

Item 5



**For Action
with Confidential Attachment**

Preliminary COVID-19 Financial Impacts for the TTC

Date: May 13, 2020
To: TTC Board
From: Interim Chief Financial Officer

Reason for Confidential Information

This report is about labour relations or employee negotiations.

Summary

The necessary public health measures taken in response to the COVID-19 pandemic have inevitably resulted in an unprecedented fiscal impact to the overall economy and, in particular, all orders of government. The City of Toronto has estimated a weekly financial burn rate of \$60-65 million, of which about one third can be attributed to TTC's reduced fare revenue arising from an 85% decline in ridership.

This report describes the financial impacts projected to Labour Day, driven by the decline in ridership and the incremental costs associated with TTC's operational and service response to the pandemic and seeks the Board's authority for these unbudgeted expenditures.

This report also outlines the cost containment strategy implemented by TTC senior leadership to help minimize the financial pressures placed on the TTC and the City of Toronto due to the approximately \$21 million in weekly ridership and ancillary revenue loss and seeks the Board's endorsement of the key cost containment actions being taken, and specifically, for the workforce realignment strategy outlined in Confidential Attachment 1.

Finally, this report seeks the Board's approval of adjustments to TTC's 2020 Capital Budget and 10-year Capital Plan that will defer spending to account for delays in capital project delivery arising from COVID-19 impacts as well as accelerate funding for some key projects tracking ahead of schedule and other opportunities.

The TTC leadership's cost containment strategy consists of 4 discreet actions:

- Constraining Expenditures
- Matching Service Capacity to Demand
- Determining COVID-19 impact on the implementation of New Service Priorities
- Assessing COVID-19 impacts on Capital Project Delivery

The TTC's cost containment strategy is anticipated to save \$5.5 million per week, while ensuring service capacity is responsive to demand, thereby reducing the weekly revenue shortfall to approximately \$16 million per week, once cost mitigation actions are fully implemented. Despite these efforts, the TTC's operating budget shortfall could reach a cumulative total of \$400 million by Labour Day, based on current assumptions, trends and service demand.

A review of all 2020 capital projects to determine the impact of the COVID-19 pandemic on project resourcing and progress as well as opportunities to accelerate work that is ahead of schedule or that could leverage lower ridership levels, results in a net reduction of the 2020 Capital Budget of \$208.1 million. Not only do these capital budget adjustments best reflect current capital capacity, they also enable the TTC to release \$116 million in Provincial Gas Tax funding that can be redirected to the recently announced City of Toronto Recovery Fund to further mitigate TTC's revenue shortfall.

Taken together, these actions are expected to reduce the TTC's financial pressure from \$21.4 million to \$11.4 million per week or by almost 50% by Labour Day.

The operating financial impacts and cost containment strategy savings outlined in this report are based on current conditions continuing to Labour Day. Continued financial impacts will be contingent on the approach government will take to recovery and how quickly the economy will be re-opened.

Financial impacts are likely for the balance of 2020 and into possibly into 2021 given that some level of pandemic response measures is expected to continue for both staff and transit riders, including remote working arrangements; physical distancing and other safety measures as well as ridership behavior and service demand. Work is currently underway to begin recovery planning for both staff and transit riders. Service planning scenarios are being developed that focus on capacity and demand.

While the cost containment actions taken by the TTC will contribute to partially alleviating the City's current financial challenges, the savings from these actions do not provide fiscal relief. Despite unprecedented fiscal impacts, the Provincial and Federal governments have not yet announced (at the time of writing this report) any financial relief program that would be specifically directed to municipalities or to transit authorities. The TTC continues to work in partnership with the City of Toronto and other transit authorities to advocate for funding.

TTC staff will provide regular updates to the Board on these financial impact estimates due to changes in assumptions and plans arising from recovery events.

Recommendations

It is recommended that the TTC Board:

1. Endorse the expenditure of unbudgeted funds required for COVID-19 response activities, as detailed in this report which are currently estimated to be in the order of \$15.4 million until Labour Day.

2. Endorse the TTC's cost containment strategy as outlined in this report, noting that even with the implementation of these measures, operating emergency funding currently estimated at a minimum of \$300 million will be required.
3. Endorse the workforce realignment strategy as outlined in Confidential Attachment 1.
4. Approve a net reduction of \$208.1 million to the TTC's 2020 Approved Capital Budget and a reduction of \$117.5 million to the 2020-2029 Capital Budget & Plan, as outlined in Appendix 2.
5. The CEO of the Toronto Transit Commission provide regular updates to the TTC Board on the financial impacts estimates due to changes in assumptions and plans arising from recovery events.
6. Authorize that the information contained in the Confidential Attachment remain confidential in its entirety as it relates to labour relations or employee negotiations.

Financial Summary

To the end of April, a decline in ridership due to safety measures enacted to combat the COVID-19 pandemic has resulted in a \$123 million or 31.2% loss in TTC passenger revenue when compared to planned revenue for this period.

2020 Year to Date Ridership Revenue Budget vs Actual					
Period	(\$M)	2020 Budget	2020 Actual	\$ Variance	% Variance
PRE-COVID-19					
Period 1: Jan. 1 - Feb. 1		104.0	103.0	(1.0)	(0.9%)
Period 2: Feb. 2 - Feb. 29		94.0	92.4	(1.6)	(1.7%)
March Pre-COVID-19 (Mar.1-7)		24.5	23.9	(0.6)	(2.3%)
Pre-COVID subtotal		222.5	219.4	(3.1)	(1.4%)
COVID-19 Impact*					
March COVID-19 Impact (Mar.8-31)		80.6	45.4	(35.2)	(43.6%)
Apr. 1 - Apr. 30		102.9	14.6	(88.2)	(85.8%)
COVID-19 Impact to April 30*		183.4	60.1	(123.4)	(67.3%)
Year To Date		405.9	279.5	(126.4)	(31.2%)

* Excludes any Impact for Pass Refunds

Based on current trends a revenue loss of approximately \$21 million per week or \$90 million per month is expected to be realized. In addition, COVID-19 response activities are expected to require incremental unbudgeted costs of \$15.4 million to Labour Day, over and above existing resources that were redirected to support TTC's COVID-19 response.

In an effort to mitigate the estimated financial impact of \$92 million per month or a total of \$520.1 million, TTC established a cost containment strategy consisting of 4 discreet actions:

- Constraining Expenditures
- Matching Service Capacity to Demand
- Determining COVID-19 impact on the implementation of New Service Priorities
- Assessing COVID-19 impacts on Capital Project Delivery

These initiatives are anticipated to save \$5.5 million weekly or \$23 million in monthly operating costs upon full implementation in June, thereby reducing the monthly shortfall to \$69 million. Even with these efforts, should current conditions continue to Labour Day, a net operating impact in the order of \$414 million is expected.

In addition, \$116 million in permanent capital project reductions have been identified to support the City's strategy to redirect eligible Provincial Gas Tax (PGT) funding to help mitigate TTC's revenue shortfall. This strategy reduces the TTC's financial impact to \$297 million or approximately \$11.4 million weekly or just under \$50 million monthly, when one accounts for the redirection of the PGT funding to further reduce TTC's revenue gap and cash flow impact to the City.

Taken together, these actions are expected to reduce the TTC's shortfall almost 50% by Labour Day, as summarized in the following table.

TTC COVID-19 FINANCIAL IMPACT			
(\$M)	Weekly	Monthly	Total to Labour Day
Current Financial Impact, Before Cost Containment	21.4	92.1	520.1
Cost Containment Actions			
Expenditure Constraint Savings	(2.7)	(11.1)	(55.5)
Matching Service Capacity to Demand	(2.6)	(10.9)	(45.7)
Defer Implementation of New Service Priorities	(0.2)	(1.0)	(5.2)
Total Cost Containment Actions	(5.5)	(23.0)	(106.4)
TTC Operating Net Financial Impact	15.9	69.1	413.7
Capital Deferrals Re Provincial Gas Tax	(4.5)	(19.3)	(116.0)
TTC Net Cash Flow Impact to Labour Day	11.4	49.8	297.7

The review of TTC's 2020 capital projects has resulted in a revised 2020 Capital Budget of \$1.09 billion, reflecting a net reduction of \$208.1 million in 2020. As outlined in the table, below, this takes into account both the reduction and deferral of 2020 cashflow funding of \$257 million for project delays and the acceleration of \$49 million to keep pace with projects that are ahead of schedule as well as to leverage low ridership.

Summary of Cashflow Changes

(\$ Millions)	2020	2021	2022	2023	2024	5-Year Total	2025-2029	10-Year Total
2020-2029 Approved Capital Budget & Plan	1,297.7	1,173.0	1,466.6	1,276.0	1,129.4	6,342.7	5,802.1	12,144.9
Reductions/Deferrals	(257.0)	138.5	(4.0)	14.5	4.1	(103.9)	(16.4)	(120.3)
Accelerations	48.9	(12.9)	(1.4)	(0.0)	0.0	34.6	(31.8)	2.8
Sub-total of Changes	(208.1)	125.6	(5.4)	14.5	4.1	(69.3)	(48.2)	(117.5)
Revised 2020-2029 Capital Budget & Plan	1,089.6	1,298.6	1,461.3	1,290.5	1,133.5	6,273.5	5,753.9	12,027.4

Adjustments over the 10 year period will permanently reduce the 2020-2029 Capital Plan by \$117.5 million, enabling TTC to release and redirect \$116 million in Provincial Gas Tax to the City's Recovery Fund which will be applied to further reduce TTC's revenue shortfall. The table below summarizes the changes to the TTC's 2020 Capital Budget and 10-year Capital Plan arising from the capital project delivery review.

2020-2029 Capital Funding Sources Incremental Changes

(\$ Millions)	2020	2021	2022	2023	2024	2020-2024	2025-2029	2020-2029
Council Approved Budget and Plan	1,297.7	1,173.0	1,466.6	1,276.0	1,129.4	6,342.7	5,802.1	12,144.9
Proposed Changes to Budget and Plan	(208.1)	125.6	(5.4)	14.5	4.1	(69.3)	(48.2)	(117.5)
Funding:						-	-	-
Federal PTIF Phase 2	-	(1.8)	(0.8)	1.8	1.8	1.0	(1.0)	-
Provincial PTIF Phase 2	-	(1.8)	(0.8)	1.8	1.8	1.0	(1.0)	-
Provincial Gas Tax	(116.0)	-	-	-	-	(116.0)	-	(116.0)
Provincial LRV Funding	(17.3)	17.3	-	-	-	-	-	-
TTC Internal	(1.5)	-	-	-	-	(1.5)	-	(1.5)
Development Charges	(33.3)	30.3	1.2	0.1	1.7	-	-	-
Base Debt	(12.4)	36.9	(22.2)	(2.2)	-	0.1	(0.1)	-
Recoverable Debt	(27.6)	44.6	17.2	13.0	(1.1)	46.1	(46.1)	-
Revised Capital Budget and Plan	1,089.6	1,298.6	1,461.3	1,290.5	1,133.5	6,273.5	5,753.9	12,027.4

Continued financial impacts will be contingent on the approach government will take to recovery and how quickly the economy will be re-opened. However, it is expected that financial impacts are likely for the balance of 2020 and possibly into 2021 as some level of pandemic response measures will need to continue for both staff and customers, including remote working arrangements; physical distancing, vehicle and public space disinfection and other safety measures. Ridership and revenue will be dependent on ridership behavior, and therefore, service demand.

