



Financial Update for the Period Ended October 3, 2020 and Major Projects Update

Date: November 16, 2020
To: TTC Board
From: Chief Financial Officer

Summary

This report sets out operating and capital financial results for TTC Conventional and Wheel-Trans services for the nine-month period ended October 3, 2020 as well as projections to the end of December 31, 2020.

Financial Summary

COVID-19 Impact and Relief Funding

The COVID-19 pandemic has had a major financial impact on the TTC, which is expected to reach \$791.7 million by year-end, before accounting for cost containment savings and \$609.2 million afterwards and before the application provincial relief funding. The Federal-Provincial Safe Restart Agreement recognizes the financial burden of the pandemic and is designed to address financial pressures resulting from reduced revenue and new expenses resulting from COVID-19.

The Province has announced two phases of the funding agreement. Phase 1 – Immediate Relief (April-September 2020) is expected to provide up to \$404 million to the TTC for eligible COVID-19 financial impacts. The Phase 2 – Ongoing Support (October 2020-March 2021) allocation to Toronto is to be confirmed. In addition, the City of Toronto was advised in June 2020, that \$7.367 million will be allocated from the Province's new Transit Cleaning Fund for TTC costs. All amounts reported below are before the application of Provincial relief funding.

2020 Operating Results

To the end of Period 9, the TTC Conventional Service's 2020 Operating Budget is \$437.9 million net over budget, offset by \$33.0 million net under-expenditure for Wheel-Trans service resulting in a total unfavourable variance of \$404.9 million.

By year-end, the TTC Conventional Service's unfavourable variance is expected to reach \$650.4 million. The Wheel-Trans Service is expected to achieve a \$41.2 million net under-expenditure by year-end, resulting in a combined \$609.2 million unfavourable variance as summarized in the following table.

All amounts in this report are prior to the application of eligible Provincial funding for COVID-19 impacts and cleaning costs.

Description (\$Millions)	Year-To-Date (9 Months)			Year-End Projection		
	Actual	Budget	Variance	Projection	Budget	Variance
TTC Conventional						
Gross Expenditures	1,390.9	1,500.8	(109.9)	1,867.8	1,987.2	(119.4)
Operating Revenue	458.4	1,006.2	(547.8)	574.8	1,344.6	(769.8)
TTC Net (City Funding)	932.5	494.6	437.9	1,293.0	642.6	650.4

Wheel-Trans						
Gross Expenditures	81.4	118.2	(36.8)	110.2	156.5	(46.3)
Revenue	3.2	7.0	(3.8)	4.1	9.2	(5.1)
WT Net (City Funding)	78.2	111.2	(33.0)	106.0	147.3	(41.2)

Total Net (City Funding)	1,010.7	605.8	404.9	1,399.0	789.9	609.2
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The unfavourable year-to-date results, are substantially due to the impact of COVID-19. Unfavourable COVID-19 impacts, primarily from the loss of passenger revenue and incremental response expenses totalled \$556.5 million to the end of Period 9. These were offset by COVID-19 related savings of \$78.1 million and a further \$73.4 million in savings as a result of management actions, as summarized in the following table.

City Funding Year-to-Date Variance as of October 3			
Item (\$Millions)	TTC		TOTAL
	Conventional	Wheel-Trans	
Year-To-Date COVID Impact, before cost containment	552.1	4.3	556.5
COVID Direct Impact & Reduced Service levels	(48.0)	(30.1)	(78.1)
Net COVID-19 Impact, after Direct Impacts	504.1	(25.8)	478.4
Management Actions & Other Savings	(66.2)	(7.2)	(73.4)
City Funding Year-To-Date Variance	437.9	(33.0)	404.9

Given the significant financial impact from COVID-19 on TTC revenues and added response costs, the City has provided emergency operating funding to offset the gap between planned expenditures and revenues.

Estimated Results to Year-End, Comparison to Previous Projection

As presented to the Board at its September meeting, the *COVID-19: Restart and Recovery Update* report reflected a projected net financial impact to year-end of \$589.5 million, before the application of Provincial Gas Tax funding. The estimated financial impact to year-end is now \$609.2 million. This reflects an increased shortfall of \$19.7 million and is due to a \$46 million reduction in the passenger revenue projection. The previous forecast, prior to the recent resurgence in cases was based on ridership revenue reaching an average of 45% of budget in the fall and is now forecast to average 33% of budget for the remainder of the year. This unfavourable change has been partially offset by additional cost savings associated with the reduction in the ridership projection including lower PRESTO commissions and Wheel-Trans contract taxi costs. In addition, the forecast for incremental COVID-19 costs has been reduced by \$7.6 million.

The revised projected savings from cost containment initiatives are more than previously projected by \$30.5 million. The overachievement of savings is partially attributed to lower PRESTO commissions given the expected reduction in passenger revenue and lower Wheel-Trans contract taxi costs.

2020 Capital Results

Description (\$ Millions)	2020 Budget	Year-to-Date Actuals		Year-End Projection	
		\$	%	\$	%
TTC Base Capital	1,016.1	571.4	56.2%	913.0	89.9%
TTC Transit Expansion	76.6	43.6	56.9%	68.6	89.6%
Total	1,092.7	614.9	56.3%	981.6	89.8%

At the end of Period 9, total base capital expenditures were \$571.4 million, representing a spending rate of 56.2% of the 2020 Approved Capital Budget. Transit Expansion expenditures were \$43.6 million with 56.9% of the 2020 Approved Capital Budget being spent. Combined, a total of \$614.9 million was spent as to the end of Period 9, representing a 56.3% spending rate. These results reflect the \$208.1 million reduction in the 2020 Capital Budget approved at the May 13, 2020 Board meeting to account for capital project delivery delays due to COVID-19.

By year-end, TTC base capital expenditures are projected at \$913.0 million or 89.9% of the 2020 Approved Capital Budget. In addition, it is expected that the TTC will also incur \$68.6 million in expenditures by year end for transit expansion initiatives reflecting 89.6% of the 2020 approved capital funding being spent for these projects. In sum, TTC is projecting to spend 89.8% of its 2020 Approved Capital Budget.

Any unspent 2020 capital funding, which is currently projected to be \$111.1 million, will be carried forward into 2021 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. TTC's Easier Access Program is underway to make all subway stations accessible by 2025 with elevators, wide fare-gates and automatic sliding doors. With reduced ridership demands due to COVID-19, TTC is accelerating Easier Access construction activities.

Decision History

At its meeting on December 16, 2019, the TTC Board approved the 2020-2029 TTC Capital Budget and Plan of \$7.696 billion in funding with \$1.077 billion in 2020 cash flow.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2019/December 16/Reports/Decisions/2 TTC 15 Year Capital Investment Plan and 2020 2029 Capital .pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2019/December%2016/Reports/Decisions/2%20TTC%2015%20Year%20Capital%20Investment%20Plan%20and%202020%202029%20Capital%20.pdf)

At its meeting on December 16, 2019, the TTC Board approved the 2020 Operating Budgets of \$1,987.2 million gross and \$642.6 million net for TTC Conventional Service and \$156.5 million gross and \$147.2 million net for Wheel Trans Service and a 2020 total year-end workforce complement of 16,167 positions.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2019/December 16/Reports/1 2020 TTC and Wheel Trans Operating Budgets.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2019/December%2016/Reports/1%202020%20TTC%20and%20Wheel%20Trans%20Operating%20Budgets.pdf)

At its meeting on January 27, 2020, the TTC Board approved the amended 2020-2029 Capital Budget and Plan of \$11.924 billion, which included \$4.23 billion in net new funding made available through the dedicated City Building Fund and one-time Federal Gas Tax.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2020/January 27/Reports/Decisions/10 TTCs 2020 2029 Key Capital Investment Priorities Subway I.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2020/January%2027/Reports/Decisions/10%20TTCs%202020%202029%20Key%20Capital%20Investment%20Priorities%20Subway%20I.pdf)

At its meeting on February 19, 2020, City Council approved the 2020 Operating Budgets and 2020 – 2029 Capital Budget and Plan.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.EX13.2>

At its meeting on May 13, 2020, the TTC Board approved 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 to reflect delays in capital project delivery due to COVID-19.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2020/May 13/Reports/Decisions/5 Preliminary COVID 19 Financial Impacts for the TTC Decision.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2020/May%2013/Reports/Decisions/5%20Preliminary%20COVID%2019%20Financial%20Impacts%20for%20the%20TTC%20Decision.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 for estimated year-end spending projections.

Key revenue indicators include TTC and Wheel-Trans ridership and average fare, which impact the \$1.246 billion TTC fare revenue budget. Key cost drivers for TTC include the price of fuel and electric power that affect a combined fuel and utilities budget of \$175.8 million. The final, and most significant, driver on expenses relates to service hours, which impacts labour expenses (\$1.105 billion), non-labour expenses (\$240 million) such as parts and maintenance, as well as fuel and utility consumption.

The table below details the TTC's key operating indicators which are discussed below.

Item	Year-To-Date Actuals			Year-End Projection			Status
	Actual	Budget	Variance	Projection	Budget	Variance	
TTC Ridership	182.0M	402.0M	(220.0M)	225.4M	533.5M	(308.1M)	✘
TTC Average Fare	2.35	2.34	0.01	2.27	2.34	(0.07)	✘
TTC Regular Scheduled Service Hours	7.038M	7.422M	(0.384M)	9.021M	9.582M	(0.561M)	✘
Price of Fuel (\$/litre)	0.874	0.998	(0.124)	0.873	1.001	(0.128)	✔
Price of Electric Power (\$/kWh)	0.150	0.151	(0.001)	0.153	0.153	0.000	⊖
WT Passengers	1.37M	3.18M	(1.81M)	1.82M	4.21M	(2.39M)	✘

Ridership

At the peak of the COVID-19 pandemic impact, ridership levels fell to 14% of budgeted levels. With gradual recovery through the summer, ridership reached 39% of budget at end end of August. With the resurgence of COVID-19 cases in the fall, ridership has dropped to 35% of budgeted levels in October and is expected to average 33% of budget for the balance of the year. Overall, for the full year of 2020, ridership will is projected to average just 42% of the full year budget, leading to the significant financial impacts detailed in this report.

