **Accomplishments:**

- St Patrick became the 45<sup>th</sup> accessible station in Q4, 2018.
- Station accessibility construction is underway at Dupont, Royal York, Wellesley, Yorkdale, Chester, Runnymede, and Wilson stations.
- Construction is planned to commence at Lansdowne, Keele, Sherbourne, and Bay stations in 2019, and between now and 2022, up to 14 stations will be in construction concurrently.

#### **Key Issues/Risks & Mitigation Plan:**

**Design:** Design complexities for installing elevators in existing stations present challenges. Project team is advancing design work.

**Dupont Station** – Progress of work at Dupont station is not satisfactory. Revised schedule under review and meetings with Contractor and Surety are taking place.

**Funding:** TTC's 2019 to 2028 Capital Budget submission included a request for \$160M for the redevelopment of Islington and Warden stations to permit accessible access. Funding has been approved by City Council and the EFC will be adjusted accordingly in the next update. The 4 remaining station locations on Line 3 (SRT) are not part of this program as the line will be replaced by the Line 2 East Extension.

**Project Delivery Chief:** Susan Reed Tanaka, Chief Capital Officer

#### **Note:**

- This project is included under 3.9 Building and Structures Projects as indicated in Appendix 1.
- Financials are reported as of Year-End (Period 12) including Carry Forward amounts from 2017 and reflect budget approvals as of December 31, 2018 which will be updated to reflect 2019 budget changes through 2019 reporting. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.

**McNicoll Bus Garage**  
**Project Start: 2013**  
**Forecast Completion Year: 2020**

<b>2018 Budget</b> <b>(\$ millions)</b>	<b>2018 Actuals</b> <b>(\$ millions)</b>	<b>Approved Budget</b> <b>(\$ millions)</b>	<b>Spend to date</b> <b>(\$ millions)</b>	<b>Estimated Final Cost</b> <b>(\$ millions)</b>
\$29.9	\$31.7	\$181	\$56	\$181

**Project Description:**

McNicoll Bus Garage is part of TTC’s commitment to improving transit service and meeting growing ridership demands. This new bus garage will be fully compliant with Toronto Green Standards and will be the first major Design-Build project for TTC in over a decade. The new facility is being constructed at Kennedy Road and McNicoll Avenue in Scarborough. Project scope is for construction only.

**Accomplishments:**

Construction update:

- Complete: natural gas connection, exterior wall panel installation, electrical ductbank, floor slabs in offices and repair shop.
- Ongoing: glazing installation, canopy structural steel erection, mechanical & electrical rough-ins, interior masonry wall construction, placement of rooftop air handling units.

**Key Issues/Risks & Mitigation Plan:**

The construction of the garage is tracking on time and on budget. The contractor is working additional hours and focussing efforts on interior works to partially offset weather-related delays from Fall 2018.

**Project Delivery Chief:** Susan Reed Tanaka, Chief Capital Officer

**Note:**

- This project is included under 3.9 Building and Structures Projects as indicated in Appendix 1.
- Financials are reported as of Year-End (Period 12) including Carry Forward amounts from 2017 and reflect budget approvals as of December 31, 2018 which will be updated to reflect 2019 budget changes through 2019 reporting. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.

## Toronto Rocket/T1 Rail Yard Accommodation (Subway Vehicles Facilities)

Project Start: 2010

Forecast Completion Year: 2024

2018 Budget (\$ millions)	2018 Actuals (\$ millions)	Approved Budget (\$ millions)	Spend to date (\$ millions)	Estimated Final Cost (\$ millions)
\$36.3	\$33.2	\$495.4	\$247.8	\$495.4

### Project Description:

Design and construction at various subway vehicle maintenance and repair facilities and yards to increase the subway train storage and maintenance capacity for Toronto Rocket (TR) subway trains, including Wilson and Davisville Yards for Line 1, and T1 trains at Greenwood, Keele Yard and Kipling tail tracks for Line 2. Key scope elements include:

- Expansion to the north and south at Wilson Carhouse as well as the installation of new storage tracks within the yard.
- Expansion to north and south at Davisville Carhouse along tracks 3 & 4.
- Conversion of existing CN rail delivery track at Greenwood Yard into a powered and signalled storage track.
- Track and Structural work at Keele Yard to provide additional storage capacity.
- Refurbishment of the box structure within Kipling Station for the installation of a 3rd track to be used for the storage of two subway trains.

### Accomplishments:

- Wilson Yard: Contract for "Wilson Yard Fencing and Miscellaneous Site Services" awarded in November 2018.
- Davisville Carhouse: Expansion to the north and south of carhouse was completed in November 2018.

### Key Issues/Risks & Mitigation Plan:

No Key Issues/Risks at this time.

**Project Delivery Chief:** Susan Reed Tanaka, Chief Capital Officer

### Note:

- This project is included under 3.9 Building and Structures Projects as indicated in Appendix 1.
- Approved budget and completion year adjusted to reflect approval to end of 10 year envelope.
- Financials are reported as of Year-End (Period 12) including Carry Forward amounts from 2017 and reflect budget approvals as of December 31, 2018 which will be updated to reflect 2019 budget changes through 2019 reporting. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.



**Fire Ventilation Upgrade**  
**Project Start: 1998**  
**Forecast Completion Year: 2028**

<b>2018 Budget</b> <b>(\$ millions)</b>	<b>2018 Actuals</b> <b>(\$ millions)</b>	<b>Approved Budget</b> <b>(\$ millions)</b>	<b>Spend to date</b> <b>(\$ millions)</b>	<b>Estimated Final Cost</b> <b>(\$ millions)</b>
\$16.5	\$9	\$539	\$272.4	\$539

**Project Description:**

Fire Ventilation Upgrade (FVU) is a fire and life safety initiative originating in 1998 to improve ventilation performance in the subway tunnels. The project was expanded in 2003 to include second exits to improve egress at 14 high priority stations.