Despite TTC cost containment efforts, a financial impact of this magnitude will require support from the Provincial and Federal governments. To date, major support programs announced do not provide financial support to the TTC. Staff have and will continue to partner with City staff, peer transit agencies, the Canadian Urban Transit Association (CUTA), and the Ontario Public Transit Association (OPTA) to request emergency relief funding for public transit.

Equity/Accessibility Matters

Throughout the pandemic response, the TTC has remained committed to maintaining transit services with a special focus on serving neighbourhood improvement areas; key essential worker employment areas; and hospitals. While conventional system ridership is currently at 15% of normal levels, transit service has been and will be maintained at approximately 80% overall. In addition, the demand responsive service plan ensures additional resources are added to key routes when required to ensure physical distancing guidelines are being followed.

The proposed amendments to the 2020-2029 Capital Budget and Plan, includes an acceleration of the Easier Access program which is on track to make all the planned subway stations accessible by 2025 with elevators, wide fare-gates and automatic sliding doors. It also includes several improvements elsewhere across the transit system, including accessible low-floor streetcars, accessible buses, new Wheel-Trans buses and a growing number of accessible bus and streetcar stops.

Issue Background

Impacts Arising from the COVID-19 Pandemic

TTC Ridership and Revenue Impacts

On January 23, 2020, the City of Toronto reported its first case of COVID-19 and the World Health Organization (WHO) declared the COVID-19 outbreak a Public Health Emergency of International Concern on January 30th, 2020. The TTC was not yet impacted by these events, as ridership and revenue continued to grow throughout February and into early March 2020. By the end of the first week of March, the TTC had experienced weekly ridership of 10.4 million rides and weekly revenues of \$23.9 million, which were both in line with TTC's ridership and revenue budgets for the same period.

After the first week of March 2020, TTC ridership and revenue began to decline as successive announcements were made by the WHO, the Province and the City of Toronto in response to the COVID-19 pandemic:

- March 11, 2020, the WHO declared COVID-19 a global pandemic.
- March 12, 2020 the Province announced all publicly funded schools would remain closed after March break for an additional 2 weeks (and since).
- March 13, 2020, the City of Toronto announced various guidelines to protect the public, including the closure and cancellation of City of Toronto facilities, programs and public spaces.
- March 17, 2020, the Province of Ontario declared a state of emergency.
- March 23, 2020, the City of Toronto declared a state of emergency, and the Province announced the closure of all non-essential workplaces, effective 11:59pm on March 24, 2020.

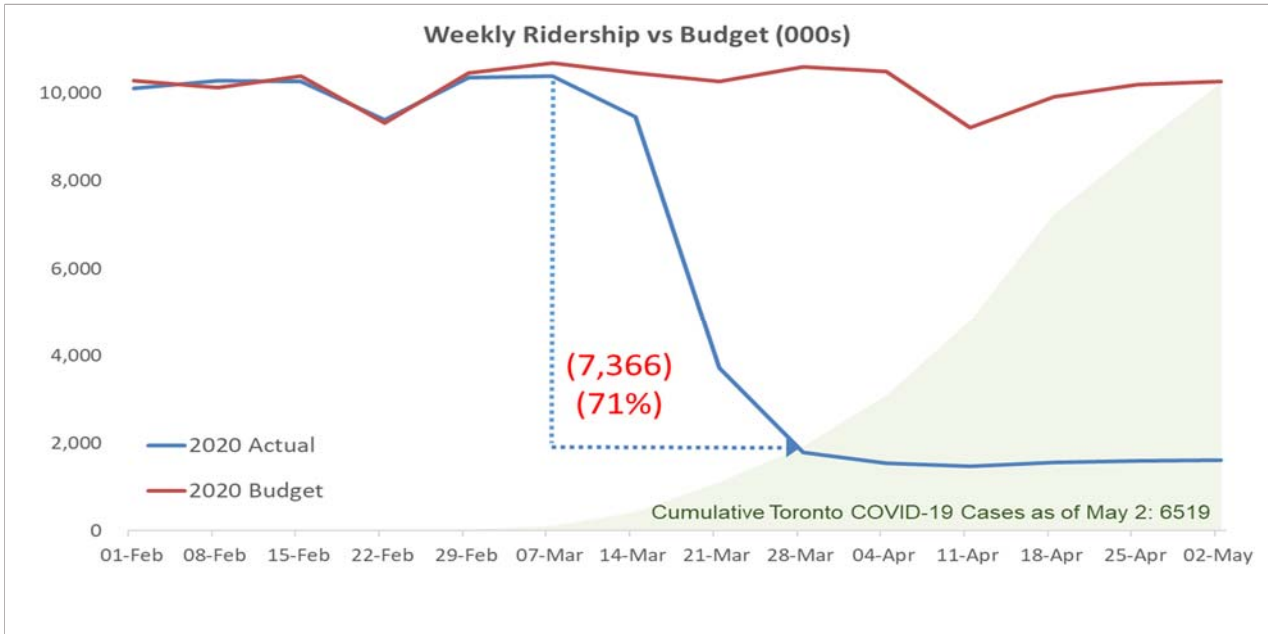
To better understand and address COVID-19 impacts on TTC ridership and revenue, TTC staff developed an executive dashboard of key financial, service and operational indicators, and implemented daily reporting to monitor these impacts. Using PRESTO tap data, staff analyzed ridership by mode, route, and concession. The TTC used a baseline of March 2, 2020 as a “normal” business day to compare declines in PRESTO usage by way of taps. This allowed the TTC to further monitor its ridership and revenue position, near-term trends, and inform service delivery. Refer to Appendix 1 for supplemental Presto data analysis of ridership trends by mode, route and concession.

Ridership Trend and Impact

By March 31, 2020, the TTC was experiencing significant impacts to both its ridership and revenue. Weekly ridership dropped by approximately 7.366 million rides or 71%, and weekly revenue declined by approximately \$17.959 million or 75%* compared to the first week of March, when ridership and revenue experience mirrored budgeted levels. These significant ridership and revenue declines were primarily driven by the impact of school and non-essential business closures as well as safety directives to stay at home, which resulted in remote working arrangements and self isolation actions across the city.

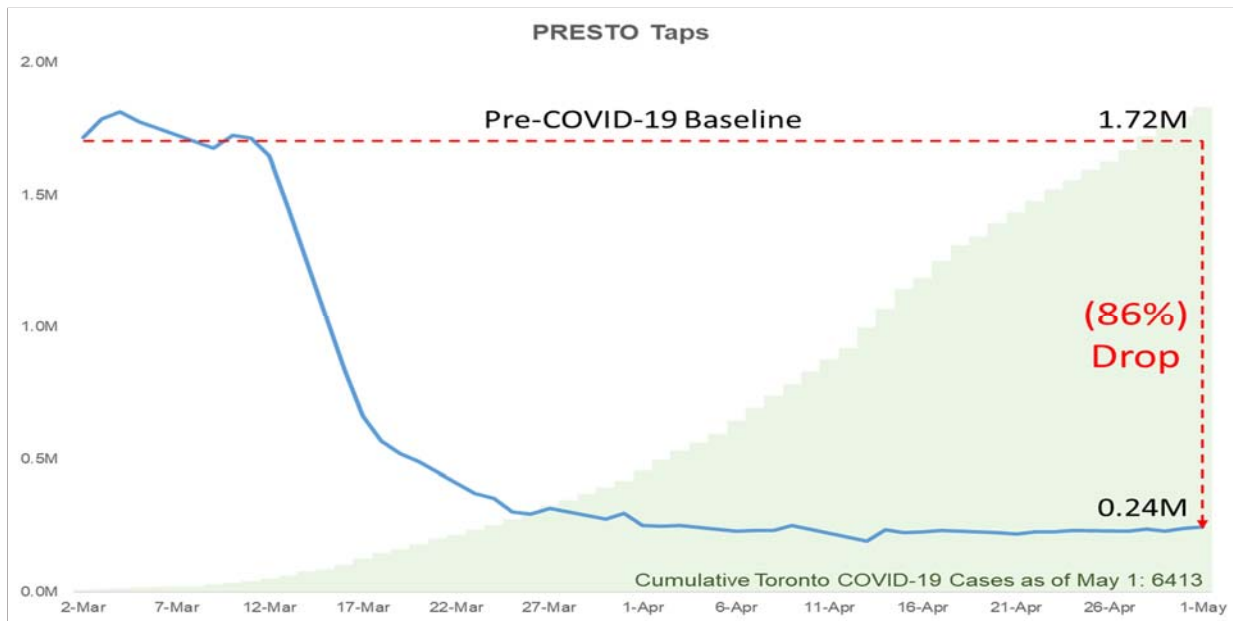
March ridership and revenue results do not account for an estimated loss of 5.8 million rides (~15%) due to reduced March period pass usage. This latter impact would be fully realized in April with reduced period pass renewals, contributing to a further reduction in ridership.

TTC ridership continued to drop through early April as confirmed COVID-19 cases rose, and both the City of Toronto and the Province of Ontario increased their efforts to flatten the curve. This included the Province announcing on April 3, 2020 that only 44 types of businesses would be classified as essential. By the end of April, ridership was almost 30% below planned ridership for the four month period.