Service Hours

Relative to the decline in ridership, year-to-date and full year, regular scheduled service hours are only modestly below budget, with 95% of budgeted service hours scheduled year to date. This reflects regular scheduled service hours being essentially on budget early in the year, before the implementation of the demand-responsive service plan which has resulted in TTC operating approximately 85% of budgeted service hours through the Summer. Over the course of the Fall, all laid off operators will be recalled.

Bus operators are being dispatched immediately to meet service demand on key bus routes. All bus operators will be scheduled for regular service by early 2021.

Financial Update – Operating

Due to the impact of COVID-19, TTC lost the majority of its ridership revenue and is currently projecting to incur \$31.5 million in incremental expenses by year-end. The loss of ridership revenue peaked at 86% and is the largest driver of the TTC's unfavourable variance for 2020.

Year-to-Date Results

On a year to date basis, COVID-19 impacts have totaled \$556.5 million, before the implementation of a cost containment strategy and other savings which combined have saved \$151.5 million to date, with \$78.1 million resulting from COVID-19 direct impacts and reduced service levels and \$73.4 million from management actions. Emergency funding from the City has been required to fund the balance as summarized in the table below:

Period 9 Year-To-Date Results			
Item (\$Millions)	TTC		TOTAL
	Conventional	Wheel-Trans	
Revenue Losses			
Passenger Revenue	509.3	3.8	513.1
March & April Pass Credit	12.6		12.6
Ancillary Revenue	10.1	-	10.1
Incremental Expenses - COVID-19	20.2	0.5	20.7
Year-To-Date COVID-19 Impact, before cost containment	552.1	4.3	556.5
COVID-19 Direct Impact & Reduced Service levels	(48.0)	(30.1)	(78.1)
Net COVID-19 Impact, after Direct Impacts	504.1	(25.8)	478.4
Management Actions & Other Savings	(66.2)	(7.2)	(73.4)
City Funding Year-To-Date Variance	437.9	(33.0)	404.9

Year-End Projection

The net variance for the TTC Conventional service is expected to be approximately \$650.4 million, by year-end. These amounts are after the application of the cost containment strategy and other savings but before the application of any Provincial COVID-19 funding. These projections reflect ridership levels approximating an average of 33% of budget for the last quarter of the year, which is substantially consistent with current ridership levels, but lower than the previous fall ridership projection of an average of 45%.

As shown in the table on the next page, the Wheel Trans service financial results are expected to produce a comparatively small offset with favourable variances totaling \$41.2 million by year-end, resulting in a combined financial impact of \$609.2 million for the TTC in 2020.

The projected year-end financial impact, before the application of Provincial funding sources is \$19.7 million higher than the amount reported in the Period 6 Financial

Update to the Board.. This change is due to a \$46.7 million reduction in the passenger revenue projection, which was previously based on ridership reaching an average of 45% of budget through the Fall. This unfavourable change has been partially offset by additional cost savings associated with the reduction in the ridership projection including lower PRESTO commissions and Wheel-Trans contract taxi costs. In addition, the forecast for incremental COVID-19 costs has been reduced by \$7.6 million.

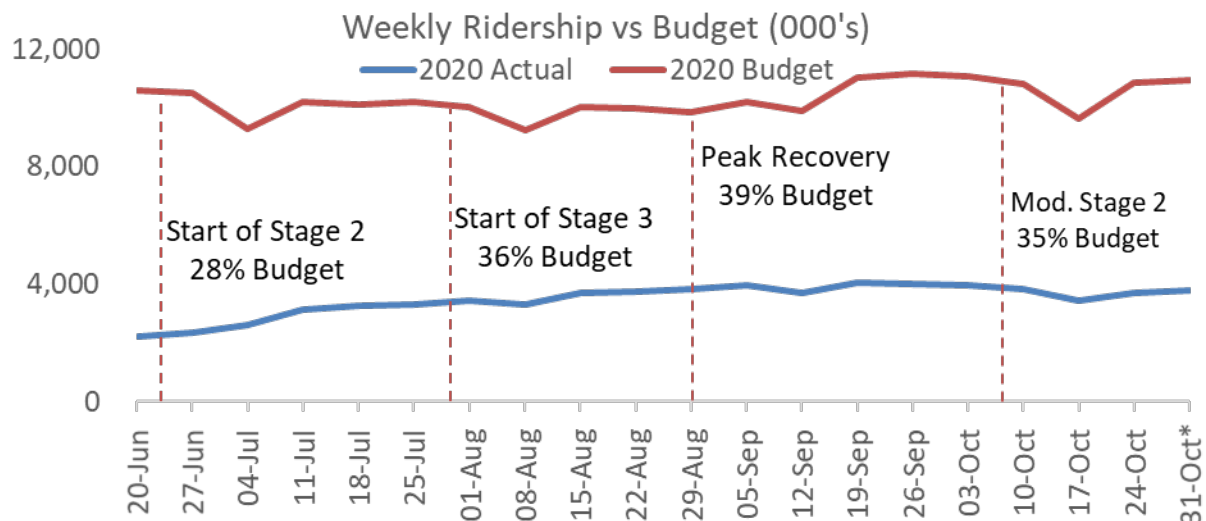
The drivers of the projected year-end net unfavourable variance are outlined in the table below and are described on the next page. It should be noted that, in the absence of TTC's cost containment strategy savings, the year-end unfavourable variance is anticipated to reach \$791.7 million.

TTC Year-End Funding Requirements				
Item (\$Millions)	TTC		TOTAL	
	Conventional	Wheel-Trans		
Revenue Losses				
Passenger Revenue Loss	718.4	5.1	723.4	
Monthly Pass Credits	12.6		12.6	
Ancillary Revenue	24.1		24.1	
Incremental Costs - COVID-19	30.7	0.8	31.5	
COVID-19 Impact, before cost containment	785.7	5.9	791.7	
COVID-19 Direct Impact & Reduced Service levels	(62.8)	(38.1)	(100.9)	
Net COVID-19 Impact, after Direct Savings	723.0	(32.1)	690.8	
Management Actions & Other Savings	(72.5)	(9.1)	(81.6)	
City Funding Projected Variance	650.4	(41.2)	609.2	

Revenue Impacts

Passenger Revenue Loss

Ridership losses peaked at 86% below budget in late April, with a gradual increase experienced as the economy reopened through the various stages of COVID recovery. As shown in the chart on the next page, ridership reached 28% of budgeted levels by the end of June and peaked at approximately 39% at the end of August following the move to Stage 3. With the move to modified Stage 2 in response to a resurgence of COVID cases, ridership has retracted from its peak to 35% of budget in October.



Due to the recent Ontario projection of 800-1200 daily cases going forward, further recoveries in ridership are not expected for the balance of the year. Furthermore, with ongoing COVID-19 restrictions, discretionary travel such as travel associated with holiday season social and sporting events is expected to be considerably lower than pre-COVID budget trends, resulting in forecasted revenue of ridership remaining at 33% of budgeted levels for the balance of the year.

Including pass refunds, TTC's COVID-19 TTC Conventional passenger revenue loss reached \$521.9 million to the end of Period 9 and based on forecasted ridership revenue trends continuing through the last quarter of 2020 at an average of 33%, losses are expected to reach \$731.0 million by year-end, with a further \$5.1 million attributable to Wheel-Trans. Every percentage point change in October to December ridership levels would improve the passenger revenue projection by approximately \$3 million.

Ancillary Revenue

A \$24.1 million loss, attributable to COVID-19 is anticipated by year-end for TTC's ancillary revenues with this being primarily driven by commuter parking and advertising revenue losses. Since the start of the pandemic, commuter parking revenue has been approximately 90% under budget. It is expected that commuter parking revenue will take longer to recover than passenger revenues. Lower rental income and reduced supplemental service recoveries are also contributing to the expected variance for ancillary revenue.

Incremental Expenses

Incremental response and recovery expenses are expected to total \$31.5 million to year-end. These estimates account for incremental expenses only and do not reflect costs of regular staff time dedicated to support COVID-19 activities. As a result, certain work is being deferred to redirect resources wherever possible and minimize incremental expenses being incurred. The components of the total estimated \$31.5 million are shown in the table on the next page.

INCREMENTAL RESPONSE AND RECOVERY EXPENSES	
Item (\$Millions)	TOTAL
Safety & Required Measures	
Personal Protective Equipment	7.2
Vehicle Disinfecting	9.5
Protective Operator Barriers	0.7
HVAC Filters	0.3
Facility Disinfecting, Decals and Other	3.3
COVID-19 Screening	1.5
Hand Sanitizer for Customers	1.4
Managing Resources	
Overtime (Critical response activities)	4.2
Operator Absence Coverage (mid to late March)	1.2
COVID-19 Ambassadors	1.6
IT & Business Continuity	0.5
Net Projected Full Year Financial Impact	31.5

Cost Containment Actions

With the onset of COVID-19 and the resultant financial impacts, the TTC implemented a cost containment strategy with savings to be realized through three broad actions:

- **Expenditure Constraint:** This includes a pause on the scheduled 2% staff salary increase, reductions in overtime spending, reduced PRESTO commissions and lower claim costs (health, dental & accidents). These initiatives are expected to achieve \$103.7 million by year-end as shown in the following table.

Expenditure Constraint		
Item (\$Millions)	Year-to-Date	Year-End
COVID-19 Direct Impact & Reduced Service levels	(25.5)	(35.6)
PRESTO Commissions	(22.2)	(31.7)
Diesel Price	(3.3)	(3.9)
Management Actions & Other Savings	(62.6)	(68.1)
Pause Non-union staff scheduled 2% increase	(3.0)	(4.5)
Eliminate Overtime except for COVID-19/critical activities (non-operators)	(10.8)	(13.3)
Cancel summer student/co-op recruitments	(4.6)	(5.0)
Dental/Para-medical claims	(14.3)	(14.3)
Diesel Price	(6.1)	(8.1)
Materials, Services & Contract Savings and Other	(15.2)	(12.8)
Accident Claim Payments	(8.6)	(10.1)
Total Savings	(88.1)	(103.7)

- **Matching Service Capacity to Demand:** These savings, expected to reach \$73.5 million by year end include:
 - \$37.3 million due to reduced Wheel-Trans contract taxi requirements
 - \$27.9 million attributable reduced TTC Conventional Service in the summer and early fall.
 - \$8.3 million savings related to other savings from the workforce realignment strategy.

- **Deferred Implementation of New Service Priorities:** Implementation of the new service priorities have been deferred, saving \$5.2 million.