**Accomplishments:**

- ‘Second exit’ construction is underway at Chester Station and expected to commence at College and Donlands stations in 2020.

**Key Issues/Risks & Mitigation Plan:**

- Design: Design complexities for installing second exits in existing stations present challenges. Project team is advancing design work and investigating resource requirements.
- Budgetary Impacts: 2018 budget underspent as a result of the following:
  - Property acquisition at Donlands station. Complete property acquisitions in 2019.
  - Absence of executed payment agreement with Metrolinx for Eglinton Fire Ventilation project. Planned to be executed in 2019.

**Funding:** TTC’s 2018 to 2027 Budget and Plan includes an unfunded amount of \$162M.

**Project Delivery Chief:** Susan Reed Tanaka, Chief Capital Officer

**Note:**

- This project is included under 3.9 Building and Structures Projects as indicated in Appendix 1.
- Financials are reported as of Year-End (Period 12) including Carry Forward amounts from 2017 and reflect budget approvals as of December 31, 2018 which will be updated to reflect 2019 budget changes through 2019 reporting. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.

**Automatic Train Control (ATC) “Line 1”**  
**Project Start: 2015**  
**Forecast Completion Year: In-service 2022**

<b>2018 Budget</b> <b>(\$ millions)</b>	<b>2018 Actuals</b> <b>(\$ millions)</b>	<b>Approved Budget</b> <b>(\$ millions)</b>	<b>Spend to date</b> <b>(\$ millions)</b>	<b>Estimated Final Cost</b> <b>(\$ millions)</b>
\$68.3	\$56.9	\$562.8	\$437.7	\$660.9

**Project Description:**

TTC is re-signaling Line 1 (Yonge-University-Spadina) to improve reliability and capacity. ATC provides the benefit of real time central train control with precise train location data. With ATC installation, train speed and separation between trains will be controlled automatically. This allows for reduced travel times and more consistent service.

Re-signaling of Line 1 to introduce ATC includes the design, installation, testing and commissioning of an upgraded Centralized Signaling System. It also includes the design, installation, testing & commissioning of ATC trainborne equipment in the Toronto Rocket fleet.

**Accomplishments:**

- ATC currently operates between Vaughan Metropolitan Centre and Dupont stations, including two Wilson Yard main line interfaces, which represents approximately 40% of Line 1. Customers riding this portion of the line experience more reliable service and fewer delays due to signaling issues. This positive benefit extends throughout the entirety of Line 1, even where ATC is currently not installed. Today, the scheduled southbound service in the peak at Yonge and Bloor station is 25.5 trains per hour, and actual service has exceeded 28 trains per hour on many occasions since October 18, 2018.
- The installation of ATC equipment in the Phase 3A area from Dupont to St. Patrick stations is completed. Static testing of the wayside equipment and dynamic low speed and high speed testing is currently in progress. This portion of Line 1 is anticipated to operate in ATC by late spring 2019.
- Installation of ATC equipment in the Phase 3B and 3C areas from St. Patrick to Rosedale is currently in progress.

**Key Issues/Risks & Mitigation Plan:**

To minimize customer disruption and to avoid multiple subway closures that would shut down all subway service from St. Clair to St. Clair West stations, Phase 3 was divided into three sub-phases 3A, 3B, and 3C.

An operational review concluded the implementation of Automatic Train Protection (ATP) on maintenance workcars and Line 4 TR trains is required for efficient travel speeds in ATC areas to work zones and maintenance facilities.

The project team has reviewed the impact of these changes and performed a schedule reassessment. The revised project in-service completion date is 2022. After the completion of a quantitative risk analysis of the schedule and budget, any subsequent changes will be incorporated into the 2020-2029 Capital Budget submission.

**Funding:** TTC's 2019 to 2028 Capital Plan, approved by Council on March 7, 2019, included funding of an additional \$98M for the ATC project, increasing the total cost to \$660.9M to address the known schedule impacts. This budget increase will be reflected in the next update.

**Forecast Completion Year:** In-service 2022

**Project Delivery Chief:** Susan Reed Tanaka, Chief Capital Officer

**Note:**

- This project is included under 2.4 Signal Systems as indicated in Appendix 1.
- Financials are reported as of Year-End (Period 12) including Carry Forward amounts from 2017 and reflect budget approvals as of December 31, 2018 which will be updated to reflect 2019 budget changes through 2019 reporting. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.
- ATC Q4 2021 date is consistent with the last update provided to the TTC Board in Jan 2019. The 'ATC Re-Baselining and TSE Review Report' being presented at April 11, 2019 TTC Board Meeting will outline revised project completion date of Q3 2022.

## Wheel-Trans 10 Year Transformation Program

Project Start: 2017

Forecast Completion Year: 2021

2018 Budget (\$ millions)	2018 Actuals (\$ millions)	Approved Budget (\$ millions)	Spend to date (\$ millions)	Estimated Final Cost (\$ millions)
\$11.4	\$7.5	\$42.5	\$10.4	\$49.9

### Project Description:

TTC Wheel-Trans Transformation Program implements new policies, processes and systems to support a new service delivery model that integrates Wheel-Trans customers into the TTC's conventional network through a 'Family of Services' approach.

### Accomplishments:

- Scheduling & Dispatch: 5 routes and 44 stops are now in our Scheduling system and are available to be used in trip bookings.
- Scheduling & Dispatch project Phase 1: Patch was implemented on February 24 to address defects experienced subsequent to our December 08, 2018 Go Live.

### Key Issues/Risks & Mitigation Plan:

- Scheduling system upgrade impact to customers: password reset issue and IVR call-out issue resulted in an increase in call volume leading to customers experiencing extended wait times when calling the contact centre. Password reset issue was resolved next day and IVR call-out issue resolution involved a work-around that was permanently fixed by the Feb 24 patch.
- Contact Centre: Contact centre review has commenced to address ongoing issue of customer wait times. Recruitment of reservationists currently underway with a target to start adding resources in April 2019.