2020 Year to Date Ridership Budget vs Actual (000s)				
Month	2020 Budget	2020 Actual	Actual vs Budget (#)	Actual vs Budget (%)
Jan. 1 - 31	43,764	43,674	(90)	(0)
Feb. 1 - 29	41,301	41,330	29	0
Mar. 1 - 31	46,255	31,733	(14,522)	(31)
Apr. 1 - 30	43,176	6,716	(36,460)	(84)
Year To Date	174,496	123,453	(51,043)	(29)

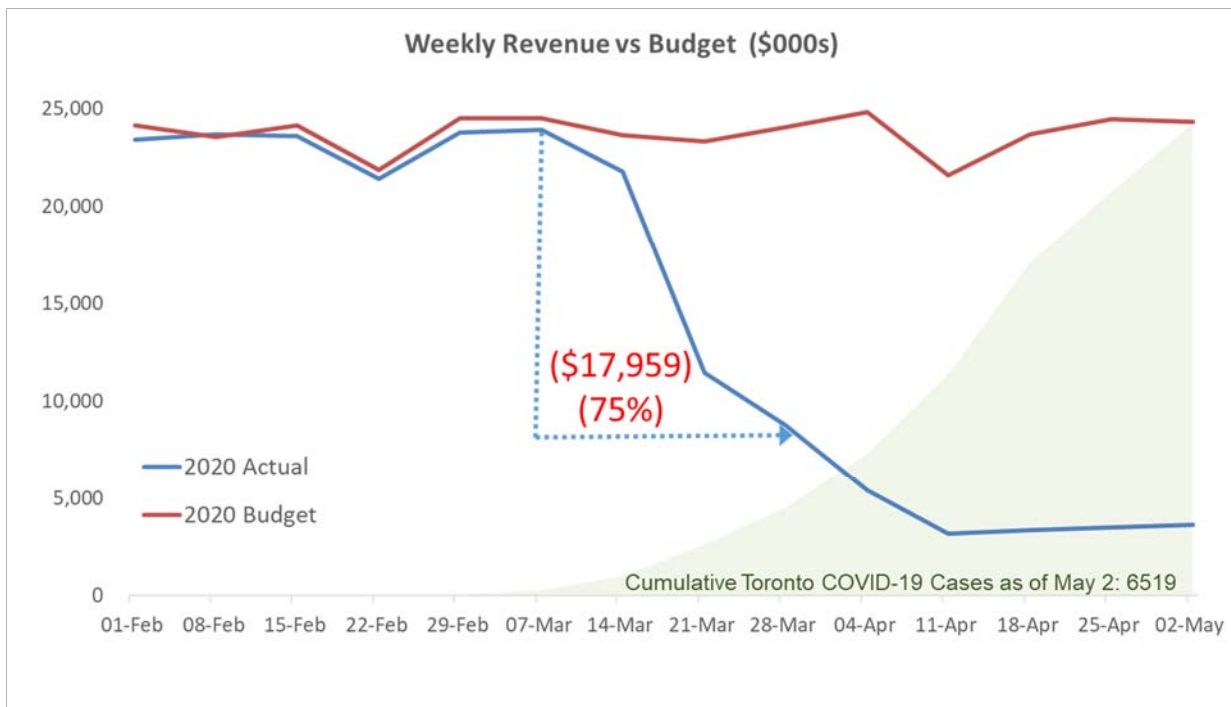
PRESTO data showed similar trends, as PRESTO Taps dropped from 1.72 million rides to 240 thousand rides between Monday, March 2nd (Pre-COVID-19 “normal” business day) and the end of April, 2020 or approximately 86%, representing the average reduction over all modes. Presto usage on the subway declined by almost 90%. As shown below, Presto taps have stabilized at this level.



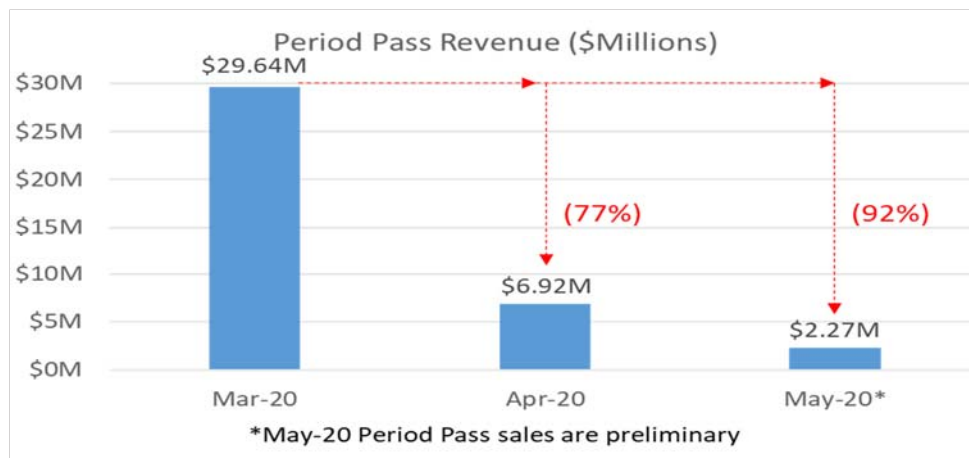
	Report Day	PreCOVID-19		
	Friday, May 1, 2020	Monday, March 2, 2020	Change (#)	Change (%)
Subway	77,723	730,386	(652,663)	(89)
Streetcar	26,200	201,177	(174,977)	(87)
Bus	139,400	778,875	(639,475)	(82)
WheelTrans	1,436	7,005	(5,569)	(80)
Total	244,759	1,717,443	(1,472,684)	(86)

Revenue Trend and Impact

The TTC has experienced an unprecedented decline in fare revenue due to the COVID-19 pandemic. TTC saw a dramatic drop in weekly revenue of almost \$18 million or 75% by March 31, 2020 compared to the first week of March 2020, as shown in the chart below.



As the extension of closures of non-essential businesses and schools were extended into April, along with public events and social distancing orders extended, fewer people saw the need to commit to travelling routinely on the transit system, which impacted TTC period pass sales. Period Passes are sold in a window from the final two weeks in the month prior to use and the first week of the month of use. April 2020 period pass sales are estimated at 47,800, which represents a 77% drop compared to March period pass sales. May 2020 period pass sales are estimated to be 40,400, which reflects an approximate 92% drop of period pass sales from March.



The revenue drop has stabilized at 86% below budgeted levels (see Table below), equivalent to a loss of approximately \$20 million per week. This decline is expected to continue and will only slowly recover as the City of Toronto and the Province of Ontario reopens the economy and recovery from the COVID-19 pandemic unfolds. Revenue will be dependent on TTC’s service capacity to meet ridership demand, taking into account continued safety measures and customer transit patterns.

2020 Year to Date Revenue Budget vs Actual (\$000s)				
Month	2020 Budget	2020 Actual	Actual vs Budget (#)	Actual vs Budget (%)
Jan. 1 - 31	\$101,741	\$100,738	(\$1,003)	(1)
Feb. 1 - 29	\$96,255	\$94,745	(\$1,510)	(2)
Mar. 1 - 31	\$105,389	\$69,282	(\$36,107)	(34)
Apr. 1 - 30	\$102,591	\$14,766	(\$87,825)	(86)
Year To Date	\$405,976	\$279,531	(\$126,445)	(31)

The TTC relies on its fare revenue to fund approximately two-thirds of its operating budget. The COVID-19 pandemic is causing an enormous financial stress on the TTC. The gradual recovery is expected to place an ongoing financial strain on the TTC and its ability to support Toronto's broader economic recovery. While this report outlines the actions that the TTC is able to take to provide partial financial mitigation, support will be needed from the Provincial and Federal governments to enable the TTC to continually provide essential transit services to the City of Toronto, and to those outside the city who travel into it for work and leisure.

Ancillary Revenue Impacts

In addition to fare revenue, the TTC's 2020 Operating Budget includes \$66 million in budgeted ancillary revenues. Key sources of ancillary revenue include advertising, rent revenue and commuter parking.

To date, the TTC has experienced a loss in commuter parking lot revenue of \$1 million per month due to lower usage. In addition, some subway concession tenants have requested consideration to defer rent payments. Staff will be reporting to the June Board meeting on all rent deferral requests. Collection of these rent payments have been deferred in the interim.

Overall, TTC revenue impacts resulting from the COVID-19 pandemic are summarized in the following table based on the assumption that TTC's ridership and revenue decline has stabilized but will continue to Labour Day. This summary assumes that any rent deferrals will ultimately be collected and are therefore excluded from this table at this time.

TTC COVID-19 Revenue Losses			
(\$M)	Weekly	Monthly	Total to Labour Day
Passenger Revenue	20.5	88.0	496.0
Commuter Parking	0.2	1.0	5.7
Other	0.1	0.5	3.0
Total Revenue Loss	20.8	89.5	504.7