Total savings of \$182.5 million for TTC Conventional and Wheel-Trans combined are anticipated to be realized by year-end: \$102.4 million in savings directly attributable to COVID impacts and reduced service levels and \$80.1 million in savings arising from management actions and other savings. The tables below summarize the savings resulting from the 3 broad actions of TTC's cost containment strategy, on both a year-to-date and projected full year basis.

Cost Containment Savings: Year-to-Date				
Item (\$Millions)	Expenditure Constraint	Matching Service Capacity to Demand	Deferred Implementation of New Service Priorities	TOTAL
COVID-19 Direct Impact & Reduced Service levels	(25.5)	(52.6)	-	(78.1)
Management Actions & Other Savings	(62.6)	(7.8)	(3.0)	(73.4)
Total Savings	(88.1)	(60.4)	(3.0)	(151.5)

Cost Containment Savings: Year-End Projection				
Item (\$Millions)	Expenditure Constraint	Matching Service Capacity to Demand	Deferred Implementation of New Service Priorities	TOTAL
COVID-19 Direct Impact & Reduced Service levels	(35.6)	(65.2)	-	(100.9)
Management Actions & Other Savings	(68.1)	(8.3)	(5.2)	(81.6)
Total Savings	(103.7)	(73.5)	(5.2)	(182.5)

October 3, 2020 Key Account Results and Projections to Year-End by Service

The following tables present TTC Conventional and Wheel-Trans year-to-date financial results and year-end projections separately for each service. Variance explanations for both year-to-date and year-end projections are consistent with the COVID-19 impacts discussed above in the previous section. In addition, a reduction in Eglinton supplemental service, which was not required, has also reduced the corresponding ancillary revenue.

TTC Conventional Service

2020 Operating Results, by Key Account Groupings

Item (\$Millions)	Year-To-Date Actuals			Year-End Projection			Status
	Actual	Budget	Variance	Projection	Budget	Variance	
Expenses							
Departmental Labour & Benefits	1,050.7	1,101.2	(50.5)	1,384.4	1,436.4	(52.0)	✓
Departmental Non-Labour	151.9	171.6	(19.7)	221.0	240.2	(19.2)	✓
Diesel	46.3	65.0	(18.7)	63.6	86.0	(22.4)	✓
Traction Power & Utilities	58.6	66.1	(7.5)	80.6	89.8	(9.2)	✓
PRESTO Commissions	17.8	40.2	(22.4)	22.6	53.9	(31.3)	✓
Other Corporate Costs	45.4	56.7	(11.3)	64.9	80.9	(16.0)	✓
COVID-19 Incremental Costs	20.2	0.0	20.2	30.7	0.0	30.7	✗
Total Expenses	1,390.9	1,500.8	(109.9)	1,867.8	1,987.2	(119.4)	✓
Revenues							
Passenger Revenue	426.8	939.1	(512.3)	524.9	1,246.2	(721.3)	✗
March & April Pass Credit	(12.6)	0.0	(12.6)	(12.6)	0.0	(12.6)	✗
Other Ancillary Revenue	44.2	67.1	(22.9)	53.2	89.1	(35.9)	✗
Reserve Draws	0.0	0.0	0.0	9.3	9.3	0.0	-
Total Revenue	458.4	1,006.2	(547.8)	574.8	1,344.6	(769.8)	✗
Net (Operating Funding)	932.5	494.6	437.9	1,293.0	642.6	650.4	✗

2020 vs 2019 Results Comparison

Item (\$Millions)	Period 9 (Year-To-Date)			Year-End		
	2020 Actuals	2019 Actuals	Change	2020 Projection	2019 Actuals	Change
Expenses						
Departmental Labour & Benefits	1050.7	1066.0	(15.3)	1,384.4	1,375.4	9.0
Departmental Non-Labour	151.9	154.6	(2.7)	221.0	227.1	(6.1)
Diesel	46.3	61.5	(15.2)	63.6	80.9	(17.3)
Traction Power & Utilities	58.6	62.3	(3.7)	80.6	84.7	(4.1)
PRESTO Commissions	17.8	34.3	(16.5)	22.6	45.5	(22.9)
Other Corporate Costs	45.4	52.2	(6.8)	64.9	90.8	(25.9)
COVID-19 Incremental Costs	20.2	0.0	20.2	30.7	0.0	30.7
Total Expenses	1,390.9	1,430.9	(40.0)	1,867.8	1,904.4	(36.6)
Revenues and Reserve Draws						
Passenger Revenue	426.8	896.5	(469.7)	524.9	1,183.8	(658.9)
March & April Pass Credit	(12.6)	0.0	(12.6)	(12.6)	0.0	(12.6)
Other Ancillary Revenue	44.2	48.8	(4.6)	53.2	76.8	(23.6)
Reserve Draws	0.0	0.0	0.0	9.3	22.7	(13.4)
Total Revenue	458.4	945.3	(486.9)	574.8	1,283.3	(708.5)
Net (Operating Funding)	932.5	485.6	446.9	1,293.0	621.1	671.9

Explanation of Year-Over-Year Changes

Expenses are expected to be \$36.6 million (1.9%) lower on a year-over-year basis. Key drivers of this net decrease include:

- Prior year one time charge for inventory obsolescence: \$22.5 million
- Lower PRESTO Commissions, due to lower ridership: \$22.9 million
- Lower Accident Claim payments: \$5 million
- Net decrease in diesel price and consumption: \$17.3 million

These year-over-year reductions are expected to be offset by:

- COVID-19 anticipated incremental costs: \$30.7 million

Revenues and Reserve Draws are expected to decrease by \$708.5 million (55.2%). The decrease is mostly attributable to the loss of ridership resulting from COVID-19 impacts.

Wheel-Trans Service

2020 Operating Results, by Key Account Groupings

Item (\$Millions)	Year-To-Date Actuals			Year-End Projection			Status
	Actual	Budget	Variance	Projection	Budget	Variance	
Expenses							
Bus Service	35.9	42.2	(6.3)	49.6	56.7	(7.1)	✓
Contracted Taxi	22.1	50.3	(28.2)	30.1	66.5	(36.4)	✓
Employee Benefits	13.3	14.2	(0.9)	16.2	17.4	(1.2)	✓
Administration/Management	10.1	11.5	(1.4)	14.2	15.8	(1.6)	✓
Total Expenses	81.4	118.2	(36.8)	110.1	156.4	(46.3)	✓
Passenger Revenues	3.2	7.0	(3.8)	4.1	9.2	(5.1)	✗
Net (Operating Subsidy)	78.2	111.2	(33.0)	106.0	147.2	(41.2)	✓

2020 vs 2019 Results Comparison

Item (\$Millions)	Period 9 (Year-To-Date)			Year-End		
	2020 Actuals	2019 Actuals	Change	2020 Projection	2019 Actuals	Change
Expenses						
Bus Service	35.9	38.9	(3.0)	49.6	52.2	(2.6)
Contracted Taxi	22.1	52.5	(30.4)	30.1	70.1	(40.0)
Employee Benefits	13.3	12.7	0.6	16.2	14.6	1.6
Administration/Management	10.1	11.0	(0.9)	14.2	14.6	(0.4)
Total Expenses	81.4	115.1	(33.7)	110.1	151.5	(41.4)
Passenger Revenues	3.2	6.9	(3.7)	4.1	9.0	(4.9)
Net (Operating Funding)	78.2	108.2	(30.0)	106.0	142.5	(36.5)

Explanation of Year-Over-Year Changes

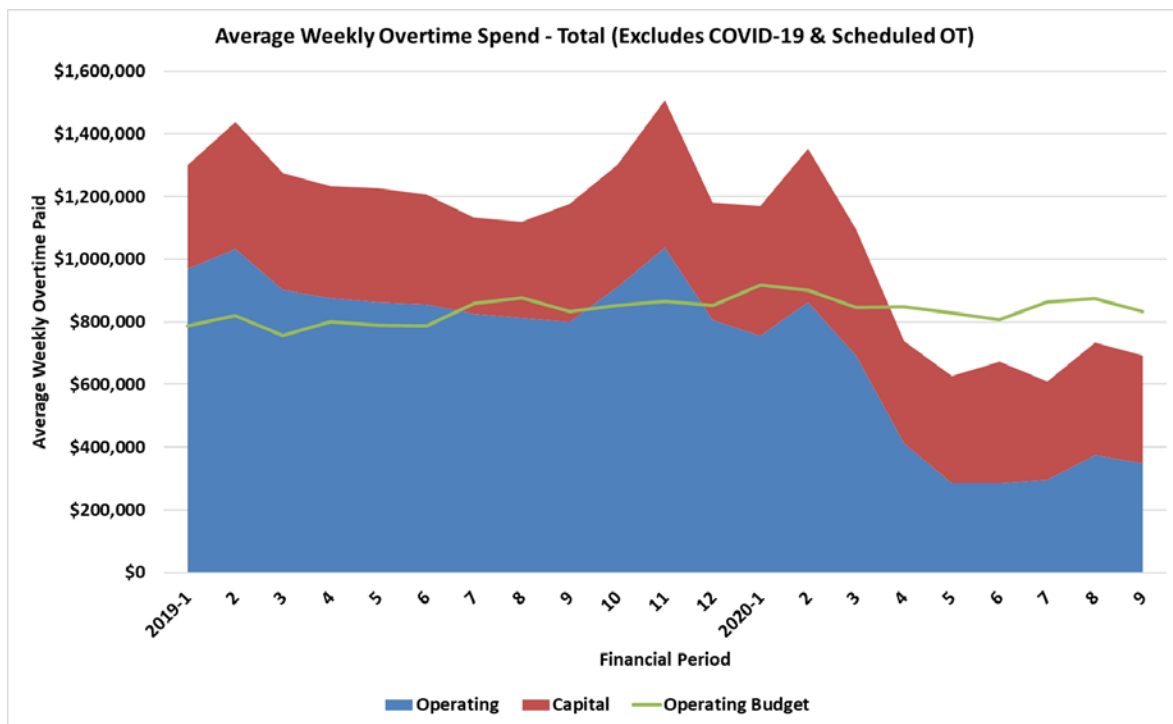
Expenses are expected to be \$41.4 million (27.3%) lower on a year-over-year basis, primarily due to a reduced requirement for contracted taxi services due to the COVID-19 related reduction in ridership demand and reduced fuel price and consumption.