**Project Delivery Chief:** Collie Greenwood, Chief Service Officer

### Note:

- This project is included under 3.9 Building and Structures Projects as indicated in Appendix 1.
- Financials are reported as of Year-End (Period 12) including Carry Forward amounts from 2017 and reflect budget approvals as of December 31, 2018 which will be updated to reflect 2019 budget changes through 2019 reporting. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.

**Stations Transformation**  
**Project Start: 2017**  
**Forecast Completion Year: 2024**

<b>2018 Budget</b> <b>(\$ millions)</b>	<b>2018 Actuals</b> <b>(\$ millions)</b>	<b>Approved Budget</b> <b>(\$ millions)</b>	<b>Spend to date</b> <b>(\$ millions)</b>	<b>Estimated Final Cost</b> <b>(\$ millions)</b>
\$11.3	\$6.0	\$50.8	\$8.0	\$50.8

**Project Description:**

Stations Transformation involves the modernization of how we staff our stations, our communications infrastructure and our business processes. It arose as a result of the transition to PRESTO and the opportunity for reform that this provided. A major part of the program, the introduction of Customer Service Agents (CSA), builds on the transformation of the customer experience by adding a world-class skillset and increasing engagement with our customers. These Agents are mobile, enabling them to approach and offer assistance to customers who face barriers in accessing and using the TTC. Their mobility along with infrastructure improvements (including upgraded passenger assistance intercoms(PAI), announcements and CCTV cameras) will lead to the increased safety and security of our stations, employees and customers.

The below milestones include those funded by the Stations Transformation budget and those that are highly related but separately funded. They are listed here together to provide a holistic picture of the status of the program in conjunction with its interdependencies.

**Accomplishments:**

- 2017 CSA staffing implemented at Line 1 Extension stations, Sheppard West and Wilson.
- 2018 Faregates installed in all subway stations.
- 2018 Experiential training completed for Stations staff.
- 2018 Phase 1 and 2 PAI retrofit and replacement work commenced.
- 2019 CSA staffing implemented at Lawrence West and Yorkdale , bringing the total to 10 stations with CSA staffing in place.

**Next steps:**

- Q4 2019 Phase 1 and 2 Passenger assistance intercom replacement and retrofit work complete.
- Q4 2019 PRESTO Implementation in stations complete, including single ticket availability at all stations.
- Q2 2020 CSA staffing implemented at remaining 65 stations.
- Q2 2020 Newly constructed Zone Hubs operational (Exception: East zone hub will be completed as a part of the line 2 extension).
- Q2 2020 Security Monitors installed at main entrance all stations.
- Q4 2021 360 cameras installed all stations increasing coverage to 70%.
- Q4 2024 Additional cameras installed all stations increasing coverage to 90%.

**Key Issues/Risks & Mitigation Plan:**

The final implementation of CSA staffing to all stations is dependent on the successful resolution and implementation of key fare policies.

Specifically, the final policy for bulk sale distribution and cash on surface solution for customers transferring from surface routes to non-integrated stations are required. These solutions are currently in development.

Additionally, the TTC and ATU 113 Interest Arbitration for the CSA position is scheduled for Q2 2019. The outcome will determine the final CBA provisions applicable to the CSA position.

**Project Delivery Chief:** Jim Ross, Chief Operating Officer

**Note:**

- This project is included under 3.9 Building and Structures Projects as indicated in Appendix 1.
- Financials are reported as of Year-End (Period 12) including Carry Forward amounts from 2017 and reflect budget approvals as of December 31, 2018 which will be updated to reflect 2019 budget changes through 2019 reporting. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.

**FARE COLLECTION / PRESTO**  
**Project Start: 2012**  
**Forecast Completion Year: 2019**

<b>2018 Budget</b> <b>(\$ millions)</b>	<b>2018 Actuals</b> <b>(\$ millions)</b>	<b>Approved Budget</b> <b>(\$ millions)</b>	<b>Spend to date</b> <b>(\$ millions)</b>	<b>Estimated Final Cost</b> <b>(\$ millions)</b>
\$11.5	\$8.3	\$52.6	\$51.3	\$52.6

**Project Description:**

The project encompasses all activities to transform TTC fare collection processes including TTC's scope of work supporting Metrolinx activities for the implementation of the PRESTO fare card system; related installation of PRESTO-compatible fare gates at TTC subway stations; planned changes to non-PRESTO fare collection on surface routes; and also overall project management, assistance with equipment installation, upgrades to TTC facilities to accommodate PRESTO equipment, and oversight to ensure the PRESTO system fully meets TTC's business requirements.

**Accomplishments:**

TTC has accomplished the following milestones towards the transition to PRESTO (since last update to March 2019):

- Ongoing consultations with Metrolinx and other transit agencies that use PRESTO regarding PRESTO adoption rate calculations.
- The PRESTO Ticket will provide fare payment options for customers who would like to purchase 1 ride, 2 rides or a day pass without a PRESTO card. Testing and planning has been completed for the initial launch which will commence on April 5 at Yorkdale and Lawrence West stations.
- Completed the replacement of the magstripe card readers (previously used to read Metropasses) with PRESTO card readers on fare gates at most stations.
- Community consultation held in December 2018 with two additional community consultations held in March 2019.
- Commenced software development for PRESTO payment solution for Wheel Trans sedan taxi service.
- Commenced development work for the Downtown Express and cross boundary solution for TTC/YRT and TTC/MiWay travel.

**Key Issues/Risks & Mitigation Plan:**

The global stop selling and stop accepting dates for TTC tokens and tickets of August 3, 2019 and December 31, 2019, respectively, are under review and a new schedule is being confirmed. The deficiencies with the PRESTO technical solutions for enabling cross-boundary travel (Toronto to York Region and Toronto to Mississauga) and Downtown Express routes prevented these two features from being implemented in 2018.