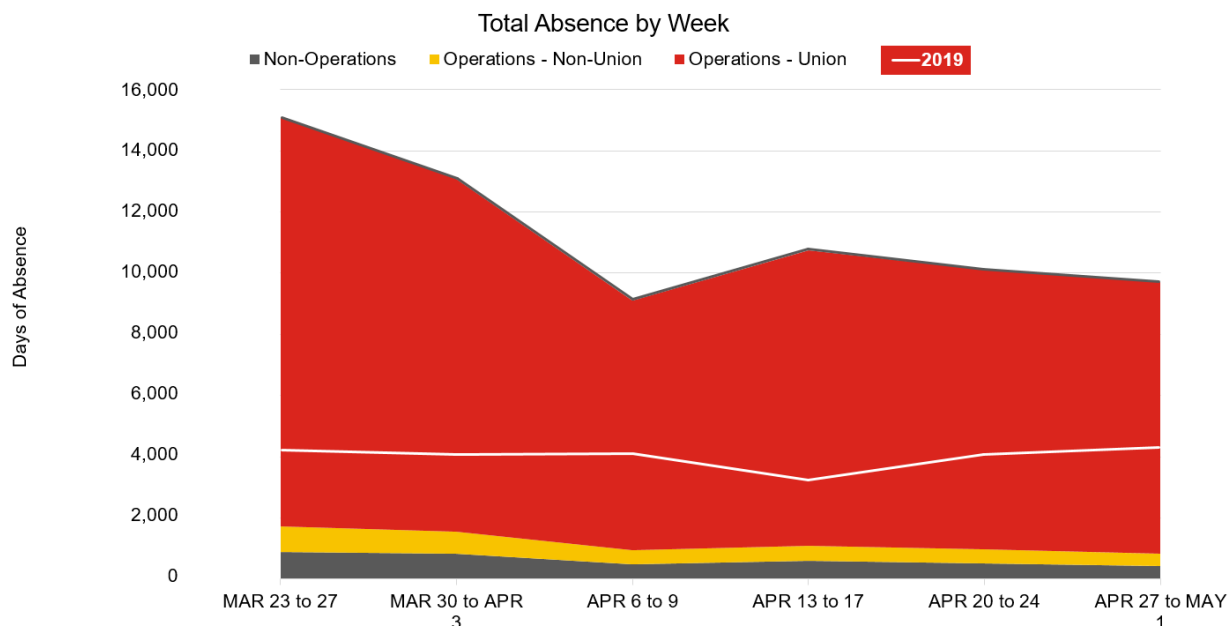
COVID-19 Pandemic Response Impacts

Ensuring Continuity of Operations

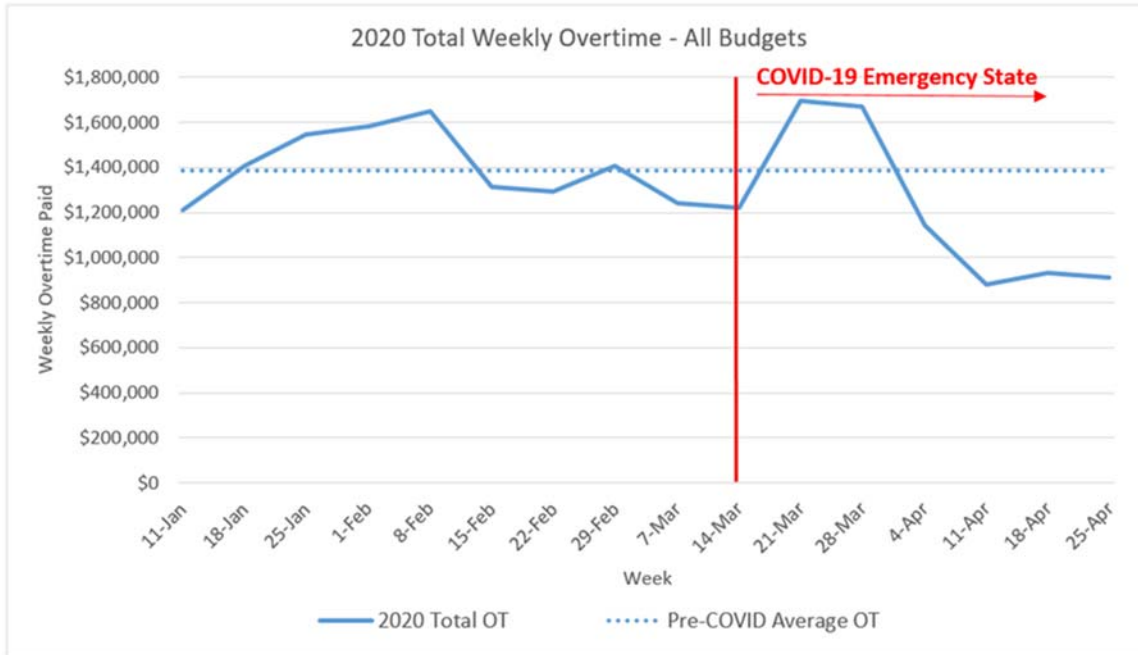
Throughout the COVID-19 response, TTC management has ensured that essential operations and critical work has continued, in accordance with TTC's Continuity of Operations Plan (COOP). With Emergency Management staff dedicated as a member of the City's Emergency Operations Centre, the TTC engaged additional support to update its COOP in real time.

As well, TTC Executive immediately implemented remote working arrangements for appropriate staff which required increased bandwidth capacity and technical support resulting in additional technology costs. All essential activities, have been managed by reallocating staffing resources as required and through the use of overtime where only absolutely necessary, particularly in the early stages of TTC's pandemic response when high rates of absenteeism occurred.

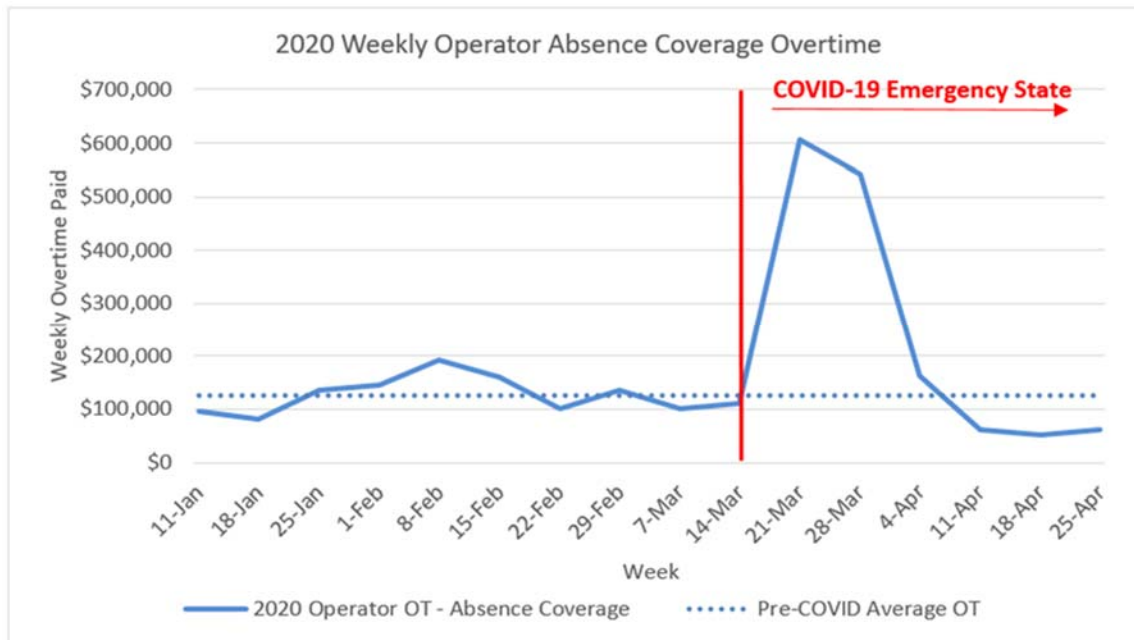
Due to both an increase in sick absences and required self-isolation, absence rates during March and April more than doubled when compared to prior year experience. As shown in the chart below, absences spiked during the week of March 23 and has gradually declined since, but still remains well above prior year levels. A consistent process was established to ensure incidents of worker illness are reported, recorded and investigated. Absenteeism has been reported and monitored daily through the TTC's COVID-19 dashboard.



As shown in the graph below, weekly overtime costs initially increased, but are now trending below pre-COVID levels.



Specifically, operator absence coverage overtime, initially spiked in order to maintain as service levels at 100%, before declining well-below pre-COVID levels once physical distancing adjusted capacity was matched with demand.



Ensuring Safety

A risk-based model was used to determine the distribution of personal protective equipment, with guidance and training provided as needed. The available supply of gloves, hand sanitizer, coveralls, masks and Oxivir solution and wipes is reported and

monitored daily in TTC’s COVID-19 dashboard, with active supply chain management undertaken to secure additional supplies. In addition, some protective equipment such as plexi-glass screens and barriers are being manufactured in-house as are cloth (comfort) masks in the retooled upholstery section of TTC’s Harvey shop.

Beginning in January, the TTC initiated additional daily cleaning and disinfection of all public places and vehicles, with a focus on touch and grab points, such as buttons, railings, handles and straps. Additional disinfection of shared workspaces and all vehicles occurs nightly and arrangements are now being made for mid-day vehicle disinfection. Special disinfection and cleaning of vehicles is completed for each COVID-19 transport completed by Wheel-Trans. As well, the TTC has installed hand sanitizers in all subway stations for transit riders.

Incremental COVID-19 Response Costs

While many aspects of TTC’s COVID-19 Pandemic response have been accommodated by redirecting existing resources, other requirements have and will continue to result in incremental unbudgeted expenditures to ensure the continuity and safety of transit services. This includes the aforementioned overtime expenses and need for additional personal protective equipment for employees, with distribution determined on a risk-based approach as well as safety measures for the public and communications and awareness campaigns for all employees and customers. In aggregate, these incremental unbudgeted expenditures are currently estimated to reach \$15.4 million by Labour Day, as summarized in the following table.

This report seeks the Board’s authorization for these unbudgeted COVID-19 response costs. The TTC will continue to incur necessary costs to support its COVID-19 response and will provide regular updates to the Board as developments occur.

INCREMENTAL COVID-19 RESPONSE EXPENSES	
COVID-19 Response	Total to Labour Day
Managing Resourcing	(\$M)
Overtime (Cleaning & critical response activities)	2.0
Operator Absence Coverage (mid-to-late March)	1.2
IT costs related to employees working from home	0.2
Business Continuity Costs	0.1
Safety and Other Required Measures	
Wipes, masks and other personal protective equipment	6.0
Vehicle disinfecting	4.5
Hand Sanitizer in Stations	0.7
COVID-19 Awareness campaigns	0.2
Various Other Requirements	0.5
Total COVID-19 Incremental Unbudgeted Costs	15.4
Average Monthly Costs	2.6

Partnering with the Community

TTC has also provided support for the broader COVID-19 response by partnering with the City of Toronto and other third parties by:

- Assisting hospitals by providing return transportation to patients with no other means of transport;
- Co-ordinating and operating special bus trips to transport Shelter and Housing Support clients to alternative accommodation to ensure physical distancing;
- Partnering with Streets to Homes staff to work with the homeless in the transit network;
- Working collaboratively with the City's Emergency Services to prioritize distribution of personal protective equipment across these service providers.

The TTC repurposed five decommissioned TTC buses to safely transport ambulatory and stretcher-bound patients and is providing shuttle services requested by the City's Shelter, Support and Housing Administration. In addition, Wheel-Trans operators have been specially trained and provided with additional protective equipment to provide transportation to COVID positive or suspected patients to testing sites as required.

The estimated value of this third party support to date, including the provision of 200,000 masks to City Fire and Paramedic Services is summarized in the following table.

ESTIMATED VALUE OF THIRD-PARTY SUPPORT	
Third-Party Support	Total to Labour Day (\$M)
Shelter Support Shuttles	0.6
Hospital Shuttles	0.3
PPE: 200,000 masks to Toronto Fire/Paramedics	0.2
Estimated Value of Third-Party Support	1.1

Expenditure Savings Resulting from COVID-19

Circumstances surrounding COVID-19 have resulted in some expenditure savings due to market conditions or reduced volumes. Reduced energy demand, for example has resulted in a reduction in average diesel prices. Self-insurance has also yielded some savings, as the closure of dental offices and most paramedical providers has directly resulted in cost savings. Similarly, due to reduced passenger volumes, accident claim payments and PRESTO commission fees are also lower.

These savings have been accounted for in the cost containment strategy results discussed below.

COVID-19 Impact on Capital Project Delivery

With the Provincial government's declaration of a province-wide state of emergency, ordering the mandatory closure of non-essential businesses and services effective March 24, 2020 and the April 3, 2020 announcement reducing the number of essential businesses that would halt non-essential construction effective April 4, 2020, TTC staff determined it would be necessary to review its 2020 capital program to determine the impact of delays arising from these and other COVID-19 pandemic measures on capital projects and their delivery.

The capital review would help TTC establish capital priorities, resource needs and associated capital cashflow requirements by assessing the following impacts on the planned scope, timing, and delivery of capital projects:

Resourcing

- Number of capital vacancies and ability to recruit;
- Level of absenteeism amongst internal capital resources;
- Availability of consultants with the appropriate level of expertise; and,
- Any required onboarding, training and other accommodations.

Working Arrangements

- Impact of remote working arrangements on project productivity and timing of project planning, monitoring, approvals and decision-making; and,
- Impacts of physical distancing; work refusals and safety accommodations (PPEs).