Revenues are expected to decrease by \$4.9 million (53.9%) compared to 2019, due to the impact of COVID-19 on Wheel-Trans ridership demand.

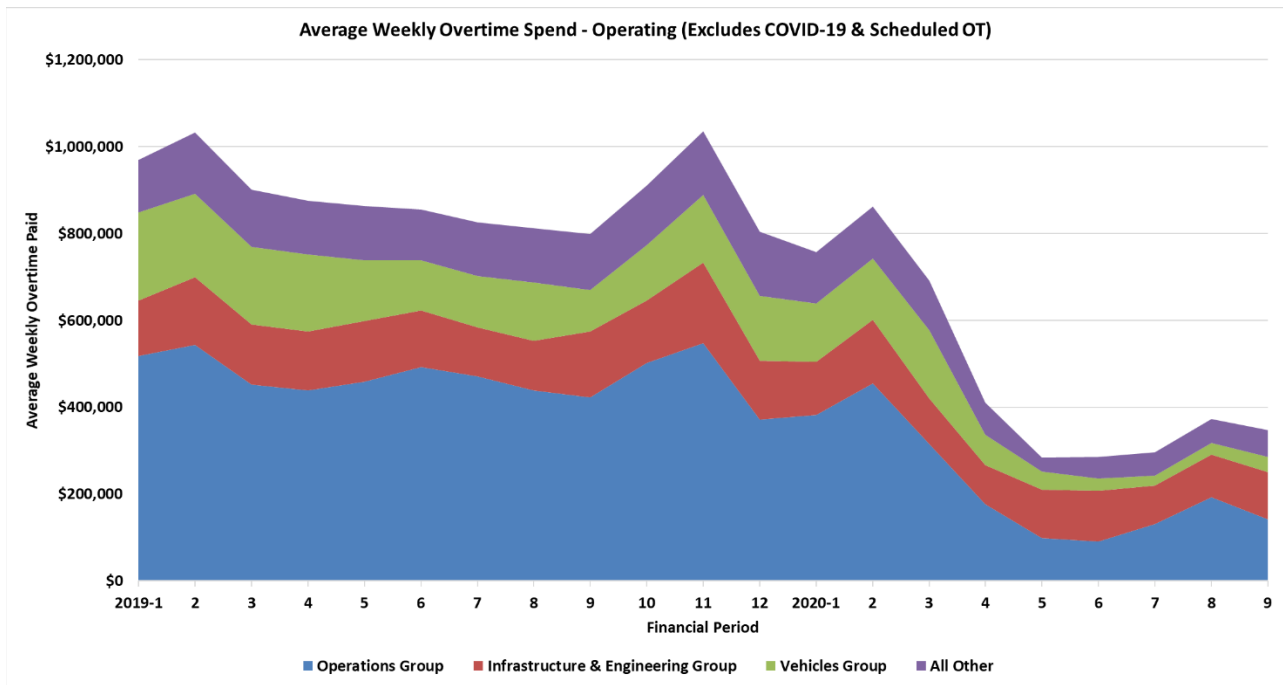
Overtime Management

A key element of the COVID-19 cost reduction strategy is the management of overtime expenses. Overtime expenditures are required to meet both operating and capital needs. Operating requirements are driven by the need to address incident response and absence coverage and capital needs relate to efforts to maximize productivity, while minimizing disruption during capital project delivery.

As shown in the graph below, excluding overtime required for TTC's COVID-19 response and scheduled service overtime, average weekly overtime spending (total combined) has been reduced by approximately 45%, from an average of \$1.3 million per week in 2019, to an average of \$0.7 million per week from April-September 2020. More recently, capital overtime has slightly increased. This increase was incurred specifically to achieve the advancement of additional unplanned subway state of good repair work.



The management of overtime has been a priority over the past two years. While there has been a general decline since 2018, cost containment efforts as part of TTC's COVID-19 response have resulted in approximately 50% decline in overtime for operating requirements as of the end of September as compared to February 2020. A substantial decline has been experienced across all operating groups and departments as shown in the graph below.



Overtime spending trends are actively being monitored by department. Opportunities to align other resources on regular time, through initiatives such as schedule adjustments are being actively pursued to mitigate overtime spending.

Financial Update – Capital

The TTC had incurred \$571.4 million in capital spending as of Oct 3, 2020 reflecting a spending rate of 56.2% for the TTC base capital program and \$43.6 million or 56.9% for transit expansion projects, resulting in an overall spending rate of 56.3% at the end of Period 9.

By year-end, the TTC is projecting \$981.6 million in overall capital spending, representing a 89.8% spending rate, split between the TTC's base capital program (\$913.0 million or 89.9%) and transit expansion projects (\$68.6 million or 89.6%).

TTC 2020 Capital Results

The following table summarizes year-to-date and projected year-end results by key project type:

Description (\$ Millions)	2020 Budget	Year-to-Date Actuals		Year-End Projection	
		\$	%	\$	%
TTC Base Capital					
Infrastructure Projects	745.6	423.2	56.8%	692.2	92.8%
Vehicle Related Projects	270.5	148.2	54.8%	220.8	81.6%
Total - Base Capital	1,016.1	571.4	56.2%	913.0	89.9%
TTC Transit Expansion					
Toronto York Spadina Subway Extension	50.7	31.0	61.2%	44.0	86.9%
Scarborough Subway Extension	20.8	11.7	56.1%	20.8	100.0%
Waterfront Transit - Design	5.1	0.9	17.7%	3.8	74.8%
Total - Transit Expansion	76.6	43.6	56.9%	68.6	89.6%

The noted results are based on TTC's adjusted 2020 Capital Budget based on the Board's approval of a \$208.1 million reduction at its May 13th meeting to account for capital project delivery delays due to the COVID-19 pandemic.

Key Highlights

The TTC's 2020 year-to-date and projected year-end capital results are primarily driven by the following key Infrastructure projects: Subway Track, ATC Resignalling, On-Grade Paving Rehabilitation, Easier Access – Phase III, McNicoll Bus Garage and Waterfront Transit projects.

For Vehicle Projects, the main drivers of these results are attributable to the Purchase of Buses and Streetcars, Streetcar Overhaul and the Purchase of Automotive Non-Revenue Vehicles capital projects.

Infrastructure Projects

Subway Track:

\$20.4 million or 107% of the 2020 Approved Capital Budget of \$19.2 million has been spent as of Period 9. Year-end spending is projected to be \$29.4 million or 153% of the 2020 Approved Capital Budget. Trackwork was accelerated through early access closures in addition to full closures in order to take advantage of reduced ridership due to COVID-19. Please note that an in year budget adjustment has been included as part of the Quarter 3 Variance reporting to City Council for their approval to provide sufficient budget authority for this accelerated work.

ATC Resignalling:

\$47 million or 74% of the 2020 Approved Capital Budget of \$63.7 million has been spent as of Period 9. Projected year-end spending is anticipated to be \$63.4 million or almost 100% of the 2020 Approved Capital Budget. Phase-5 Asbestos abatement has been completed with the exception of York Mills Center Track and Phase 5 construction is progressing well. Phase 3C testing and software development are on schedule for commissioning in Q4 2020. The project remains on schedule to achieve the phased commissioning milestones. ATC is in operation from Vaughan Metropolitan Centre to Queen Station. Phase 3 C high speed testing from Queen to Rosedale Station was completed in August and commissioning is on schedule by the end of this year.

On-Grade Paving Rehabilitation:

\$8.7 million or 122% of the 2020 Approved Capital Budget of \$7.1 million has been spent as of Period 9. Year-end spending is projected to be \$13.5 million or 188% of the 2020 Approved Capital Budget. The increased spending is expected as the non-essential work at Sheppard west station and Alliance Building On-Grade paving were not impacted by COVID-19 provincial shutdown as expected. Please note that an in year budget adjustment has been included as part of the Quarter 3 Variance reporting to City Council for its approval to provide sufficient budget authority for this accelerated work.

Easier Access – Phase III:

\$51 million or 78% of the 2020 Approved Capital Budget of \$65.2 million has been spent as of Period 9. Year-end spending is projected to be \$73.4 million or 113% of the 2020 Approved Capital Budget. Preliminary design for the Islington and Warden redevelopments and Museum Easier Access have been completed and are proceeding towards Stage Gate 3. The Dupont and Chester elevators are in service and the stations are now accessible. Construction for station accessibility is on-going at 9 stations. Program activity will continue to be monitored as appropriate. A budget adjustment to increase the authority is included in the Quarter 3 Variance reporting to City Council for approval to accommodate this accelerated work.

McNicoll Bus Garage:

\$35.2 million or 91% of the 2020 Approved Capital Budget of \$38.6 million has been spent as of Period 9. While the year-end spending indicates that the 2020 Approved Capital Budget is projected to be overspent (\$39.9 million or 103% of the 2020 Approved Capital Budget), the overall project remains on time and under budget. The contractor is correcting deficiencies and working toward de-mobilization from site. An in-year budget adjustment has been included as part of the Quarter 3 Variance reporting to City Council for their approval to provide additional budget authority to complete the remaining scope based on the projected year end expenditures.

Waterfront Transit:

\$0.9 million or 18% of the \$5.1 million approved for 2020 has been spent as of Period 9. Year-end spending is projected to be \$3.8 million or 75% of the 2020 Approved Capital Budget. Projected undespending is due to the procurement period for design services being extended, resulting in a later than planned award and deferred site investigations, which include geotechnical, utility and topographic surveys.

Vehicle Related Projects

Purchase of Buses:

\$54.3 million or 77% of the 2020 Approved Capital Budget of \$70.6 million has been spent as of Period 9. Year-end spending is projected to be \$67.4 million or 96% of the 2020 Approved Capital Budget. The TTC Post Delivery Inspection/Commissioning program is ongoing but progressing at a slower rate due to physical distancing restrictions put in place and having had to move mechanics to other garages to cover absenteeism earlier in the year.

Purchase of Streetcars:

\$25.5 million or 34% of the 2020 Approved Capital Budget of \$74.4 million has been spent as of Period 9. Projected year-end spending is anticipated to be \$53.2 million or 71% of the 2020 Approved Capital Budget. All 204 streetcars ordered have been delivered and commissioned for revenue service. The Major Repair Program is tracking behind schedule in Q3 2020 due to the impact of the COVID-19 pandemic which forced Bombardier Transportation's production facilities to temporarily shut down in late March 2020. Currently Bombardier Transportation is working on accelerating the program to be completed by the end of 2021.