A technical solution for both cross-boundary and Downtown Express travel is expected from PRESTO for initial testing in May 2019. The PRESTO Ticket will be initially launched April 5 and software/hardware fixes to address system performance issues are being rolled out with additional enhances expected later in 2019. Additional technical system enhancements are also planned to address the issues noted in the recent Attorney

General's audit concerning fare evasion and revenue control. These changes include additional payment type information displayed by card readers, improved fare inspection device, and visual differentiation for PRESTO cards, among other changes. The revised schedule will factor in these items.

**Funding:** TTC's 2019 to 2028 Capital Budget and Plan included \$76.2 million in additional funding requirements increasing the Estimated Final Cost to \$128.8 million. Most of this increase pertains to planned changes to non-PRESTO fare collection on surface routes. This revised cost will be reflected in 2019 reporting.

A portion of the Funding request has been approved by City Council as part of the 2019 Budget process with \$47M remaining unfunded. The forecast completion year for the project is expected to be 2020.

**Project Delivery Chief:** Kirsten Watson, Deputy Chief Executive Officer

**Note:**

- This project is included under 5.4 Fare System as indicated in Appendix 1.
- Financials are reported as of Year-End (Period 12) including Carry Forward amounts from 2017 and reflect budget approvals as of December 31, 2018 which will be updated to reflect 2019 budget changes through 2019 reporting. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.



**Purchase of Buses-City & Electric**  
**Project Start: Ongoing**  
**Forecast Completion Year: 2019**

<b>2018 Budget</b> <b>(\$ millions)</b>	<b>2018 Actuals</b> <b>(\$ millions)</b>	<b>Approved Budget</b> <b>(\$ millions)</b>	<b>Spend to date</b> <b>(\$ millions)</b>	<b>Estimated Final Cost</b> <b>(\$ millions)</b>
\$291.4	\$239.3	\$1017.4	\$427.2	\$2,848

**Project Description:**

This ongoing program covers the procurement of City buses according to the Green Bus Technology Plan approved by the Board in June 2018. The 2018-2019 procurement plan includes 625 new buses (310 Clean Diesel, 255 Hybrid Electric and 60 Battery Electric buses).

A steady state procurement of 160 buses is to commence in 2021 through 2028; however, this portion of the program is currently unfunded by \$2.044B.

**Accomplishments:**

In March 2019, Toronto Hydro and Panasonic Eco Solutions Canada successfully delivered the first phase of charging infrastructure at Arrow Garage, which will allow for charging of our first all-electric bus (eBus).

On March 31, 2019, New Flyer Industries delivered the TTC's first all-electric bus on-schedule. The eBus will undergo testing and commissioning prior to an event for its inaugural launch into revenue service late-April / early-May.

All 365 new buses scheduled for delivery in 2018 were delivered on-time by Nova Bus and are now operating reliably in service.

Major milestones achieved through 2018 procurements, made possible in part due to the Government of Canada's Public Transit Infrastructure Fund, included:

1. Largest number of buses ever received by TTC in one year;
2. Arrival of the TTC's last clean diesel bus was on December 17<sup>th</sup>, 2018, a major milestone in TTC's transition to a zero-emissions bus fleet; and
3. Delivery of 55 latest generation hybrid-electric buses were received in 2018. These buses are expected to consume up to 25% less fuel and produce 30% less Greenhouse Gas Emissions. They are also a key step in the natural progression to a fully electric bus as they allow the TTC to start gaining early operating and maintenance experience with electrified propulsion and on-board systems.

2019 Hybrid Bus Order (200 hybrids): As of March 22, 2019, we have received 61 hybrid buses, with 28 available for service and the remaining are currently undergoing commissioning to prepare for service.

2019 eBus Order (60 eBuses): We are mobilizing construction at Arrow Road, Eglinton, and Mt Dennis garages to ensure that charging infrastructure is in place to service the buses. On March 31, 2019, New Flyer Industries delivered the TTC's first all-electric bus on-schedule. The eBus will undergo testing and commissioning prior to an event for its inaugural launch into revenue service.

The Green Procurement Plan currently projects a mix of hybrid electric and fully electric bus procurements for the years 2021-2024 as we transition to steady-state procurement of solely fossil fuel free/zero emissions buses in 2025 and a zero-emissions fleet by 2040.

**Key Issues/Risks & Mitigation Plan:**

- **Unfunded Fleet Plan:** The existing fleet plan for the procurement of buses for the period 2018-2028 is currently unfunded from 2020 onwards, in the amount of \$2.044B. This portion of the program is on the unfunded list for the 2019-2028 Capital Budget and Plan.
- **Charging Electric Buses:** Infrastructure modifications present the largest challenge on the program and while our business partners at Toronto Hydro and Panasonic Eco Solutions Canada Inc. are committed to successful completion prior to arrival of the buses, there is a contingency plan in place for temporary charging solutions at each garage in case of an infrastructure delays. As mentioned, PESCA has completed the contingency plan at Arrow Garage.
- **Next Phase of Infrastructure Works for Green Bus Program:** the Green Bus Program includes procurement of 60 additional eBuses in 2021, 80 in 2022, 100 in 2023, 120 in 2024 and 160 in 2025 and each year following. To have charging infrastructure in place ahead of these deliveries, TTC plans to engage the market for a design, build, finance, operate, and maintain contract. This contract will be subject of a future report to the TTC Board for their consideration and approval.

**Project Delivery Chief:** Rich Wong, Chief Vehicle Officer

**Note:**

- This project is included under 4.11 Purchase of Buses as indicated in Appendix 1.
- Approved budget and completion year adjusted to reflect approval to end of 10 year envelope.
- Financials are reported as of Year-End (Period 12) including Carry Forward amounts from 2017 and reflect budget approvals as of December 31, 2018 which will be updated to reflect 2019 budget changes through 2019 reporting. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.