Materials, Supplies and Contractor Availability

- Availability of necessary materials, supplies and any shortages; and,
- Ability to procure and award given competing priorities.

Procurement and Commitments

- Confirmation that all contracts are in place to proceed with planned work; and,
- Implications of deferrals on contractual commitments and obligations; risk of delay claims.

Criticality of Work to be Completed

- The priority assigned to project work based on meeting health & safety; legislative or mission-critical for the direct delivery of safe and reliable transit services.

COVID-19 Response Activities

- The extent to which COVID-19 response activities are directly impacting staff's ability to work on capital projects.

Impact of Uncompleted 2019 Work

- The amount of uncompleted 2019 capital work and the degree that 2020 capital work is dependent on the 2019 work being completed

Project Interdependencies

- The impact of delays on projects that may be dependent on other projects being completed first; and,
- Projects that require co-ordination and timing with other TTC, City or Third Party projects.

On April 3, 2020, the City announced that it was forecasting a financial pressure estimated at \$65 million per week driven by decreased TTC and other revenues, coupled with increased COVID-19 response costs. A City Recovery Fund was being established to assist in the unprecedented cashflow shortage by redirecting eligible capital funding sources to help sustain its cashflow funding for City Programs and Agencies.

Subsequently, City staff requested all City Programs and Agencies to review their capital programs and identify and *permanently reduce* their respective 2020 Approved Capital Budgets in order to release funds that can be redirected to the City's Recovery Fund.

The TTC was requested to permanently reduce its 2020 Approved Capital Budget by at least \$116 million, equivalent to the 2020 capital allocation of Provincial Gas Tax funding, so that these funds may be redirected to the City's Recovery Fund and used towards further mitigating TTC's revenue loss. The City's request accelerated the need for this review.

Given these 2 key drivers, a capital budget review process, comprised of 2 phases, was undertaken to determine delays from the impact of the COVID-19 pandemic response on project plans, deliverables and spending as well as to identify opportunities for the acceleration of any capital project work that could, amongst other benefits, provide longer-term savings.

For both phases of work, capital project and program staff were asked to confirm how much of the 2020 approved funding would not be spent this year and identify capital cost reductions and/or deferrals to 2021 (or future years) due to delays in project milestones, deliverables and planned spending based on the assumed resumption of restoring post COVID-19 activities by Labour Day.

Comments

Preliminary COVID-19 Financial Impacts

The key driver of TTC's COVID-19 financial impact is the unprecedented decline in revenue ridership. By the end of April, revenue ridership was consistently 85% below budget, resulting in an expected April revenue loss of \$88 million. When combined with ancillary revenue losses and incremental expenses being incurred, current COVID-19 pandemic response measures have a more than \$92 million financial impact on TTC each month. If current trends continue, the financial impact could exceed \$520 million by Labour Day.

TTC COVID-19 FINANCIAL IMPACT			
Revenue Losses (\$M)	Weekly	Monthly	Total to Labour Day
Passenger Revenue	20.5	88.0	496.0
Commuter Parking	0.2	1.0	5.7
Other	0.1	0.5	3.0
Total Revenue Loss	20.8	89.5	504.7
Incremental COVID-19 Response Expenses	0.6	2.6	15.4
Current Financial Impact, Before Cost Reductions	21.4	92.1	520.1

Cost Containment Strategy

Given the monthly shortfall in excess of \$92 million being incurred, TTC Executive, early on, initiated a review of all expenditure activity to determine which cost containment measures could be taken. Four key strategies were identified and implemented:

1. Containing Expenditures

This initiative included a comprehensive review of the base operating budget to identify savings without impacting service. Initiatives implemented based on this review included:

- **Management of Labour Costs**

The TTC has paused a 2% inflationary increase in non-union staff salaries, which was scheduled to take effect on April 1, 2020. In addition, the TTC has cancelled summer student and co-op placements. In addition, overtime unrelated to critical activities or TTC's COVID-19 response has been eliminated. Finally, all discretionary expenditures have been suspended.

- **Savings resulting from COVID-19 Impacts**

In addition to a lower average diesel price, COVID-19 has resulted in a significant expected reduction in volume related to PRESTO commissions, employee dental benefits claims and anticipated accident claims.

2. Matching Service Capacity to Demand

As Conventional system ridership started to rapidly decline in the second and third weeks of March, TTC initially protected service at 100% of scheduled levels to encourage social distancing. As the ridership reduction stabilized, judicious matching of service capacity to demand commenced.

The TTC's COVID-19 demand-responsive service plan matches capacity with demand while taking into account physical distancing guidelines and TTC workforce availability. Customer demand has decreased significantly since the week of March 16, 2020 and

has stabilized at approximately 20% of normal customer boardings. Accordingly, system capacity has been adjusted to approximately 25% based on providing approximately 80% of normal service and reducing vehicle capacity to 30% of normal conditions (30% of 80% = 24%). The adjustment to service will result in the following:

- **Savings Resulting from Reduced Ridership**

As service capacity has been matched to demand, savings associated with energy costs and maintenance consumables have been realized. Savings have also been achieved on the Wheel-Trans service as the alignment of service capacity with demand has resulted in requirements for Wheel-Trans contract taxi services to be significantly reduced.

- **Workforce Realignment**

Through the Continuity of Operations Plan, critical activities and functions requiring support and comparatively less essential tasks were identified as well as current vacancies. An assessment of essential resourcing has allowed TTC to redeploy and reassign resources where required, defer the recruitment of certain vacant positions and reduce labour costs. Labour savings will also be realized as operator workforce levels are aligned with required service capacity. This workforce realignment strategy is outlined in the Confidential Attachment to this report.

3. Determining the COVID-19 impact on the implementation of New Service Priorities

The implementation of certain 2020 new service priorities have been impacted by the COVID-19 pandemic, resulting in the delayed completion of this work in 2020. Deferrals include the phased hiring of 50 personnel to support revenue protection initiatives and the completion date for the planned 5-year Fare Policy and 10-year Fare Collection Strategy. Improvements to surface transit schedules anticipated for 2020 will also be deferred given lower ridership.

4. Assessing the COVID-19 impact on Capital Project Delivery

The 2020 approved capital projects were reviewed to determine the impact of COVID-19 on project plans, timing, delivery and cashflow funding requirements. By doing this, the TTC can ensure that project funding better reflects actual project activities; it can identify opportunities to accelerate work, which could provide various benefits and determine how best to meet the City's request to permanently reduce its 2020 capital funding and release the equivalent of the 2020 Provincial Gas Tax allocation of \$116 million. The outcome of this review is further discussed starting on page 20 of this report.

Cost Containment Strategy Results

The results of the cost containment strategy is summarized in the following table. Upon full implementation of all planned initiatives, savings totalling approximately \$23 million per month are expected to be realized by Labour Day, based on current assumptions and trends.

TTC COVID-19 OPERATING COST REDUCTION ACTIONS			
Action	Weekly savings at full implementation	Monthly savings at full implementation	Savings Expected to Labour Day
Expenditure Constraint			
Management of Labour Costs			
Pause Non-union staff scheduled 2% increase	0.1	0.5	2.5
Eliminate Overtime except for COVID-19/critical activities	0.5	2.0	8.0
Cancel summer student/co-op recruitments	0.3	1.1	4.4
Constraining discretionary expenses		0.1	0.6
COVID-19 Impacts			
PRESTO Commissions	0.9	3.7	20.6
Dental/Para-medical claims	0.5	2.0	10.0
Diesel Price	0.2	0.9	5.4
Accident Claim Payments	0.2	0.8	4.0
Expenditure Constraint Savings	2.7	11.1	55.5
Matching Service Capacity to Demand			
TTC Conventional (Energy)	0.2	1.0	5.0
Wheel-Trans Service (Contracted Services)	1.1	4.6	25.1
Workforce Realignment Strategy	1.3	5.3	15.6
Matching Service Capacity to Demand Savings	2.6	10.9	45.7
Defer Implementation of New Service Priorities			
Revenue Protection Initiative	0.1	0.4	2.0
Balance of Surface Transit Improvements	0.1	0.4	2.5
5 Year Fare Policy & 10 Year Collection Strategy		0.2	0.7
Defer Implementation of New Service Priorities	0.2	1.0	5.2
TOTAL Cost Reduction Actions	5.5	23.0	106.4

Capital Project Delivery Review Results

Assessing the impact of delays on ongoing and finite projects arising from the COVID-19 pandemic, including the availability of internal and external resources; contractors, vendors and supplies; the need for physical distancing; remote working arrangements and procurement has resulted in changes to TTC's 2020 Capital Budget and 10-year Capital Plan, as summarized in the table below:

2020-2029 Capital Budget & Plan: Summary of Recommended Changes

(\$ Millions)	2020	2021	2022	2023	2024	5 Year Total	2025-2029	10 Year Total
2020-2029 Approved Capital Budget & Plan	1,297.7	1,173.0	1,466.6	1,276.0	1,129.4	6,342.7	5,802.1	12,144.9
Reductions/Deferrals:	(257.0)	138.5	(4.0)	14.5	4.1	(103.9)	(16.4)	(120.3)
Ongoing	(70.9)	17.8	0.3	0.1	0.0	(52.7)	(6.6)	(59.2)
Finite	(186.1)	120.7	(4.3)	14.4	4.1	(51.2)	(9.9)	(61.1)
Accelerations	48.9	(12.9)	(1.4)	(0.0)	0.0	34.6	(31.8)	2.8
Subtotal of Changes	(208.1)	125.6	(5.4)	14.5	4.1	(69.3)	(48.2)	(117.5)
Revised 2020-2029 Capital Budget & Plan	1,089.6	1,298.6	1,461.3	1,290.5	1,133.5	6,273.5	5,753.9	12,027.4

The recommended adjustments are discussed further below:

- **Reductions to the 2020 Capital Budget to Reflect Delays**

Reductions of \$257 million to the 2020 Capital Budget are recommended to reflect capital project delays arising from the COVID-19 pandemic.

For ongoing SOGR programs, the recommended 2020 Capital Budget reductions are based on what the TTC can actually spend based on revised scopes of work in 2020 as a result of resource, materials and/or procurement constraints due to COVID-19. The portion of work that was previously planned and approved by City Council for 2020 will be deferred to 2021 (and/or future years) according to revised plans and deliverables. As an ongoing steady state capital program, the deferral of planned work in 2020 results in an equivalent value being pushed out sequentially across the entire 10 year horizon.

This deferral results in a permanent reduction to the 2020-2029 Capital Plan's total approved value of \$70.9 million in 2020 and \$59.2 million over the 10 year period. This deferred amount will be added to the unfunded amount in 2030 or the 11th year of the 15-year Capital Investment Plan's timeframe.