Streetcar Overhaul:

\$1.2 million or 208% of the \$0.6 million approved for 2020 has been spent as of Period 9. Year-end spending is projected to be \$1.4 million or 257% of the 2020 Approved Capital Budget. Planning and coordination of the Low Floor streetcar overhaul is underway. The overhaul schedule has been revised to improve efficiencies and

address some of the noise related concerns that have been raised by residents. The pilot streetcar is planned to be complete in 2021. Please note that an in year budget adjustment has been included as part of the Quarter 3 Variance reporting to City Council for their approval to provide sufficient budget authority for this accelerated work.

Purchase of Automotive Non-Revenue Vehicles:

\$3.7 million or 43% of the 2020 Approved Capital Budget of \$8.5 million has been spent as of Period 9. Year-end spending is projected to reach \$10.3 million or 121% of the 2020 Approved Capital Budget to complete the delivery and upfitting of vehicles delivered for the contracts awarded in 2019, as well as planned work for 2020.

Additional information summarizing 2020 capital spending results for the period and year-end projections by program is provided in Appendix 1 – 2020 Capital Spending Summary by Program.

Major Capital 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 three 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.

The programs and projects referred to hereafter as projects, have been included in the dashboard due to their magnitude and/or strategic significance. This quarterly update highlights the performance of these projects against their approved budget, planned schedule and in scope activities.

Please see Appendix 2 for TTC's Category 3 Projects Capital Spending Dashboard which highlights capital performance for TTC's major capital projects and Appendix 3 for Category 3 Major Projects Update (as of Period 9) which provides an update on the Capital delivery performance for each major project within TTC's base capital and transit expansion program.

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Interim Chief Financial Officer

Attachments

Appendix 1 – 2020 Capital Spending Summary by Program
Appendix 2 – Category 3 Projects Capital Spending Dashboard (As of Period 9)
Appendix 3 – Category 3 Major Projects Update (As of Period 9)

Appendix 1 – 2020 Capital Spending Summary by Program

EXPENDITURES BY PROGRAM	2020 Budget	Year-to-Date			Year End		
		Actuals	Variance	%	Projection	Variance	%
TRACK	61.707	39.925	21.782	65%	65.587	(3.880)	106%
1.1 Subway Track	19.168	20.422	(1.254)	107%	29.368	(10.200)	153%
1.2 Surface Track	42.539	19.503	23.036	46%	36.219	6.320	85%
ELECTRICAL SYSTEMS	115.575	82.887	32.687	72%	118.174	(2.600)	102%
2.1 Traction Power	23.432	17.023	6.409	73%	24.802	(1.370)	106%
2.2 Power Distribution/Electric Systems	6.141	3.767	2.374	61%	6.697	(0.556)	109%
2.3 Communications	9.166	8.028	1.137	88%	12.551	(3.385)	137%
2.4 Signal Systems	13.136	7.044	6.092	54%	10.724	2.412	82%
ATC Resignalling	63.700	47.025	16.675	74%	63.400	0.300	100%
BUILDINGS & STRUCTURES	398.269	265.881	132.386	67%	396.592	1.676	100%
3.1 Finishes	12.892	9.102	3.790	71%	12.355	0.537	96%
3.2 Equipment	62.539	36.445	26.094	58%	53.776	8.763	86%
3.3 Yards & Roads							
Streetcar Network Upgrades & BRT	1.290	0.280	1.010	22%	0.668	0.622	52%
On-Grade Paving Rehabilitation Program	7.148	8.727	(1.579)	122%	13.452	(6.304)	188%
Bicycle parking at stations	0.665	0.012	0.653	2%	0.079	0.586	12%
Transit Shelters & Loops	0.457	0.000	0.457	0%	0.457	0.000	100%
3.4 Bridges & Tunnels	33.300	27.053	6.247	81%	38.246	(4.946)	115%
3.9 Buildings and Structures Projects							
Fire Ventilation Upgrades & Second Exits	11.462	6.165	5.297	54%	11.362	0.100	99%
Easier Access Phase III	65.198	51.039	14.159	78%	73.442	(8.244)	113%
Leslie Barns	1.732	0.696	1.036	40%	1.080	0.652	62%
Toronto Rocket/T1 Rail Yard Accommodation	38.759	24.025	14.734	62%	38.983	(0.224)	101%
McNicoll New Bus Garage	38.634	35.244	3.390	91%	39.921	(1.287)	103%
Warehouse Consolidation	2.730	1.650	1.080	60%	3.819	(1.089)	140%
Yonge-Bloor Capacity Enhancement	12.645	11.325	1.320	90%	12.884	(0.239)	102%
Other Buildings and Structures	108.818	54.118	54.700	50%	96.068	12.750	88%
VEHICLES	270.500	148.227	122.272	55%	220.847	49.653	82%
REVENUE VEHICLES							
4.11 Purchase of Buses	70.567	54.273	16.293	77%	67.424	3.142	96%
4.11 Purchase of Buses - Wheel Trans Buses	4.429	2.087	2.341	47%	4.129	0.300	93%
4.12 Purchase of Subway Cars	12.229	3.543	8.687	29%	7.184	5.045	59%
4.13 Bus Overhaul	51.943	32.886	19.057	63%	42.943	9.000	83%
4.15 Streetcar Overhaul	0.559	1.164	(0.605)	208%	1.437	(0.879)	257%
4.16 Subway Car Overhaul	31.194	21.576	9.618	69%	28.292	2.902	91%
4.18 Purchase of Streetcars	74.437	25.454	48.983	34%	53.174	21.263	71%
NON-REVENUE VEHICLES							
4.21 Purchase Automotive Non-Revenue Vehicles	8.497	3.658	4.839	43%	10.264	(1.767)	121%
4.22 Rail Non-Revenue Vehicle Overhaul	6.311	2.233	4.079	35%	3.403	2.909	54%
4.23 Purchase Rail Non-Revenue Vehicles	10.334	1.352	8.981	13%	2.597	7.737	25%
TOTAL OTHER	170.097	34.449	135.649	20%	111.831	58.267	66%
TOOLING, MACHINERY & EQUIPMENT							
5.1 Shop Equipment	8.018	2.129	5.890	27%	5.477	2.541	68%
5.2 Revenue & Fare Handling Equipment	6.415	0.841	5.574	13%	7.508	(1.093)	117%
5.3 Other Maintenance Equipment	4.441	0.296	4.145	7%	2.418	2.023	54%
5.4 Fare System	15.812	2.096	13.716	13%	3.312	12.500	21%
ENVIRONMENTAL PROGRAMS							
6.1 Environmental Programs	24.999	5.713	19.286	23%	20.576	4.423	82%
6.1 Safety and Reliability	1.023	0.245	0.778	24%	0.590	0.433	58%
COMPUTER EQUIPMENT & SOFTWARE							
7.1 Computer Equipment & Software	90.491	20.582	69.909	23%	54.622	35.869	60%
OTHER							
9.1 Furniture & Office Equipment	0.384	0.253	0.131	66%	0.374	0.010	97%
9.2 Service Planning	18.514	2.294	16.220	12%	16.953	1.561	92%
Total Base Programs	1,016.148	571.369	444.777	56%	913.030	103.116	90%
Toronto York Spadina Subway Extension	50.754	30.998	19.757	61%	44.039	6.715	87%
Scarborough Subway Extension	20.780	11.663	9.117	56%	20.780	0.000	100%
Waterfront Transit - Design	5.087	0.903	4.184	18%	3.806	1.281	75%
Total Transit Expansion Projects	76.621	43.564	33.058	57%	68.625	7.996	90%

Appendix 2

Category 3 Projects Capital Spending Dashboard

Projects/Programs	Critical Path	Cost (millions)										Schedule		Scope		Overall	
		2020 YTD		2020	2020	Approved	Actual		Projected		CS	OS	CS	OS	CS	OS	
		Budget	Actual	Approved	Forecast	Approved Budget	LTD	CS	EFC	OS							
Category 3																	
Automatic Train Control (ATC) "Line 1"	3	\$45.0	\$47.0	\$63.0	\$63.0	\$737.0	\$546.0	G	\$737.0	G	G	G	G	G	G	G	
Easier Access Phase III	4	\$45.0	\$51.0	\$65.2	\$73.4	\$837.1	\$366.9	Y	\$837.1	R	G	G	G	G	Y	R	
Fire Ventilation Upgrade & Second Exits	Safety	\$7.7	\$6.2	\$11.5	\$11.5	\$495.9	\$297.0	G	\$495.9	R	G	G	G	G	G	R	
McNicoll Bus Garage	3	\$32.3	\$35.2	\$38.6	\$39.9	\$179.0	\$157.9	G	\$179.0	G	G	G	G	G	G	G	
Toronto Rocket T1 Rail Yard (Subway Vehicles Facilities)	3	\$29.4	\$24.0	\$38.8	\$39.0	\$495.7	\$311.8	G	\$495.7	G	Y	G	G	G	Y	G	
Purchase of Buses	3	\$63.5	\$54.0	\$69.6	\$66.9	\$1204.9	\$769.3	G	\$1468.3	Y	G	Y	G	G	Y	Y	
E-bus Charging Systems	3	\$28.9	\$20.9	\$37.1	\$28.3	\$87.8	\$31.5	G	\$364.0	Y	Y	G	G	G	Y	Y	
Purchase of 204 New Streetcars	3	\$41.5	\$25.4	\$72.6	\$53.2	\$1194.4	\$1069.5	G	\$1194.4	G	Y	G	G	G	Y	G	
Wheels Trans 10-Year Transformation Program	4	\$7.4	\$7.9	\$8.9	\$9.5	\$49.8	\$25.2	G	\$49.8	Y	G	Y	G	Y	G	Y	
FARE COLLECTION / PRESTO	3	\$11.4	\$2.1	\$15.2	\$3.3	\$79.8	\$58.9	G	\$79.8	G	Y	Y	G	G	Y	Y	
Stations Transformation	4	\$8.4	\$5.1	\$12.7	\$9.4	\$50.8	\$21.1	R	\$50.8	G	Y	G	G	G	Y	G	
VISION Program (CAD/AVL)	3	\$11.1	\$5.6	\$24.3	\$18.5	\$114.7	\$74.9	G	\$114.7	G	G	G	G	G	G	G	
SAP ERP Implementation	5	\$11.2	\$5.0	\$24.5	\$8.7	\$272.8	\$74.9	R	\$272.8	G	G	G	G	G	G	G	
Total		\$342.8	\$289.3	\$481.9	\$424.5	\$5,799.7	\$3,805.0		\$6,339.4								