## Purchase of 204 New Streetcars

Project Start: 2014

Forecast Completion Year: 2019

2018 Budget (\$ millions)	2018 Actuals (\$ millions)	Approved Budget (\$ millions)	Spend to date (\$ millions)	Estimated Final Cost (\$ millions)
\$239.6	\$178.1	\$1,186.5	\$808.4	\$1,186.5

### Project Description:

This project provides for the purchase of 204 new fully accessible new streetcars to replace the existing fleet of 196 Canadian Light Rail Vehicles (CLRVs), 52 Articulated Light Rail Vehicles (ALRVs) and additional vehicles for ridership growth and congestion relief efforts.

### Accomplishments:

With the improvement of production quality at Bombardier's Thunder Bay facility and acceptance of the first two cars from their Kingston facility, there is an increase in confidence of Bombardier's ability to meet its commitment of 204 state-of-the-art, high quality units by the end of Q4 2019. As of March 21, 2019, 139 cars have been shipped to TTC and 131 have been commissioned and approved for service.

### Key Issues/Risks & Mitigation Plan:

- Unfunded Fleet Plan: The fleet plan for the procurement of additional 100 streetcars for ridership growth is currently unfunded in the amount of \$511M.
- Schedule adherence: While quality and productivity have improved, a high degree of vigilance must be maintained to ensure continued progress. Parts and material supply for production and to support operations poses a risk to the delivery schedule and in-service reliability. Supply chain risks and issues are monitored and managed between TTC, Bombardier and their vendors.
- Reliability of parts: Quality control has noted some issues with the parts being supplied over the last few months (brakes, parts for the door system, etc.) resulting in a drop on the overall reliability of the vehicle which in turn impacts service. Project team is tracking this issue closely and Bombardier is looking at mitigation strategies on the quality issue. As it currently stands, there is no impact to safety.

**Project Delivery Chief:** Rich Wong, Chief Vehicle Officer

### Note:

- This project is included under 4.18 Purchase of Streetcars as indicated in Appendix 1.
- Approved budget and completion year adjusted to reflect approval to end of 10 year envelope.
- Financials are reported as of Year-End (Period 12) including Carry Forward amounts from 2017 and reflect budget approvals as of December 31, 2018 which will be updated to reflect 2019 budget changes through 2019 reporting. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.

## SAP Enterprise Resource Planning Project

Project Start: 2015

Forecast Completion Year: Phase 1 = 2018, Phase 2 and beyond = 2023

2018 Budget (\$ millions)	2018 Actuals (\$ millions)	Approved Budget (\$ millions)	Spend to date (\$ millions)	Estimated Final Cost (\$ millions)
\$13.2	\$19.3	\$63.2	\$64.3	\$64

### Project Description:

As of this report, Phase 1 of the SAP ERP Program was delivered in Q4, 2018 and has transformed business processes and modernized information technology foundations in Finance, Human Resources and Payroll using SAP integrating with existing TTC Legacy systems. The EFC represents the total SAP program cost with the future phases.

### Accomplishments:

After implementation of SAP, the Human Resources, Finance and Payroll, and Information Technology teams achieved the following:

- Since go-live, there have been over 11000 employees accessing their pay statements and other personal information using MyTTC.
- Finance team successfully closed period 11 and period 12 for the first time in the new SAP Finance system.
- Payroll successfully implemented the 2018 collective bargaining agreement changes.

### Key Issues/Risks & Mitigation Plan:

Complexity with legacy systems: Due to the complexity with the legacy systems for the first phase of the SAP Implementation, the original full program scope remains to be implemented. The Phase 1 project schedule and delivery cost were reset in fall 2017 from the original business case in 2015. The reset required the full budget to deliver the Phase 1 scope, which was delivered on time and within budget during 2018.

Funding has been allocated for planning these business processes by April 2019 to develop the resource and implementation plan for Time Management, Accounts Payable/Receivable and Compensation/Performance Management.

**Funding:** TTC's 2019 to 2028 Capital Budget and Plan included \$100M funding request of which there is an unfunded amount of \$70M. The Forecast Completion Year for the Project once the funding is approved is expected to be 2023.

**Project Delivery Chief:** Dan Wright, Chief Financial Officer

### Note:

- This project is included under 7.1 Computer Equipment & Software as indicated in Appendix 1.

- Financials are reported as of Year-End (Period 12) including Carry Forward amounts from 2017 and reflect budget approvals as of December 31, 2018 which will be updated to reflect 2019 budget changes through 2019 reporting. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.

**VISION (CAD/AVL)**  
**Project Start: 2016**  
**Forecast Completion Year: 2020**

<b>2018 Budget</b> <b>(\$ millions)</b>	<b>2018 Actuals</b> <b>(\$ millions)</b>	<b>Approved Budget</b> <b>(\$ millions)</b>	<b>Spend to date</b> <b>(\$ millions)</b>	<b>Estimated Final Cost</b> <b>(\$ millions)</b>
\$48	\$19.2	\$117.2	\$41.2	\$117.2

**Project Description:**

As part of the TTC modernization initiatives, the Vehicle Information System and Integrated Operations Network (VISION) program was initiated to transform the way in which the TTC manages its surface fleet of buses and streetcars. The core component of the program is the implementation of a new Computer Aided Dispatch / Automatic Vehicle Location (CAD/AVL) System which is being installed on the TTC's bus and streetcar fleets. The system provides for: data and voice communications, automatic vehicle location; automated stop display; automated stop announcements; automated vehicle performance monitoring; integration with the onboard camera and automatic passenger counting systems; tools and automation of selected business rules. In addition, the program will implement an integrated Yard Management System at all streetcar car-houses and bus garages.

**Accomplishments:**

- The VISION solution continues to be deployed and has been installed on 1083 of 2006 buses in service as of this report.