Capital funding in 2020 will also be reduced for finite capital projects. A reduction in 2020 to these projects reflect deferrals in the timing of planned work and deliverables as well. Given that these projects have a defined scope and budget for their completion, there will be no impact to the overall project cost but future year cashflow funding estimates will be adjusted. The impact of COVID-19 has resulted in a

reduction to the 2020 Capital Budget of \$186.1 million and \$61.1 over the 10 year period.

These deferred cashflows will be brought forward as part of the 2021 budget process.

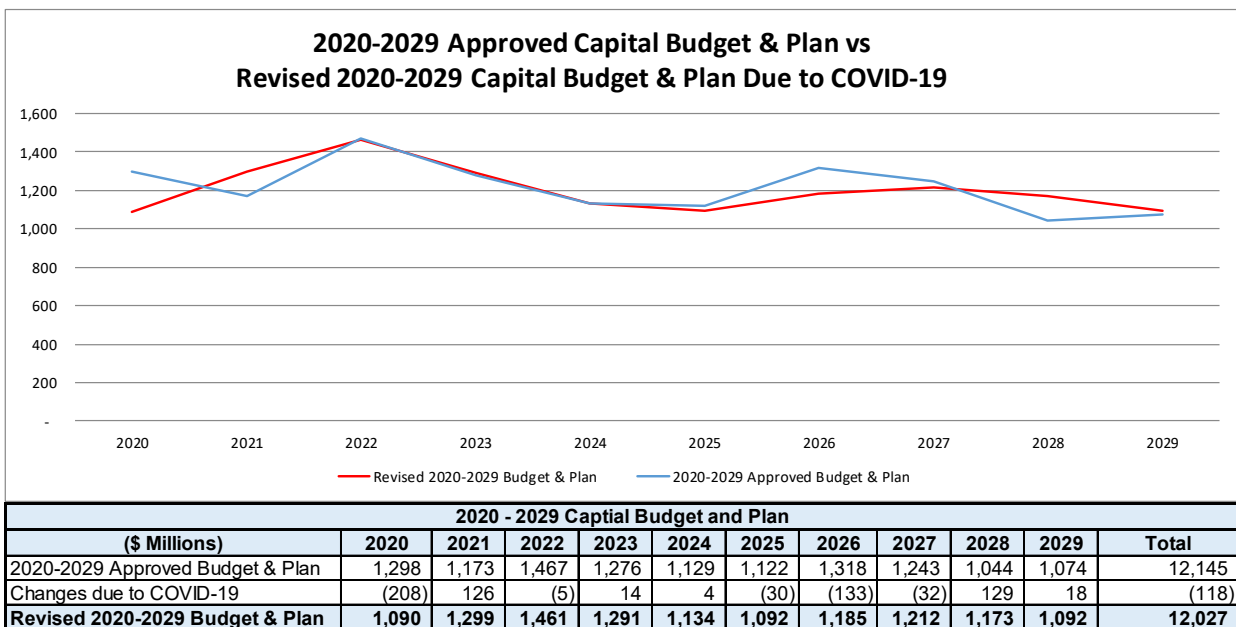
▪ **Increase to the Capital Budget to Accelerate Funding for Projects Tracking Ahead of Schedule and Other Opportunities**

TTC also examined capital projects to determine whether funding would need to be accelerated to keep pace with actual project activity. In order to accelerate this work, the 2020 Capital Budget will increase by \$48.9 million with funding to be accelerated from future years. Of particular note, funding of \$7.8 million has been accelerated to 2020 for the Easier Access III project which will enable TTC staff to continue with planned activities ahead of schedule and ensure completion by the legislative deadline of 2025 and options are being explored to accelerate asbestos abatement in subway stations.

Appendix 2 details the recommended changes by project.

Changes to the 10-year Council Approved Capital Budget & Plan

Given the results above, the TTC’s revised 2020 Capital Budget is now \$1.09 billion and the 2020-2029 Capital Budget & Plan totals \$12.03 billion. The following table compares the revised 10-year Capital Budget & Plan to the Council Approved 10-year Capital Budget & Plan.



Capital Funding Sources

Provincial Gas Tax (PGT) is one source of funding for the TTC's capital program, with the 2020 PGT allocations set at \$116 million. This will now be eliminated for 2020 as a capital funding source so it may be redirected to the City's Recovery Fund to help offset the TTC's revenue loss.

Preliminary Financial Impact to Labour Day

The magnitude of the financial impacts and the cost containment strategy results outlined in the table below will ultimately depend on provincial recovery plans and the pace in which the economy is re-opened while taking into account the continued need for safety measures such as physical distancing to manage community spread of COVID-19. These actions will determine ridership levels and resultant revenues losses.

For the purposes of these estimated costs and savings, it is assumed that pre-COVID-19 activity levels would be restored by Labour Day and that ridership losses persist until then. On this basis, the revenue impact would exceed \$500 million. Even with the aforementioned cost reduction actions, the average weekly burn rate would be approximately \$16 million. The \$116 million in permanent capital funding redirected to the City's Recovery Fund to further mitigate TTC revenue losses, will further reduce the cash flow impact of COVID-19 to \$11.4 million per week.

Taken together, these actions are expected to reduce the TTC's financial pressure from \$21.4 million to \$11.4 million per week or by almost 50% but will still leave a pressure of almost \$300 million by Labour Day.

Despite best efforts to contain costs, the magnitude of this shortfall cannot be born by the TTC or the City alone, especially when all COVID-19 pressures faced by the City are taken into consideration. To date, fiscal relief programs made available by the Federal and Provincial governments have not been applicable to municipalities or transit authorities. Staff have and will continue to partner with City staff, peer transit agencies, the Canadian Urban Transit Association (CUTA), and the Ontario Public Transit Association (OPTA) to request emergency relief funding for public transit.

TTC COVID-19 FINANCIAL IMPACT			
(\$M)	Weekly	Monthly	Total to Labour Day
Revenue Losses			
Passenger Revenue	20.5	88.0	496.0
Commuter Parking	0.2	1.0	5.7
Other	0.1	0.5	3.0
Total Revenue Loss	20.8	89.5	504.7
Incremental Expenses	0.6	2.6	15.4
Current Financial Impact, Before Cost Containment	21.4	92.1	520.1
Cost Containment Actions			
Expenditure Constraint Savings	(2.7)	(11.1)	(55.5)
Matching Service Capacity to Demand	(2.6)	(10.9)	(45.7)
Defer Implementation of New Service Priorities	(0.2)	(1.0)	(5.2)
Total Cost Containment Actions	(5.5)	(23.0)	(106.4)
TTC Operating Net Financial Impact	15.9	69.1	413.7
Capital Deferrals Re Provincial Gas Tax	(4.5)	(19.3)	(116.0)
TTC Net Cash Flow Impact to Labour Day	11.4	49.8	297.7

Service and Financial Impacts beyond Labour Day

It is expected that financial impacts are likely for the balance of 2020 and possibly into 2021 as some level of pandemic response measures will need to continue for both staff and customers, including remote working arrangements; physical distancing, vehicle and public space disinfection and other safety measures. Ridership and revenue will be dependent on ridership behavior, and therefore, service demand.

Work on planning service for September 2020 is underway. Two streams of work are being conducted in parallel. Stream 1 focuses on demand. This includes participating on the City's recovery planning team to quantify the effect of changes in the economy, education system and the impact of increased telework on ridership. Stream 2 focuses on capacity. This includes preparing multiple service schedules ranging from 80% to 100% service to match capacity with demand. The objective is to select the appropriate schedule, given projected demand, in mid-July.

TTC staff are also undertaking scenario planning for multiple states of recovery for the medium-term (January 2021 to September 2021) and long-term (September 2021 and beyond). The funding capacity of the City, available relief from other orders of government and directives of public health officials regarding physical distancing will all be taken into account as part of the planning. More information regarding these plans will be presented in future Board reports for consideration.

Next Steps

Staff will continue to assess and closely monitor the financial impacts that both COVID-19 pandemic response and recovery activities will have on the TTC. Regular updates will be provided to the Board at future meetings.

Contact

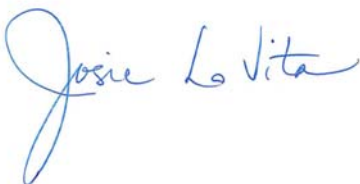
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Signature



Josie La Vita
Interim Chief Financial Officer

Attachments

Confidential Attachment 1 – Confidential Report – Preliminary COVID-19 Financial Impacts for the TTC

Appendix 1: PRESTO Taps Drop by Mode, Route, and Concession

Appendix 2: 2020-2029 Capital Budget & Plan Summary- Incremental Changes

Appendix 3: Revised 2020-2029 Capital Budget & Plan Summary

Appendix 1: PRESTO Taps Trends by Mode, Route, and Concession

As part of its daily COVID-19 dashboard, the TTC has been tracking PRESTO taps by mode, route, and concession to get a better understanding of how COVID-19 has impacted usage across its network. The charts highlighted below in the appendix provide an overview of the analysis that is being conducted.

PRESTO Taps by Mode

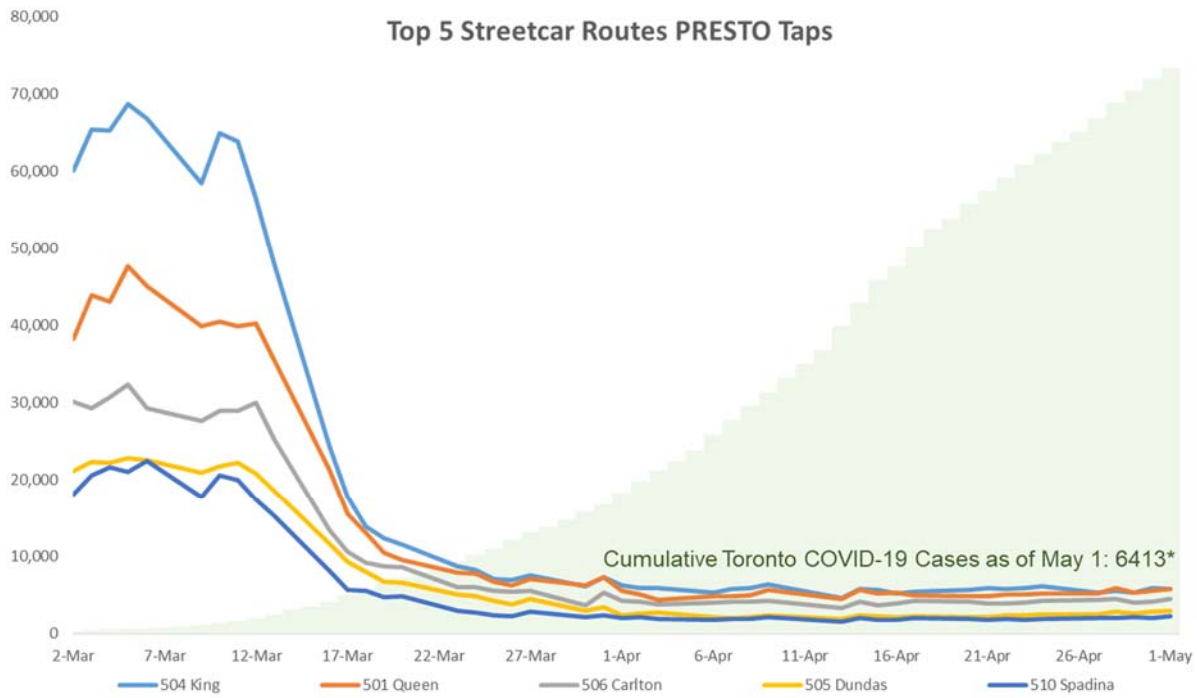
During a normal business day, pre-COVID-19, TTC was averaging approximately 1.7 million PRESTO taps. As of Friday May 1, 2020, PRESTO taps have dropped by approximately 1.5 million taps daily or 86%. The biggest decline has been seen on the Subway (89%) and Streetcar modes (87%) when compared to the pre-COVID-19 baseline of March 2, 2020, with fewer customers using transit due to downtown office and store closures.