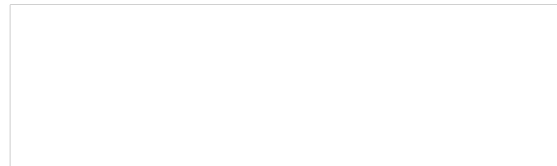


Total Base Capital Program (Category)

Cost (\$Millions)			
2020 Approved Budget	2020 YTD Actual	Approved Budget	Estimated Final Cost
\$342.8M	\$289.3M	\$5,799.7M	\$6,339.4M

Performance Scorecard Status

G	On Track to Meet Project Objectives
Y	At Risk of Not Meeting Project Objectives
R	Will Not Meet Project Objectives



EFC: Estimated Final Cost

LTD: Life to Date

CS: Current State

CT: Current Trend

OS: Outlook to Completion Status

Note:

- Financials are reported as of Period 9 including Carry Forward amounts from 2019 and reflect budget approvals as of February 19, 2020 (Council Approval) including Capital Reductions approved on May 13, 2020 (Board Approval). All other Project Performance Indicators (overall status, schedule and scope) reflect year-to-date results as of October 3, 2020.
- An in-year adjustment has been submitted to account for projected over spending, subject to council approval.

Appendix 3 – Category 3 Major Projects Update (As of Period 9)

AUTOMATIC TRAIN CONTROL (ATC) “LINE 1”

Project Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
2015	2023	\$737.0M	\$546.0	\$737.0M
Overall Performance		2020 YTD Budget	2020 YTD Actuals	2020 Approved Budget
Current Status	Outlook to Completion			
G	G	\$45.0M	\$47.0M	\$63.0M

Project Description:

Objective: To enable reliability and provide customers with increased on-time service and reduced travel time.

TTC is re-signaling Line 1 (Yonge-University-Spadina) to improve reliability and capacity. Benefits include real time central train control with precise train location data, automatic control of train speed and separation between trains which will allow 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 as well as the design, installation, testing & commissioning of ATC trainborne equipment in the Toronto Rocket fleet.

Project Update & Accomplishments:

- ATC is in operation from Vaughan Metropolitan Center to Queen station.
- Phase 3C (Queen to Rosedale) high speed testing was completed in August and commissioning is on schedule for Q4 2020.
- Completed 99% of Phase 4 (Rosedale to Eglinton) construction.
- Completed 27% of Phase 5 (Eglinton to Finch) construction.

Key Issues/Risks & Mitigation Plan:

- COVID-19 Impact:
 - Limited TTC and Contractor staff due to restrictions may impact design progress, testing and commissioning, construction activities and/or closures. Mitigation: Continue monitoring resources availability and potential impacts due to staff self-isolation.
 - Supply chain delays impacting construction activities: Construction impacted by material shortage delaying or postponing installation activities. Mitigation: Advance procurement for remaining material in the event of second wave of COVID-19. Supply chain issues are currently mitigated. Continue monitoring.
- Eglinton Crosstown LRT interface: The LRT project timeline is impacting design and implementation of the project. Mitigation: Conducted impact analysis based on potential completion dates of platform. Coordination with Metrolinx is ongoing.
- Closure cancellations continue to be a high risk for successful project completion. Mitigation: Prioritize and plan alternate closure weekends

Forecast Completion Year: In-service 2022

ATC Phases	Construction and Installation of ATC Assets	Testing	In Service Date	Status
Phase 1 (Yorkdale to Dupont)	100%	100%	Q4 2017	Completed
Phase 2 (VMC to Sheppard West)	100%	100%	Q4 2017	Completed
Phase 2B/2C (Wilson Yard Interface)	100%	100%	Q4 2018	Completed
Phase 3A (Dupont to St. Patrick)	100%	100%	Q2 2019	Completed
Phase 3B (St. Patrick to Queen)	100%	100%	Q1 2020	Completed
Phase 3C (Queen to Rosedale)	100%	88%	Q4 2020	On Schedule
Phase 4 (Rosedale to Eglinton)	99%	35%	Q4 2021	On Schedule
Phase 5 (Eglinton to Finch)	27%	0	Q3 2022	On Schedule

Note:

- This project is included under 2.4 Signal Systems as indicated in Appendix 1.

EASIER ACCESS III

Program Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
2007	2026	\$837.1M	\$366.9M	\$837.1M*
Overall Performance		2020 YTD Budget	2020 YTD Actuals	2020 Approved Budget
Current Status	Outlook to Completion			
Y	R	\$45.0M	\$51.0M	\$65.2M

Program Description:

Objective: To make all subway stations accessible and compliant with required legislation.

TTC's Easier Access Program will make all remaining subway stations accessible by providing elevators, wide fare gates, automatic sliding doors and signage improvements. Currently, 49 stations are accessible to people with disabilities. This Program also addresses a Legislated requirement to make all subway stations accessible by 2025 except as further noted below.

Note: Scarborough Rapid Transit (SRT) – Line 3 station locations are not part of the program as the SRT line will be replaced by the Scarborough Subway Extension.

Program Update & Accomplishments:

- Islington and Warden redevelopments and Museum Easier Access have completed preliminary design and are proceeding towards Stage Gate 3.
- The contracts for Donlands and College Stations - Easier Access combined with Second Exit/Entrance were awarded and now in construction phase.
- Wellesley, Dupont and Chester elevators are in service and stations are made accessible.
- Construction for station accessibility is on-going at 9 stations: Yorkdale, Runnymede, Wilson, Lansdowne, Bay, Keele, Sherbourne, Donlands and College Stations, all remaining stations are in the design phase.

Key Issues/Risks & Mitigation Plan:

- COVID-19: There may be an impact to the elevators in service dates due to availability of resources for stations in construction. Mitigation: Issue is being assessed and monitored accordingly. Continue to assess opportunities to recover potential schedule impacts.
- Warden and Islington Station accessibility: Magnitude and complexity of the station redevelopments may delay station accessibility. Mitigation: Advancing Passenger Pick Up and Drop Off and platform elevators for Warden. Investigating opportunities to advancing platform elevator through construction staging for Islington.
- 3rd Party Delays - Permits and Approvals, Utilities and Property: Stations delayed by 3rd party issues due to limited resources and competing priorities. Mitigation: Escalate permits and approval process. Planning utility work in advance; early property identification & expropriation.
- Design complexities: Installing elevators in existing stations presents larger amount of design complexities and construction challenges. Mitigation: Adding resources and assessing alternate design options.
- *Budget: The approved budget of \$837.1 million was based on a scope and a level of complexity which covered the majority of the stations. The revised estimated final cost is now \$1,080.7M and reflects further design development for remaining locations including Warden and Islington Station Redevelopments. The required additional funding will be

requested through the 2021-2030 budget process. Mitigation: Currently progressing the design of the remaining stations to Stage Gate 3, where the design will be at approx. 30% or beyond, which will allow for the development of a minimum Class 3 estimate. We will be progressively updating our estimates as we proceed through the stage gate process for the remaining locations.

Note:

- This project is included under 3.9 Building and Structures as indicated in Appendix 1.

FIRE VENTILATION UPGRADE

Program Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
1998	2028	\$495.9M	\$297.0M	\$495.9M*
Overall Performance		2020 YTD Budget	2020 YTD Actuals	2020 Approved Budget
Current Status	Outlook to Completion			
G	R	\$7.7M	\$6.2M	\$11.5M

Program Description:

Objective: To improve ventilation in subway tunnels, construct second exits at 14 high priority stations to provide second means of egress, and replace the existing subway ventilation equipment which are nearing the end of its service life or due to failure.

The Fire Ventilation Upgrade (FVU) Program is a fire and life safety initiative originating in 1998 and has been categorized as “State of Good Repair/Safety” consisting of three major elements: Subway Ventilation System Upgrades, Second Exit, and Subway Ventilation Equipment Replacement.

Program Update & Accomplishments:

- Donlands and College stations – Second Exit/Entrance combined with Easier Access: The contracts were awarded in August.
- Chester station – Second Exit/Entrance combined with Easier Access: Elevators were put in service.

Program Key Issues/Risks & Mitigation Plans:

- Property unavailable and/or acquisition takes longer than expected (Second Exit): Delay in proceeding at stations requiring property acquisition or development opportunities. Mitigation Plan: Establish a Public Consultation process and work closely with City Planning to identify development opportunities early.
- High complexity of 2nd Exit may cause activities to take longer than expected: 2nd Exit design and construction activities are highly complex and may require extra time and cost than anticipated. Mitigation Plan: Advance design work. Investigate potential partial or full station closures as fallback plan to reduce schedule impact. Request for additional funding may be identified as projects proceed through the stage gate process.
- 3rd Party Permits and Approvals: Obtaining permits and approvals for Second Exit projects are taking longer than anticipated impacting the contracts award timelines and burn rate/cash flow. Mitigation Plan: Discuss and obtain agreement with the City and Toronto Water on an expedited process for permit reviews and approval.
- Covid-19: Work is progressing as planned and no significantly reduced field activities are anticipated.
- Budget: TTC 2020-2029 Budget included unfunded amount of \$143.5M. There is an additional \$1.5B in estimated project costs Post 2029 included through the Capital Investment Plan.
- *EFC: The revised estimated final cost is now \$751.7M and reflects the next stage gate for various 2nd Exit locations and equipment replacements.

- All priority 2nd Exit locations are funded with the exception of Greenwood Station 2nd Exit (detailed design and construction) and Dundas Station 2nd Exit (design and construction).
- Kennedy Station Fire Ventilation Upgrade is unfunded.
- All future subway ventilation equipment replacement locations with the exception of Sheppard West Station are unfunded.
- Yearly Equipment refurbishments are funded.

The required additional funding will be requested through the 2021-2030 budget process.

Note:

- This Program is included under 3.9 Building and Structures as indicated in Appendix 1.