**Key Issues/Risks & Mitigation Plan:**

Delays in installation: Installations on buses had to be halted temporarily due to the vendor's inability to meet their delivery schedule given that issues with some of the onboard computers supplied had not been resolved. This delay in installation also has an impact to roll out of the system on the 204 Low Floor Light Rail Vehicles (LFLRV) Streetcars. The impact is that VISION installations will extend beyond the planned timeline.

Temporarily, radios are being purchased and installed on buses and streetcars to work around this issue. Project team will continue to provide updates through the CEO's report and this report.

**Project Delivery Chief:** Dan Wright, Chief Financial Officer

**Note:**

- This project is included under 7.1 Computer Equipment & Software as indicated in Appendix 1.
- Financials are reported as of Year-End (Period 12) including Carry Forward amounts from 2017 and reflect budget approvals as of December 31, 2018 which will be updated to reflect 2019 budget changes through 2019 reporting. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.

## Category 4 Projects

### Line 2 East Extension (formerly Scarborough Subway Extension) Project Start: 2013

2018 Budget (\$ millions)	2018 Actuals (\$ millions)	Approved Budget (\$ millions)	Spend to date (\$ millions)	Estimated Final Cost (\$ millions)
\$129.2	\$82.1	\$3,560	\$182.5	\$3,560

#### **Project Description:**

The Scarborough Subway Extension project is a 6.2 km extension of Line 2 from Kennedy Station to Scarborough Centre, via Eglinton Avenue, Danforth Road and McCowan Road. The extension will create a seamless journey for customers by eliminating the transfer at Kennedy Station. The Line 2 extension is required to replace the aging Line 3 Scarborough. Detailed project information can be found at [ttc.ca](http://ttc.ca). Scope includes SRT Life Extension and SRT Demolition.

#### **Accomplishments:**

- Station, Tunnel and Systems design being advanced
- Fairness Monitor appointed
- Utility redirection works continues
- Market sounding in progress with EOI respondents

#### **Key Issues/Risks & Mitigation Plan:**

Budget was approved in 2013 based on 0% design. The updated project budget and schedule will be confirmed in the Stage Gate 3 Report being submitted to City Council in April 2019.

#### **Forecast Completion Year: 2026\***

\*Note: Forecast completion date will be confirmed in Stage Gate 3 report to City Council in April 2019 factoring in delivery strategy and schedule risk analysis. This date only reflects completion of phase 1 Start of Revenue Service and phase 2 completion of Bus Terminal will complete in 2029.

**Project Delivery Chief:** Gary Downie, A/Chief Transit Expansion Officer

#### **Note:**

- This project is included under Transit Expansion Projects as indicated in Appendix 1.
- Financials are reported as of Year-End (Period 12) including Carry Forward amounts from 2017 and reflect budget approvals as of December 31, 2018 which will be updated to reflect 2019 budget changes through 2019 reporting. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.

- The TTC's 2019-2028 Capital Budget and Plan includes an estimated cost of \$3,560 million for the Line 2 East Extension as approved by Council on March 7, 2019. Council authorized funding of \$558 million, of which \$190 million has been spent to date. No work beyond what can be accommodated within the approved funding will be initiated, unless additional project approval funds are made available.



**Relief Line South**  
**(Planning, Design and Engineering)**  
**Project Start: 2018**  
**Forecast Completion Year: 2019**

<b>2018 Budget</b> <b>(\$ millions)</b>	<b>2018 Actuals</b> <b>(\$ millions)</b>	<b>Approved Budget</b> <b>(\$ millions)</b>	<b>Spend to date</b> <b>(\$ millions)</b>	<b>Estimated Final Cost</b> <b>(\$ millions)</b>
\$100	\$15.3	\$100	\$15.4	\$100

**Project Description:**

The Relief Line South is a new eight stop, 7.5 km subway from Pape-Danforth on Line 2 to Downtown, interchanging with Line 1 at Queen and Osgoode Stations.

The current phase of work for the Relief Line South consists of the preliminary design and engineering (PDE) to between 15% and 30% complete, including developing a project budget and schedule. The City and TTC, in partnership with Metrolinx, have been directed to report back to City Council at the next decision gate for the project which includes a Class 3 cost estimate, a Level 3 schedule and an updated Business Case and Economic Analysis in Q4-2019.

**Accomplishments:**

Finalized Memorandum of Understanding (MOU) with City, Metrolinx and TTC in 2018 establishing governance structure, and scope to Stage Gate 3.

10 Consultant contracts awarded:

- tunnelling design (1)
- geotechnical (3)
- stations design (4)
- subway systems design (1)
- project management (1)
- Geotechnical drilling in progress to inform tunnel and station designs.
- Transit Project Assessment Process (TPAP) received October 2018.
- Interim Scope Review Study is complete (in draft).
- Schedule improvement opportunities have been identified to advance early works to better the opening date and a budget request in support has been included in the 2019 to 2028 Budget request.
- Stage Gate 3 submission including Class 3 estimate, level 3 schedule & risk analysis (for cost & schedule) deliverables by end 2019.

**Key Issues/Risks & Mitigation Plan:**

Schedule improvement and early work opportunities have been identified and will require funding approvals in excess of those currently available. The City of Toronto, Metrolinx and TTC are expediting these approvals for early 2019.

**Project Delivery Chief:** Gary Downie, A/Chief Transit Expansion Officer

**Note:**

- Financials are reported as of Year-End (Period 12) including Carry Forward amounts from 2017 and reflect budget approvals as of December 31, 2018 which will be updated to reflect 2019 budget changes through 2019 reporting. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.
- This project is included under Transit Expansion Projects as indicated in Appendix 1.