	Report Day	PreCOVID-19		
	Friday, May 1, 2020	Monday, March 2, 2020	Change (#)	Change (%)
Subway	77,723	730,386	(652,663)	(89)
Streetcar	26,200	201,177	(174,977)	(87)
Bus	139,400	778,875	(639,475)	(82)
WheelTrans	1,436	7,005	(5,569)	(80)
Total	244,759	1,717,443	(1,472,684)	(86)

The TTC then began to look at the impact to streetcar routes, bus corridors, and subway stations to further understand which routes and corridors were being impacted the most.

PRESTO Taps by Streetcar Route

504 King suffered the largest drop compared to the Pre-COVID-19 baseline, declining by 90% or 54.3K taps, driven by the mandatory closure of non-essential workplaces and remote working arrangements.



Route	Report Day	PreCOVID-19		
	Friday, May 1, 2020	Monday, March 2, 2020	Change (#)	Change (%)
504 King	5,786	60,057	(54,271)	(90)
510 Spadina	2,239	18,162	(15,923)	(88)
505 Dundas	2,982	21,184	(18,202)	(86)
501 Queen	5,723	38,184	(32,461)	(85)
506 Carlton	4,436	30,146	(25,710)	(85)

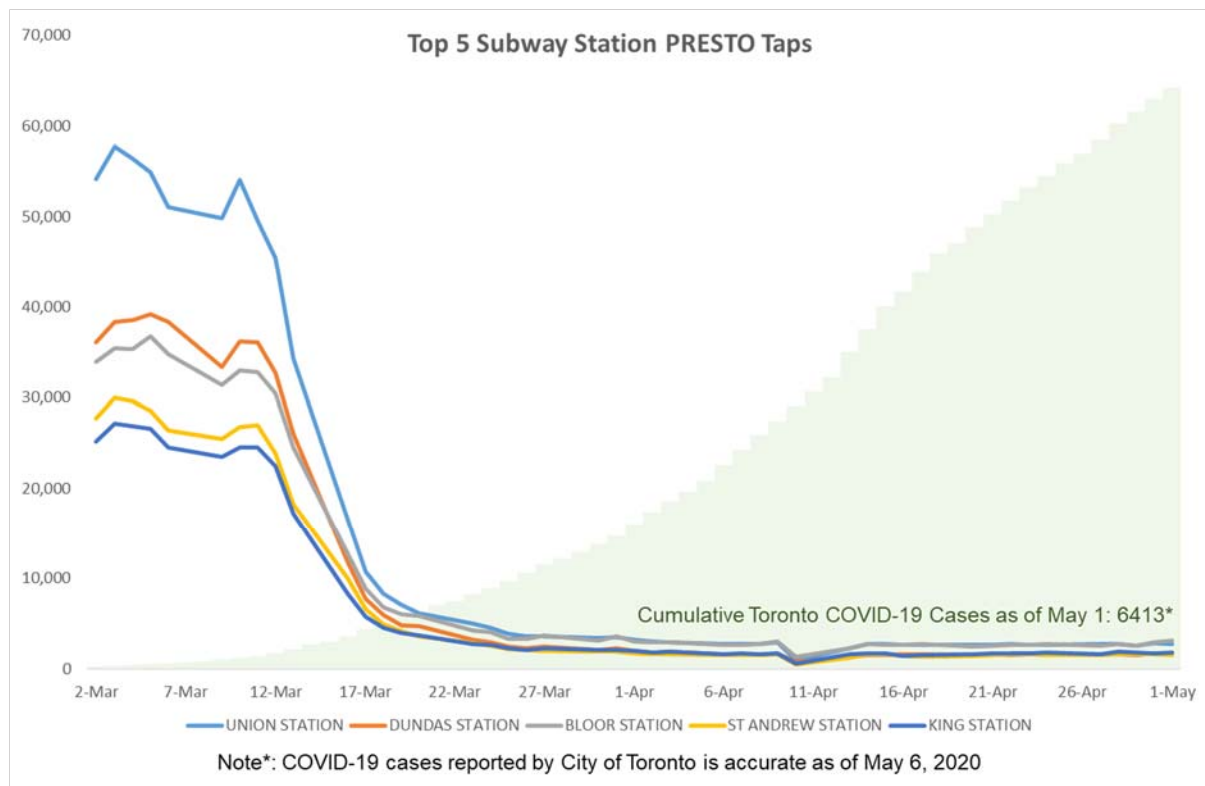
504 King Streetcar PRESTO Taps Drop (Pre-Covid-19 vs Apr 24)

Largest drop of PRESTO taps located around the financial district as offices remain closed during the pandemic. The heat map below shows clustering of *drops* in PRESTO taps between March 2nd (pre-COVID baseline) and May 2.

Bus Corridor	Report Day	PreCOVID-19		
	Friday, May 1, 2020	Monday, March 2, 2020	Change (#)	Change (%)
Finch East Corridor (39; 939)	4,458	29,636	(25,178)	(85)
Finch West (36)	3,458	22,528	(19,070)	(85)
Dufferin Corridor (29; 929)	4,505	26,667	(22,162)	(83)
Lawrence West Corridor (52; 952)	3,999	21,767	(17,768)	(82)
Jane Corridor (35; 935)	4,480	23,213	(18,733)	(81)

PRESTO Taps on Subway Stations

The 5 busiest subway stations in the downtown core experienced a significant drop in PRESTO taps, ranging from 91-95% on May 1st, 2020 compared to Pre-COVID-19 baseline levels, as offices remained closed during the pandemic.



Subway Station	Report Day	PreCOVID-19		
	Friday, May 1, 2020	Monday, March 2, 2020	Change (#)	Change (%)
UNION STATION	2,731	54,139	(51,408)	(95)
DUNDAS STATION	1,695	36,021	(34,326)	(95)
BLOOR STATION	3,082	33,936	(30,854)	(91)
ST ANDREW STATION	1,510	27,712	(26,202)	(95)
KING STATION	1,784	25,137	(23,353)	(93)

With the closures of schools, post-secondary institutions, and non-essential businesses across the city and province, the TTC wanted to understand which user groups were still using the transit system.

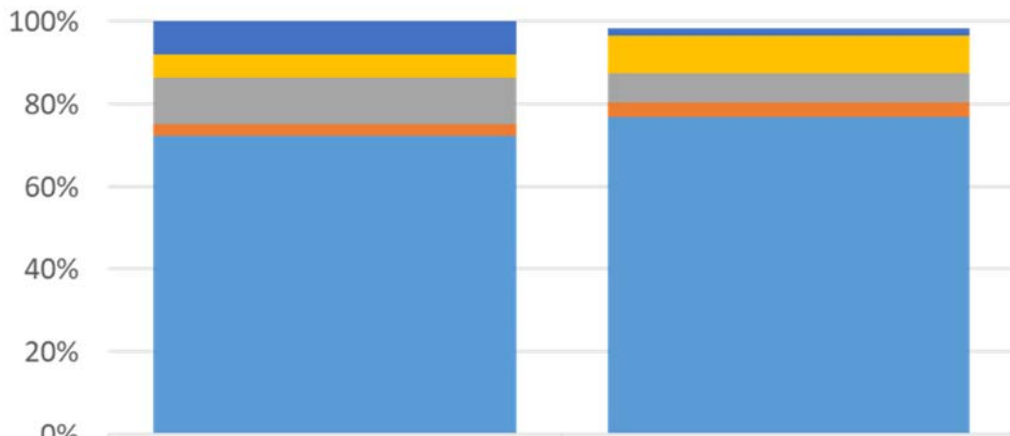
PRESTO Taps by Concession

As of Friday May 1, 2020, Student (96%), Post Secondary (91%), and Adult (85%) concessions saw the greatest declines in PRESTO taps. Senior PRESTO Taps dropped the least by (74%) compared to Pre-COVID-19 baseline of March 2, 2020, followed by children (79%)

	Report Day	PreCOVID-19		
	Friday, May 1, 2020	Monday, March 2, 2020	Change (#)	Change (%)
Adult	187,750	1,243,980	(1,056,230)	(85)
Child	9,274	44,067	(34,793)	(79)
Senior	25,995	98,627	(72,632)	(74)
Student	4,975	137,038	(132,063)	(96)
Post Secondary	16,765	193,731	(176,966)	(91)
Total	244,759	1,717,443	(1,472,684)	(86)

When looking at PRESTO taps as a proportion of overall PRESTO taps across the system, the Adult concession group continues to be the TTC the greatest users of the transit system (77%), but we have seen an increase in Senior usage from 6% to 9%, with Post Secondary (11% to 7%) and Student (8% to 2%) both declining, as expected.