MCNICOLL BUS GARAGE

Project Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
2013	2020	\$179.0M	\$157.9M	\$179.0M
Overall Performance		2020 YTD Budget	2020 YTD Actuals	2020 Approved Budget
Current Status	Outlook to Completion			
G	G	\$32.3M	\$35.2M	\$38.6M

Project Description:

Objective: To improve the transit system and meet growing ridership demands.

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.

Project Update & Accomplishments:

- Overall project remains on time and under budget* within prior project approval by TTC and City of Toronto.
- Substantial Completion achieved and deficiency work ongoing.
- Operations managers have moved into the facility.
- Construction of the IT Network Fiber Backbone extension to McNicoll Bus Garage is underway; completion expected in Q1 2021. Bell fiber line is providing connectivity in the interim.

Key Issues/Risks & Mitigation Plan:

- None

Note:

- *EFC: Current approved Budget is \$179M. The revised estimated final cost is now \$169.0M and reflects anticipated project savings.
- This project is included under 3.9 Building and Structures as indicated in Appendix 1.

TORONTO ROCKET/T1 RAIL YARD ACCOMMODATION (SUBWAY VEHICLE FACILITIES)

Program Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
2010	2025	\$495.7M	\$311.8M	\$495.7M
Overall Performance		2020 YTD Budget	2020 YTD Actuals	2020 Approved Budget
Current Status	Outlook to Completion			
Y	G	\$28.9M	\$24.0M	\$38.8M

Program Description:

Objective: To increase subway train storage and maintenance capacity.

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.

Program Update & Accomplishments:

- Although some components of the program are tracking behind schedule, the overall program is tracking on time and on budget.
- Greenwood Track & Structures Building Renovation and Carhouse Pendant Retrofit - Correction of deficiencies is on-going.
- Contractor for “Greenwood Carhouse – Facility Pressure Washers, Heaters, and Lighting Upgrade” has successfully handed over Track 32/33 pressure washers to the carhouse and has commenced work at Track 31 for installation of heaters.
- Contractor for Wilson Carhouse Expansion has completed roofing, rough in for electrical/mechanical and installation of partitions for the office building expansion.
- Contractor for Wilson Yard Fencing and Miscellaneous Site Services continues with the installation of the infrastructure in support of the signaling of the Wilson Yard. This work is to assist TTC forces due to resource constraints resulting from other competing priorities.

Key Issues/Risks & Mitigation Plans:

- Various project-level issues such as site conditions, geotechnical investigations etc. are being managed to minimize the impact on the program schedule.

Note: This project is included under 3.9 Building and Structures as indicated in Appendix 1.

PURCHASE OF BUSES

Program Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
Ongoing	2034	\$1,204.9M	\$769.3M	\$1,468.3M
Overall Performance		2020 YTD Budget	2020 YTD Actuals	2020 Approved Budget
Current Status	Outlook to Completion			
Y	Y	\$63.5M	\$54.0M	\$69.6M

Project Description:

Objective: To a) replace old vehicles and grow our fleet to increase overall system capacity and reduce overcrowding; b) utilize vehicles which will be more accessible, more comfortable and more reliable; c) aid the City of Toronto in meeting its TransformTO target of an 80% reduction in greenhouse gas emissions by 2050 by adopting zero emission buses.

This ongoing program covers the procurement of buses according to the Green Bus Technology Plan approved by the Board in June 2018. The 2019 delivery plan includes 260 new buses, including 200 latest generation hybrid-electric buses and 60 zero-emissions battery electric buses (e-Bus).

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 a steady-state procurement of solely fossil fuel free/zero emissions buses in 2025 and a zero-emissions fleet by 2040.

Project Update & Accomplishments:

- 200 hybrid-electric buses: All hybrid electric buses are in service and are performing very well with a measured Mean Distance Between Failures (MDBF) of over 24,000 km.
- 60 eBuses: All 60 eBuses have been delivered with 51 available for service. The first BYD eBus entered revenue service on September 8, 2020. As of October 3, all eBuses have accumulated over 750,000 km of mileage, with a range of 207 km to 226 km for NewFlyer and Proterra.
- Head to Head testing: The head to head testing of the 3 eBuses commenced in late August 2020. One component of the testing includes an on-road simulation of a loaded bus while measuring the distance travelled and energy consumption.
- Next phase of bus procurement: The TTC issued an RFI to the market for electric and hybrid buses. Information sessions were held in July 2020 with the vendors to inform the next procurement. A Request for Proposal (RFP) for hybrid electric buses is under development and is planned for release in Q4 2020 for bus deliveries commencing in 2022. The eBus RFP is planned for release in Q2 2021 for bus deliveries commencing in 2023.

Key Issues/Risks & Mitigation Plans:

60 eBuses:

- COVID-19 has had an impact on commissioning activities and production rate of commissioning activities is slower due to the need for physical distancing. Action Plan: Review availability of technicians with Bus Maintenance. All eBuses are expected to be ready for service by Oct. 2020.
- Improve percentage of eBus availability. Action Plan: Meet with vendors weekly to review repairs and report on availability daily. Improvement campaigns affecting eBus reliability

have been completed as of August 31 and will improve availability. Fleet availability has improved from 50% to over 80%.

Next phase of bus procurement:

- Program funding: The current ongoing program of bus procurements for 2020-2029 is approximately 1/3 funded.

Note: At the October 22, 2020 Board meeting, the Board approved the procurement of approximately 300 hybrid-electric buses for delivery between 2022 and 2023. In addition, staff to report back to the Board in Q2 of 2021 with the first year test results of the eBus head-to-head evaluation and the resulting technical requirements for the supply and delivery of approximately 300 all-electric long-range buses commencing in 2023 through 2025.

e-BUS CHARGING SYSTEMS

Project Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
2016	2034	\$87.8M	\$31.5M	\$364.0M
Overall Performance		2020 YTD Budget	2020 YTD Actuals	2020 Approved Budget
Current Status	Outlook to Completion			
Y	Y	\$28.9M	\$20.9M	\$37.1M

Project Description:

Objective:

This project covers the construction of the charging infrastructure to support the operation of electric buses according to the Green Bus Technology Plan approved by the Board in November 2017.

Project Update & Accomplishments:

- Completed the charger and dispenser installations at all 3 locations (Arrow Road, Eglinton and Mt. Dennis Garage).
- The Battery Energy Storage System (BESS) work at all 3 locations is approximately 90% complete (expected completion in October 2020).
- The natural gas Back-up Generator at Arrow Road Garage has been substantially complete (expected completion in December 2020).
- A Letter of Intent (LOI) was signed by TTC and OPG on July 31, 2020. This LOI establishes roles and responsibilities for preliminary work to be completed (feasibility studies at each garage) and also outlines the framework for a Master Agreement for the future design, build, operations, and maintenance of all on-site charging infrastructure.
- Working with eBus consulting firm to advance the full fleet electrification feasibility study.

Key Issues/Risks & Mitigation Plans:

- Toronto Hydro (TH) Feed to properties: Toronto Hydro requires design and construction work to provide 10MW power to each property. Action Plan: Engage with TH to ensure adequate power supply is at site prior to full garage electrification.
- Permanent natural gas connection (Enbridge): Schedule slippage by Enbridge to install permanent connection. Action Plan: Continue to work closely with Enbridge to stay on schedule.
- Charging technology advances: Charging system topology may improve system reliability, footprint, and reduce cost. Mitigation: Conduct market scan to identify and assess emerging technologies.

Note:

- At the October 22, 2020 Board meeting, the Board requested staff to continue working with Toronto Hydro Electrical Supply Ltd and Ontario Power Generation and report back to the TTC Board in Q1 of 2021 with a draft agreement(s) for the delivery of the required bus, Wheel-Trans, and non-revenue vehicle charging infrastructure to enable achievement of the TTC's target for a fossil-fuel-free/zero-emissions fleet by 2040.
- This project is included under 3.2 Equipment Program.

PURCHASE OF 204 NEW STREETCARS

Project Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
2009	2023	\$1,194.4M	\$1,069.5M	\$1,194.4M
Overall Performance		2020 YTD Budget	2020 YTD Actuals	2020 Approved Budget
Current Status	Outlook to Completion			
Y	G	\$41.5M	\$25.4M	\$72.6M

Project Description:

Objective: To: a) replace legacy vehicles and grow our fleet to increase overall system capacity and reduce overcrowding; b) utilize vehicles which will be more accessible, and more reliable.

This program 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.

Project Update & Accomplishments:

- All 204 streetcars ordered have been delivered and commissioned for revenue service.
- Bombardier and TTC staff are focused on the next steps of this project including completion of all outstanding vehicle modification programs, addressing warranty items and strengthening the inventory supply chain.
- In May, the TTC utilized the service reduction related to COVID-19 as an opportunity to accelerate welds repairs and maintenance activities. As of October 3, 2020, 10 cars have been re-commissioned as part of the Major Repair Program (MRP). Further acceleration of the MRP program is currently being reviewed with Bombardier.
- In September, a Mean Distance between Failures of 49,035km (12 month rolling average) was achieved (contractual target – 35,000 km). TTC continues to work closely with Bombardier and have developed various vehicle modification programs which continue to be refined as more operational data becomes available.

Key Issues/Risks & Mitigation Plans:

- Outstanding technical issues are impacting maintenance operations (i.e. demand on resources and track space). Action Plan: Determine a resolution through root cause analysis and implementation of modifications programs
- Risk that all modification/warranty work will not be completed by the end of 2021. Response Plan: Meet with Bombardier regularly to plan outstanding work. Continue planning to perform outstanding modifications during the MRP program; ramp-up of work is expected to commence in November 2020.
- COVID-19 Impact:
 - Delays or stoppage of the delivery and manufacturing of sub-supplier spare parts due to the COVID-19 pandemic. Mitigation: Bombardier and TTC are meeting daily to focus on critical parts to ensure minimal impact to operations and develop a recovery plan; sub-supplier support has improved since the onset of the pandemic.
 - Bombardier's Thunder Bay and La Pocatière facilities were shut down from late March to early May and have since resumed production. Mitigation: TTC continues to work closely with Bombardier to recover from these delays through the acceleration of the MRP program.

Note: At the October 22, 2020 Board meeting, the Board approved a contract change with Bombardier Transportation Canada Inc. for the supply of 13 additional streetcars at an estimated cost of \$140 million, inclusive of all taxes and project delivery costs.