**Yonge Subway Extension  
(Planning, Design and Engineering)  
Project Start: 2018  
Forecast Completion Year: 2020**

<b>2018 Budget (\$ millions)</b>	<b>2018 Actuals (\$ millions)</b>	<b>Approved Budget (\$ millions)</b>	<b>Spend to date (\$ millions)</b>	<b>Estimated Final Cost (\$ millions)</b>
\$36	\$6.3*	\$91.3**	\$6.3*	\$91.3

Note: \* Includes YRRTC costs, \*\* As approved by Metrolinx

**Project Description:**

The Yonge Subway Extension is a 7.42 km extension of the Yonge Subway Line 1 from Finch Station to the Richmond Hill/Langstaff Gateway Urban Growth Centre at Highway 7. Current funding is to advance the planning, design and engineering phase of the work to between approximately 15% and 30% working towards developing a 'Class 3' Cost Estimate, a 'Level 3' Schedule, and an updated Business Case and Economic Analysis.

**Accomplishments:**

- Finalized MOU with City, Metrolinx, York Region (YR), York Region Rapid Transit Corporation (YRRTC) and TTC establishing the parameters for undertaking the work and the governance structure.
- 11 Consultant contracts awarded and being advanced:
  - tunneling design (1)
  - geotechnical (4)
  - stations design (4)
  - subway systems design (1)
  - project management services (1)
- Geotechnical drilling in progress to inform tunnel and station designs.
- Designers advancing the design for submission of the Interim Scope Review Study (15%) in April 2019.
- Three concept designs being developed for the Richmond Hill Centre station.
- Tunnel options analysis is nearing completion.
- Expansion Program wide controls and reporting criteria are under development. An overall Project Work Plan prepared and submitted for approval will be the baseline for future reporting.
- Initial Project Charter prepared and approved by YSE Management Committee.
- End of 2019 target date for submission of the Stage Gate 3 deliverables including Class 3 estimate, level 3 schedule, risk analysis, and updated business case and reporting to the various Boards by Q2 2020.

**Key Issues/Risks & Mitigation Plan:**

- There is currently no float in the project schedule. Design work is advancing concurrent with geotechnical investigations and tunnel options analysis to maintain the schedule.
- Additional funding is required for project continuity. Funds will be identified and included in the next capital budget submission.
- A Capacity Enhancement Program has been initiated to study and implement required improvements for projected increases in demand on Line 1. Additional train storage may be required.
- The York Durham Sanitary Sewer at Steeles Avenue is in conflict with the tunnel alignment. The options are being evaluated with York Region Environmental Services.

**Project Delivery Chief:** Gary Downie, A/Chief Transit Expansion Officer

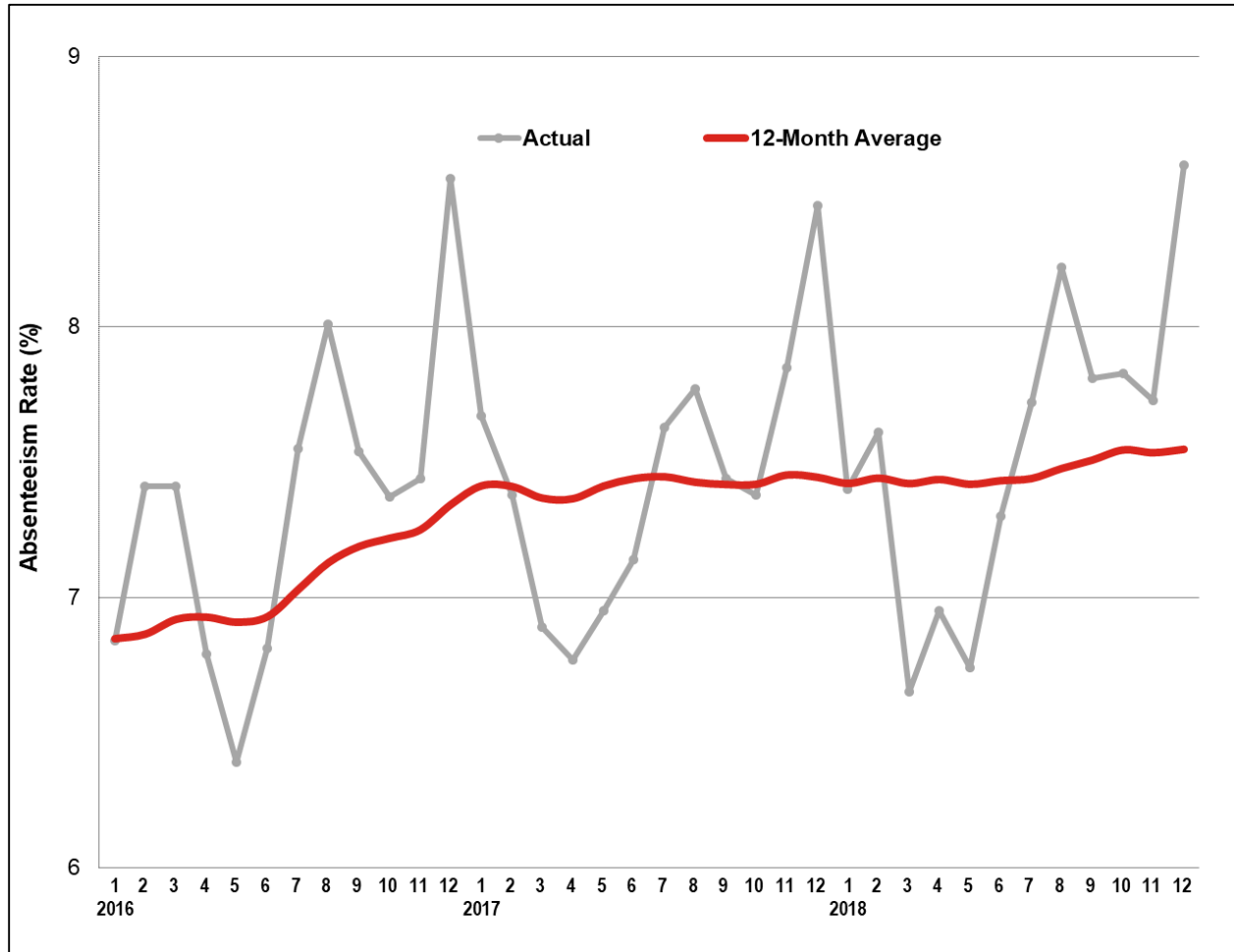
**Note:**

- Financials are reported as of Year-End (Period 12) including Carry Forward amounts from 2017 and reflect budget approvals as of December 31, 2018 which will be updated to reflect 2019 budget changes through 2019 reporting. All other Project Performance Indicators (overall status, schedule and scope) and explanations for the same are updated as of Q1 2019.
- This project is included under Transit Expansion Projects as indicated in Appendix 1 and is budgeted and funded by Metrolinx and YRRTC PTIF funds.