PRESTO Taps by Concession



	Pre-COVID-19 (Mar. 2, 2020)	Report Date (May. 1, 2020)
■ Student	8%	2%
■ Senior	6%	9%
■ Post Secondary	11%	7%
■ Child	3%	4%
■ Adult	72%	77%

TORONTO TRANSIT COMMISSION
2020-2029 CAPITAL BUDGET & PLAN SUMMARY
Incremental Changes
\$Millions

Appendix 2

Programs	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020-2029
Infrastructure Related Programs:											
Tracks:											
1.1 Subway Track	(8.6)										(8.6)
1.2 Surface Track	(2.7)										(2.7)
Signals, Electrical, Communications:											
2.1 Traction Power	(0.4)										(0.4)
2.2 Power Distribution	(1.4)	(1.1)	(3.3)	(3.1)	(5.3)	(6.0)	(0.0)	7.2	11.3		(1.7)
2.3 Communications	(7.2)	(2.1)	(1.0)	2.5	1.5	0.5					(5.8)
2.4 Signal Systems	(8.0)	0.3	2.2	3.0	1.1	(0.0)	(0.0)	1.1	(0.0)	(0.0)	(0.4)
2.4 YUS/BD Resignalling	(1.3)	1.3									
Buildings and Structures:											
3.1 Finishes	(5.5)	(8.0)	10.0				0.4				(3.1)
3.2 Equipment	(13.9)	1.8	1.3	4.4				(0.0)			(6.3)
3.3 Yards & Roads	(4.1)	1.0	(1.8)	0.1	2.1						(2.7)
3.4 Bridges & Tunnels	(2.1)										(2.1)
3.9 Fire Ventilation Upgrade	(8.3)										(8.3)
3.9 Easier Access Phase III	7.8	(1.1)				8.7	(15.4)				(0.0)
3.9 Leslie Barns	(1.2)	(0.5)	1.7								(0.0)
3.9 TR/T1 Rail Yard Accommodation	(7.5)	3.6	1.8	(7.9)	(3.7)	12.5					(1.3)
3.9 McNicoll Bus Garage	0.8	(7.5)									(6.7)
3.9 Line 1 Capacity Enhancement	3.0	(3.0)					(79.0)	(78.0)	83.9	37.1	(36.0)
3.9 Line 2 Capacity Enhancement											
3.9 Corporate Initiatives						(1.3)	(1.3)	(1.3)	(1.3)	(1.4)	(6.6)
3.9 Yonge-Bloor Capacity Improvement	(3.0)	(5.0)	(2.0)	5.0	5.0	(40.0)	(33.0)	45.0	40.0	(12.0)	
3.9 Other Buildings & Structures	(48.3)	34.9	(3.5)	10.0	3.5	(0.0)		(0.8)			(4.2)
Tooling, Machinery and Equipment											
5.1 Shop Equipment	(1.0)										(1.0)
5.2 Revenue & Fare Handling Equipment											
5.3 Other Maintenance Equipment	(0.4)										(0.4)
5.4 Fare System											
Environmental Issues											
6.1 Environmental Program	25.5	(0.0)	(0.5)			(4.5)	(4.7)	(4.9)	(5.2)	(5.7)	
Computer Equipment & Software											
7.1 IT Systems/Infrastructure	(30.1)	8.0	9.0	3.2							(9.9)
Other:											
9.1 Furniture & Office Equipment	(0.1)										(0.1)
9.2 Service Planning	(13.3)	(0.9)	6.2	(2.8)		(0.1)					(10.9)
Subtotal - Infrastructure Related Programs	(131.4)	21.7	20.2	14.4	4.1	(30.2)	(133.0)	(31.7)	128.7	17.9	(119.2)
Vehicle Related Programs:											
4.11 Purchase of Buses	9.5										9.5
4.11 Purchase of Wheel Trans Buses	(14.1)	14.1									
4.12 Purchase of Subway Cars	(0.2)	0.2									
4.13 Bus Overhaul											
4.15 Streetcar Overhaul											
4.16 Subway Car Overhaul	(7.8)										(7.8)
4.18 Purchase of Streetcars	(51.8)	51.8									
4.21 Purchase Non-Revenue Vehicles											
4.22 Rail Non-Revenue Vehicle Overhauls											
4.23 Purchase Rail Non-Revenue Vehicle											
Subtotal - Vehicle Related Programs	(64.5)	66.1									1.7
TOTAL - BASE PROGRAM	(195.8)	87.8	20.2	14.4	4.1	(30.2)	(133.0)	(31.7)	128.7	17.9	(117.5)
Transit Expansion Programs:											
SRT Life Extension											
Waterfront Transit	0.1		(0.1)								0.0
Toronto-York Spadina Subway Extension (TYSSE)	(12.4)	37.8	(25.4)	0.0							(0.0)
TOTAL - TRANSIT EXPANSION PROGRAM	(12.3)	37.8	(25.5)	0.0							0.0
TOTAL - BASE & TRANSIT EXPANSION PROGRAMS	(208.1)	125.6	(5.4)	14.5	4.1	(30.2)	(133.0)	(31.7)	128.7	17.9	(117.5)

TORONTO TRANSIT COMMISSION
2020-2029 CAPITAL BUDGET & PLAN SUMMARY
Revised 2020 – 2029 Capital Budget and Plan Summary
\$Millions

Appendix 3

Programs	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020-2029
Infrastructure Related Programs:											
Tracks:											
1.1 Subway Track	19.2	28.2	28.1	28.4	28.9	37.5	39.8	41.5	42.4	45.8	339.8
1.2 Surface Track	42.5	53.4	38.7	36.0	35.0	19.4	18.9	15.0	13.1	13.3	285.1
Signals, Electrical, Communications:											
2.1 Traction Power	23.4	25.8	19.8	20.9	22.4	28.6	28.8	30.0	30.1	32.5	262.3
2.2 Power Distribution	6.1	7.5	10.7	14.0	15.3	20.1	26.5	27.0	19.7	8.8	155.9
2.3 Communications	8.9	14.4	14.7	16.3	11.3	10.3	11.3	12.0	12.6	12.7	124.6
2.4 Signal Systems	13.1	14.5	16.6	18.0	14.2	11.9	8.2	5.8	4.8	5.0	112.1
2.4 YUS/BD Resignalling	61.1	63.3	79.7	99.3	65.0	100.0	100.0	100.0	100.0	100.0	868.4
Buildings and Structures:											
3.1 Finishes	12.3	44.6	55.9	9.6	7.9	0.9	1.3	0.9	0.9	0.9	135.1
3.2 Equipment	63.9	78.0	40.2	21.1	45.0	17.5	15.7	17.7	17.3	17.3	333.7
3.3 Yards & Roads	9.6	21.9	28.8	12.4	14.0	10.4	10.6	10.7	10.9	13.7	140.9
3.4 Bridges & Tunnels	32.7	37.6	44.0	45.8	46.5	48.0	46.3	48.4	49.2	59.3	457.8
3.9 Fire Ventilation Upgrade	11.2	41.8	48.9	52.6	56.7						211.2
3.9 Easier Access Phase III	65.2	75.4	85.5	99.4	87.4	75.5	37.9				526.2
3.9 Leslie Barns	1.6	8.8	6.7								17.1
3.9 TR/T1 Rail Yard Accommodation	37.6	65.0	46.5	31.2	13.8	13.9					207.9
3.9 McNicoll Bus Garage	38.6	19.7									58.3
3.9 Line 1 Capacity Enhancement	8.7	10.0	15.0	78.0	56.2	5.0	300.0	325.0	335.0	334.2	1,467.1
3.9 Line 2 Capacity Enhancement	2.7	6.1	7.9	10.0	40.0	52.0	70.0	120.0	140.0	183.0	631.6
3.9 Corporate Initiatives	10.8	10.8	10.8	10.8	10.8	9.5	9.5	9.5	9.5	9.4	101.2
3.9 Yonge-Bloor Capacity Improvement	13.2	45.0	55.0	80.0	155.0	260.0	267.0	290.0	255.0	88.0	1,508.2
3.9 Other Buildings & Structures	87.7	129.0	203.4	212.5	96.7	17.6	2.1	3.5	2.2	1.6	756.1
Tooling, Machinery and Equipment											
5.1 Shop Equipment	9.7	4.6	2.5	2.5	1.9	3.5	2.1	2.7	3.2	3.4	35.9
5.2 Revenue & Fare Handling Equipment	6.4	3.8	3.3	2.3	1.8	1.2	0.4	0.4	1.3	0.3	21.1
5.3 Other Maintenance Equipment	4.4	1.5	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.4	16.0
5.4 Fare System	15.8	7.8									23.6
Environmental Issues											
6.1 Environmental Program	35.2	9.9	6.9	4.8	4.0	4.1	4.2	4.2	4.3	4.0	81.5
Computer Equipment & Software											
7.1 IT Systems/Infrastructure	93.4	126.8	86.9	43.2	23.9	17.1	8.7	7.5	7.8	8.6	424.0
Other:											
9.1 Furniture & Office Equipment	0.4	0.3	0.2	0.3	0.1	0.3	0.2	0.1	0.3	0.0	2.2
9.2 Service Planning	10.4	18.5	23.0	12.7	8.1	5.5	2.8	2.8	2.8	2.8	89.4
Subtotal - Infrastructure Related Programs	745.8	973.8	978.5	963.2	863.1	770.9	1,013.6	1,076.0	1,063.6	946.0	9,394.5
Vehicle Related Programs:											
4.11 Purchase of Buses	70.6	0.6	233.4	152.0	154.7	145.9					757.1
4.11 Purchase of Wheel Trans Buses	4.4	25.7	5.8	15.9							51.8
4.12 Purchase of Subway Cars	12.2	5.0	8.3	18.1	31.9	118.3	126.3	134.3	83.7	99.0	637.1
4.13 Bus Overhaul	51.8	37.0	51.6	83.0							223.4
4.15 Streetcar Overhaul	0.6	-	1.0	1.5	1.3	16.2	15.9				36.4
4.16 Subway Car Overhaul	31.2	32.4	34.8	30.2	10.0	20.0	20.0	1.5	25.7	47.2	253.0
4.18 Purchase of Streetcars	74.4	77.6	53.8	3.4	63.7	12.4	4.7				290.1
4.21 Purchase Non-Revenue Vehicles	8.5	10.7	6.3	6.3							31.8
4.22 Rail Non-Revenue Vehicle Overhauls	6.3	6.4	4.3	5.8	4.9	4.5	1.9				34.1
4.23 Purchase Rail Non-Revenue Vehicle	10.3	2.6	12.1	6.5							31.5
Subtotal - Vehicle Related Programs	270.3	198.0	411.4	322.7	266.4	317.3	168.8	135.8	109.4	146.3	2,346.4
TOTAL - BASE PROGRAM	1,016.1	1,171.8	1,389.9	1,285.9	1,129.5	1,088.2	1,182.5	1,211.8	1,173.0	1,092.3	11,740.9
Transit Expansion Programs:											
SRT Life Extension	20.8	19.6	13.2	4.1	4.1	3.3	2.8				68.0
Waterfront Transit	5.1	12.6	36.1								53.8
Toronto-York Spadina Subway Extension (TYSSE)	47.6	94.5	22.1	0.5							164.7
TOTAL - TRANSIT EXPANSION PROGRAM	73.5	126.7	71.4	4.6	4.1	3.3	2.8				286.4
TOTAL - BASE & TRANSIT EXPANSION PROGRAMS	1,089.6	1,298.6	1,461.3	1,290.5	1,133.5	1,091.5	1,185.3	1,211.8	1,173.0	1,092.3	12,027.4