WHEEL-TRANS 10-YEAR TRANSFORMATION PROGRAM

Program Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
2017	2026	\$49.8M	\$25.2M	\$49.8M
Overall Performance		2020 YTD Budget	2020 YTD Actuals	2020 Approved Budget
Current Status	Outlook to Completion			
G	Y	\$7.4M	\$7.9M	\$8.9M

Project Description:

Objective: To support the new service delivery model which integrates Wheel-Trans customers into the conventional network.

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

Project Update & Accomplishments:

- Scheduling & Dispatch project: Mobile App Pilot Wave 2 - Advisory Committee on Accessible Transit (ACAT) and 3 (WT Customers) underway, Phase 3 first release testing underway.
- Customer Relationship Management: Self Serve Portal Phase 1 will go live following demonstration to the Board on Oct 22nd. This will provide customers the ability to register/re-register online without need to send in paper applications through the mail.
- Contact Centre Review: Contract signed with Telus post Board approval. On track and working with Telus to meet target launch date of Nov 15th.
- 7m ProMaster Bus: Vehicle received on Sep 15th, deficiencies were identified and addressed by the Vendor. The pilot vehicle is expected to be placed in service in early November to obtain feedback from customers.
- Family of Services: Final draft of FOS Handbook with ACAT for review.
- Access Hubs: 15 of 16 sites in service, remaining 1 pending power activation.
- Communications: a) Circulating first draft of Access Newsletter for review by ACAT and management, b) Developing instructional videos: Eligibility Self-Serve Portal complete and FOS on hold until Spring 2021 due to COVID-19, c) Sent e-blast to WT customers regarding receiving electronic copies of Access Newsletter.

Key Issues/Risks & Mitigation Plans:

- Risk: ITS Scheduling & Dispatch Project Phases 5-8 at Stage Gate 0/1. Action: Proposing to commence a full assessment (deliverables and technology capabilities) and preparation of an RFP.
- Risk: Conditional Trip Matching and Re-registration delayed due to COVID-19. Action: Customer surveys, along with guidance from Toronto Public Health, will inform the timing of a move to Conditional Trip Matching. This will be evaluated in Q1 2021.

Note:

This project is included under 3.9 Building and Structures as indicated in Appendix 1.

FARE COLLECTION / PRESTO

Project Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
2012	2021	\$79.8M	\$58.9M	\$79.8M
Overall Performance		2020 YTD Budget	2020 YTD Actuals	2020 Approved Budget
Current Status	Outlook to Completion			
Y	Y	\$11.4M	\$2.1M	\$15.2M

Project Description:

Objective: To implement a holistic approach to fare enforcement to enable us to a) measure fare compliance system-wide, across buses, streetcars and stations; b) extend the use of Automatic Passenger Counting technology on buses and streetcars to provide accurate measurement of boardings compared to fares paid.

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 farecard system, 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.

Project Update & Accomplishments:

- Service Plan for PRESTO maintenance adjusted based on Toronto Public Health (TPH) guidelines to address COVID-19 Pandemic. Continually monitoring and adjusting.
- The distribution of refund for March and April passes, due to the pandemic, has commenced and will extend into Nov 2020. Approximately 70% of the passes are picked up by customers. Continue to monitor.
- Negotiations with Metrolinx regarding the settlement of outstanding claims was effectively concluded and provided to the Board in September 2020. Detailed negotiations with Metrolinx continue to finalize the details of the settlement agreement which are expected to be concluded by the end of the year.

Key Issues/Risks & Mitigation Plan:

- Open Payment availability: Customer unable to pay a fare using debit / credit on PRESTO card reader. The settlement agreement between TTC and Metrolinx will resolve this issue.
- System Performance and Device Availability: PRESTO card readers and vending machines continue to perform below expectations, resulting in PRESTO devices being unavailable for customer use and increased lost revenues. Metrolinx continues to apply enhancements and updates to the PRESTO card readers and vending machines. Detailed negotiations continue on service level agreements for the PRESTO system as part of the overall TTC-Metrolinx settlement.
- Wheel-Trans Sedan invoice reimbursement: Invoice reimbursement to taxi companies for payment device installations issue was escalated and is being discussed with Metrolinx senior management. Metrolinx agreed to reimburse Sedan Taxi companies for reader installations and is currently in progress.

Note:

- This project is included under 5.4 Fare System as indicated in Appendix 1.

- Faregate program is not included in this up-date.
- Approved budget and completion year adjusted to reflect approval to end of 10-year envelope. An additional \$47 million is included as an unfunded amount for fare collection capital work to address the collection of cash on surface vehicles and other long term fare collection items outside of the PRESTO implementation activities.

STATIONS TRANSFORMATION

Project Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
2017	2024	\$50.8M	\$21.2M	\$50.8M
Overall Performance		2020 YTD Budget	2020 YTD Actuals	2020 Approved Budget
Current Status	Outlook to Completion			
Y	Y	\$8.4M	\$5.1M	\$12.7M

Project Description:

Objective: To enhance the customer experience by introducing Customer Service Agents (CSA) and infrastructure improvements which will result in increased safety and security of TTC stations, employees and customers.

Stations Transformation involves the modernization of how we staff our stations, our communications infrastructure and our business processes. 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), Public Announcement system (PA) and CCTV cameras) will result in increased safety and security of TTC stations, employees and customers. This project supports the One Person Train Operation (OPTO) and a part of this project is interdependent with PRESTO/Fare Policy.

Project Update & Accomplishments:

- Overall final completion date of all program components by Q4 2024 remains on track.
- Four out of six hubs constructed and operational.
- All Collectors transitioned to crash gate crews - interim stage to full CSA rollout.
- CCTV monitors at all main fare lines.

Key Issues/Risks & Mitigation Plans:

- Transition to full CSA model delayed and is on hold pending the development of a five-year fare policy and ten-year fare collection outlook with a defined 'Stop Accepting' date by Strategy and Customer Experience.
- Pilot for Stations electronic key system has been assigned to ITS and to be included in the Enterprise Security RFP to ensure a fully integrated and secure system.
- Potential delay in the completion of communications infrastructure (e.g. PAI, PA, camera upgrades, etc.) due to One Person Train Operation (OPTO) (some project resources being reassigned to OPTO). Work is being strategically aligned to adversely mitigate project impact.

Note: This program is included under 3.9 Building and Structures as indicated in Appendix 1.

VISION (CAD/AVL)

Project Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
2016	2021	\$114.7M	\$74.9M	\$114.7M
Overall Performance		2020 YTD Budget	2020 YTD Actuals	2020 Approved Budget
Current Status	Outlook to Completion			
G	G	\$11.1M	\$5.6M	\$24.3M

Project Description:

Objective: Implement VISION (Vehicle Information System and Integrated Operations Network) to a) modernize the backbone of how the TTC tracks, manages and communicates with any one of our 2,000 buses and streetcars on the streets at any moment; b) provide better information for scheduling and planning; c) provide better real-time information to provide operators and customers during their trip; d) provide more efficient Transit Signal Priority to keep TTC vehicles moving; and e) provide more efficient yard management and crew sign-ups.

This modernization initiative 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, stop announcements, 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.

Project Update & Accomplishments:

- VISION Installed on 144 of 204 LFLRV's as of Oct 3, 2020.

Key Issues/Risks & Mitigation Plan:

- Delay in the award of Horizontal Boring Contract: Delay in the award of the contract has delayed the schedule. Action Plan: RFP has closed for Eglinton, Birchmount and Arrow. RFP for remaining garages and carhouses in progress.
- Delay in the design and implementation of Smart Yard has impacted schedule. Clever Devices delays in the delivery of the Yard Management Central System software have resulted in schedule delays. Escalated with Clever Devices and reviewing departments. Installations proceeding at garages with approved designs and focused effort on completing all inside installations across all garages and carhouses. Installations at Leslie Barns completed and handed over to vendor for commissioning.
- COVID-19: physical distancing requirements may impact installation activities involving Yard Management: External and internal work has resumed at all garages. Mitigation: Proceeding with indoor and external work with reduced crews ensuring that public health and safety directives for physical distancing are being observed. Impacts are being continually assessed.

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

SAP ENTERPRISE RESOURCE PLANNING PROJECT

Project Start	Forecast Completion Year	Approved Budget	Spend to Date	Estimated Final Cost
2015	2025	\$272.8M	\$74.9M	\$272.8M
Overall Performance		2020 YTD Budget	2020 YTD Actuals	2020 Approved Budget
Current Status	Outlook to Completion			
G	G	\$11.2M	\$5.0M	\$24.5M

Project Description:

Objective: To implement an industry-standard enterprise software solution that modernizes our core systems and aligns with the City of Toronto's SAP Roadmap.

SAP Phase 2: implement SAP business processes for Finance Accounts Payable (Release 1), Accounts Receivable and Costing Solution and the implementation of the Time, Attendance and Workforce Scheduling system; a new Learning Management System and an Employee Engagement platform; launch of the Employee Mobile App to provide another channel of communications focused on frontline staff.

SAP Phase 3: transforming the Materials and Procurement business processes to a modern SAP platform as well as Asset Accounting. Benefits include replacement of legacy systems and modernizing business processes using SAP standard processes.

Project Update & Accomplishments:

SAP Projects - Phase 2

- Initiated the Time, Attendance and Workforce Scheduling RFP proposal evaluation (RFP Closed Sept. 28th)
- Accounts Payable Release 1: Completed Go-live Sept 21st.
- Learning Management: Completed 100% of User Acceptance Testing 100% and initiated production cutover.
- Accounts Receivable/Job Based Cost System: Completed 90% of Business Requirements. Draft solution design in progress with proof of concept to model future financial model for costing
- Employee Mobile App: Final planning and walkthroughs in progress for November employee launch

SAP Projects - Phase 3

- Materials and Procurement: Documented draft inventory of 75% of as-is business processes. Future solution planning in progress to map to SAP product offerings.
- Employee Engagement Surveys Platform: Deferred to 2021 due to resource availability for COVID-19.

Key Issues/Risks & Mitigation Plan:

- No major risks or issues identified.

Note:

- The EFC represents the total SAP program cost with the future phases.
- This project is included under 7.1 Computer Equipment & Software as indicated in Appendix 1.
- Approved budget and completion year adjusted to reflect approval to end of 10-year envelope.
- Approval for funding is required to deliver the program from 2021-2029.