## Appendix 3 – Key Performance Indicators

Key performance indicators that have a direct impact on financial results are included in Appendix 3, as noted below.

### Absence Rates



### Results

The absenteeism rate continued to climb throughout 2018.

### Analysis

Total absenteeism continues to increase leading to an unfavourable outlook with respect to the ongoing trend indicator. This increase over the course of 2018 was attributable to a combination of increased usage of Personal Emergency Leave (PEL), and moderate increases in both Occupational Injuries (OI) and sick time.

### Action Plan

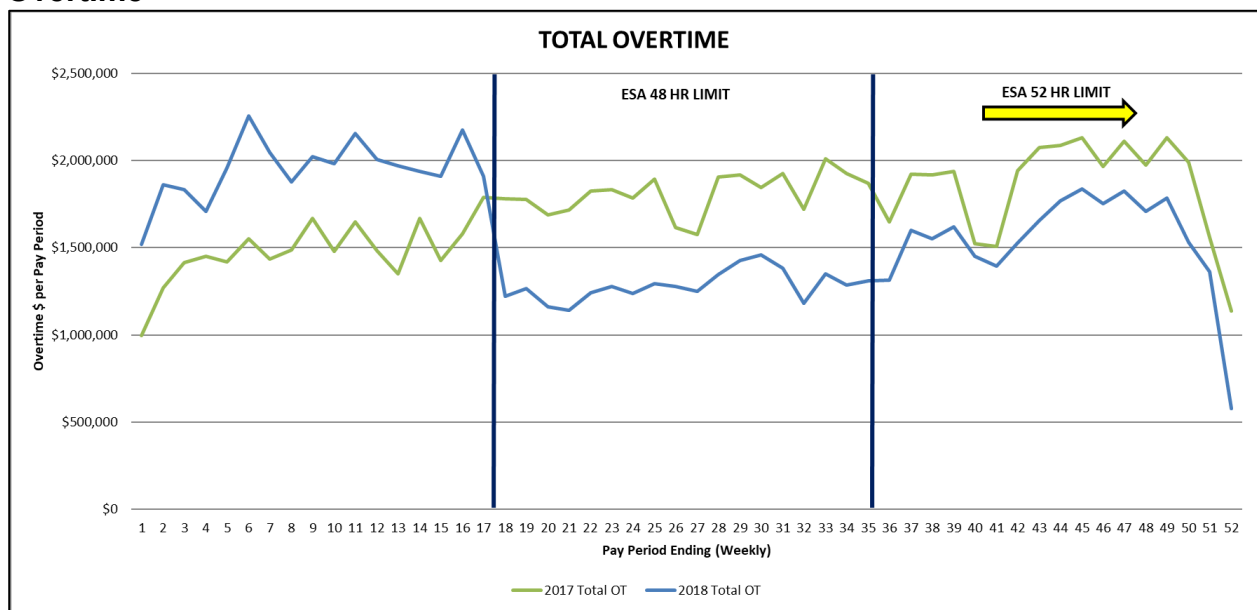
Effective January 1st, 2019, PEL has been removed from legislation. Given the TTC has experienced increased PEL usage year over year (more notably over the last two

years), we anticipate that the legislative change will have a positive impact on absenteeism in 2019. The TTC will closely monitor this situation.

Human Resources (HR) and Service Delivery staff are working together to strategically address the increasing number of absences with a focus on managing sick time, given sick time accounts for the largest percentage of absenteeism. As part of these efforts, HR is currently updating attendance management tools and preparing for a mass attendance management training initiative across the TTC. Training is targeted to be delivered throughout the remainder of 2019 beginning in late Q2. Necessary stakeholders in our Safety & Environment Department, as well as HR continue to explore avenues to address increasing OI related absences.

Finally, HR is also reviewing the opportunity to better utilize data to improve enterprise wide reporting on attendance. Revised reporting will ensure stakeholders more clearly understand the impacts of absenteeism, provide insight into opportunities to address absenteeism and will ultimately assist in providing clear lines of accountability for all stakeholder groups in attendance management.

### Overtime



Note: OT amounts include Capital

### Analysis

Since the ESA work hour restrictions were put in place at the end of April, weekly overtime spending has trended below last year’s levels. Cancellation of most subway closures in the spring and summer also contributed to this reduction. As subway closures were restored at the start of the third quarter, weekly overtime has trended upwards, but remains below last year’s levels. Overall, actual spending on overtime has declined approximately 7% on a year-over-year basis.

It should be noted that a considerable amount of overtime is planned in advance to operate certain service or maintenance activities. In addition to subway maintenance

closures, examples include vehicles returning to garage later than scheduled due to weather or traffic delays and impacts of scheduled crews that require slightly more than 8 hours per day to complete.

### **Action Plan**

TTC has hired additional workforce (primarily operators) to reduce the reliance on overtime. This is based on the plan outlined in the 2018 Mid-Year Workforce Increase report approved by the TTC Board on July 10, 2018. The hiring of 209 positions outlined in this report enabled the incorporation of a \$7 million overtime budget reduction which was incorporated into the 2019 operating budget. In addition, these hires have enabled the establishment of a core group of operators available to operate subway closure shuttles.